The effect of Customer Relationship Management on Customer Satisfaction with Health Facilities in Tanzania

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Abstract:- **This study general objective was to assess effect of CRM on customer satisfaction with health facilities in Tanzania. The study had employed correlation analysis to analyze the relationship between independent and dependent variables. Analysis found the strong and significant relationship between interaction management and customers' satisfaction. The study had revealed that customers' relationship management (CRM) has a positive impact on customer's satisfaction. The study wishes to provide the following recommendation: Hospitals and related health facilities should integrate customers' relationship management (CRM) with other systems so as to ease storage, access, retrieve and use of clients' information at any time when needed. This will avoid disturbances to clients and ensure fast serving and delivery of reliable solutions to support customer satisfaction.**

Keywords:- Health Facilities Customer Relationship Management and Satisfaction.

I. INTRODUCTION

The most important side in health facility system is to apply CRM the in between healthcare services and customers. In the future CRM will have impact on the commercial viewpoint health (Haji khan, 2016) because patients are observed as the main customers of hospital to receive quality health services right. It is important to introduce CRM with health facilities system to lower the dissatisfaction vent between health services provided and patients as the major customers. The presence of good relationship between patients and healthcare employees behavior it can maintain and retain a number of loyal customers, winning customer trust, patient satisfaction, and healthcare provider interaction with patients in decision making (Mohamed, 2020).

The failure to use CRM in most of health facility give result of patient dissatisfactions and leads to a distrust of employee's behavior, interaction management and relationship development. (Hajikhan, 2016).

The perception of CRM process is from western economy by originally after the emerging of markets share with a total contribution of 16% to the global economy. Majority of the medium and large companies have started to implement CRM successfully, with mixed results, and others are unsuccessful (Yaghoubi *et, al.,* 2021).

Despite the significance of customer relationship management in enhancing customer satisfaction and business performance, a study by Garder (2001) reports that 50% of CRM programs fail to meet customer and business expectations. In the same Banga *et al.,* (2013) recorded 47% failure rates of customer relationship management strategies. Further, Azzam (2014) stated that globally, only 50% of health facility business with sales turnover of more than US$ 1 million practicing customer relationship management and only 55% of these business do not practicing significantly CRM programs on business performance. The arguments raise questions on the true value of CRM in enhancing customer satisfaction and if the circumstantial factors affect the benefits associated with customer relationship management (CRM).

In Tanzania health facility business, like any business sector, has to be highly competitive in order to be able to do well in the business environment, therefore, it is important for it to encourage behavioral patterns of continuous re-purchase and hence retain customers last longer. Thus, it is evident that such ambitious aims can only be achieved through implementing CRM, which will result in establishing fruitful relationship between organizations and their customers (Assabil *et al.,* 2011).

Moreover, employee's behavior, relationship development and interaction management are independent factors which strongly urge on CRM has to be a useful mechanism to enhance customer satisfaction (Yaghoubi *et, al.,* 2021). CRM is considered as one of the most effective marketing strategy to develop the customers' base that, in turn, will enhancing profitability and customer's loyalty (Kangu, 2017).

The failure of CRM direct will lead to the patient dissatisfactions, distrust patient feelings with in the health facility, and jeopardize sustainability of health services business s in the future (Mohamed, 2020). The role of CRM has been proved by more than 80% of a health facility business turn on patients as the major customers (Shahid, 2019). CRM have positive effects in many health facilities, such as increasing the patient's satisfaction and building loyalty.

II. REVIEW OF PREVIOUS STUDIES

Shahid (2019) did a study with the objective of assessing the challenges facing the implementation of CRM to met client's satisfaction at hospitals of Middle-East of Pakistan. The study was qualitative and it involved analysis of literature reviews of secondary information from books, articles, journals papers, reports and online sources. The findings of the study indicated that challenges preventing CRM system integration including a lack of coordination and cooperation of inter-organizational information sharing, commitment and motivation of higher authorities and lack of resources with health facility. The research concludes that there is a potential of health information system integrating CRM to overcome functional and structural barrier. This study also recommending health facility system integration to include promoting of employees behaviors, interaction management, and relationship development system and culture of inter-organizational cooperation and coordination, sensitizing decision-makers about the benefits of CRM integrated systems and increase awareness on customer satisfaction and promote health education for the sustainability of the health facility business in the competitive market.

Chatterjee, Giri, Paul and Bag (2019) carried a study to identify and analyze the various factors which affect the patient satisfaction in a positive manner by the implementation of CRM technology in the private hospitals of West Bengal in India. Both primary as well as secondary data was used in this study. Primary data was collected through a structured questionnaire using a 5 point Likert scale. 289 responses were catalogued. The study was limited to the state of West Bengal, India. Exploratory Factor Analysis (EFA) through SPSS Software and Structural Equation Modeling (SEM) through AMOS Software were used as statistical tools. It was found out that several factors like service quality; maintenance of patient's data, organizational culture as well as employee's behavior through the usage of CRM technology has a very deep impact on patient satisfaction. Patient satisfaction, in turn helps the hospital to develop a strong relationship with the patients in the long run, which further results in patient loyalty and patient retentions.

Yaghoubi, Asgari and Javadi (2019) did a study with the objective of surveying CRM influence against dependent variable of satisfying customers, maintaining customer loyalty and keeping customer trust with health facilities. It is found that the use of CRM diversification have the highest impact on the effect of customer satisfaction. The study suggested the introduction of CRM system in the health facility in order to improve strategies of acquiring information about patients like other customers, attracting new customers and keeping them also communication with patients outside the health facility to ensure the patient satisfactions.

Hajikhani, Tabibi and Leila Riahi (2016) carried a study with the aim of investigating the relationship between CRM and patients' satisfaction. This study was conducted among

healthcare providers and the patients from selected health facilities in 2014. Result signify that there was a significant relationship between customer's satisfaction and the CRM system. This study concluded that CRM is important system to influence improvement on patients' satisfaction services. The CRM as a process activate health facility performance on relationship development and interaction management within health service offered.

A study of Chiguvi, Madondo and Dube (2019) in Zimbabwe had the objective the respondent's familiarity with the knowledge and importance of customer relationship management in the local government health facilities. The research approach and judgmental sampling were used to collect data from twenty one local government health facilities in Zimbabwe. The findings from this study suggested that customer relationship management forms a powerful strategy that government health facility authorities should apply to manage long-term relationships with their key stakeholder's patients as their main customers. The author concluded that the government health facilities should establish and maintain long lasting relationships with their in/out patients customers, in order to win in the competitive health sector and attract investment.

Weru (2016) conducted a study establish the usefulness of CRM practices as a marketing strategy in Imperial Health Sciences (IHS) Kenya. This case study research design in order to undertake a comprehensive and go thorough examination of how health facility can utilize CRM approach of offering services in the market. The results showed that implementations of various CRM practices that address specific customer needs and ensure its competitiveness. The implemented CRM strategies are meant to make the health facility company more customers centric and friendly so as to meet customer needs. Customer satisfaction through the current CRM strategies in health facility was positive. Although health facility needs to significantly invest in personalization and customization of its customer needs as well as embrace new CRM technologies in the market. This will not only give health facility a competitive edge in the health sector industry but also increase its' clients loyalty which is key for referrals as marketing strategy to new and potential clients.

A study by Rahiminik and Shamsadini (2014) how CRM relates with customers satisfaction using a case of Kenya's Samsung products established that the real mission of the organization, understanding the needs and demands of the customers and provide solutions that would be in customer satisfaction. Naturally, the need to establish a strategy to manage these relationships well is felt. Therefore, one of the factors considered by managers is the customer relationship management.

Mwangi (2020) conducted a study on how CRM influence the performance of classified accommodation facilities in the Kenya Coast region. The study was anchored on three theories: Resource based view, knowledge based view and dynamic capabilities based view. This study utilized a descriptive research design with cross-sectional sample

survey approach. A questionnaire with structured-undisguised questions was used for data setting. The study's target population comprised of 36 classified accommodation facilities out of which 33 classified facilities were included in the sample. The study employed various statistical tools which included descriptive statistical analysis, correlation analysis, and multiple regression analysis and moderated multiple regressions for data analysis. The results showed that each aspect of the CRM has a positive and important impact on the performance of classified accommodation facilities. The results also indicated that there is moderating effect of the organizational size on the relationship between CRM dimensions and performance. Based on the findings, the CRM measurements have a major effect on the efficiency of classified accommodation facilities regardless of their size.

Kwelukilwa (2019) conducted a study with the objective of testing the influence of CRM on customer satisfaction of restaurants in Dodoma City in Tanzania. The sample size comprised 120 respondents. Data collection methods included interview, questionnaire and documentary review. Data was analyzed using descriptive and inferential statistics which involved correlation analysis. The multiple regressions were used to find the relationship between Customer Relations Management (CRM) and customer's satisfactions. The study found that customers are satisfied by best and effective practices of customer relations management such as good employee's behavior towards customers, relationship development between employees and customers" as well as interactions management. On the influence of CRM on customers" satisfaction, the results from multiple regression conducted in this study has revealed a positive relationship between different components of customer relations management and customers" satisfaction. Independent components such as employees behavior, relationship development and interaction management have been proved to be a determinant of customers" satisfaction, and their relationship is significant. The study concludes that in practicing CRM components such as employee behavior, relationship development and interaction management have great influences in customer satisfaction. Therefore, the study recommends that management should encourage the CRM procedures on solving customer problems or complaints and regular feedback directly to customers in return they can foster customer satisfaction.
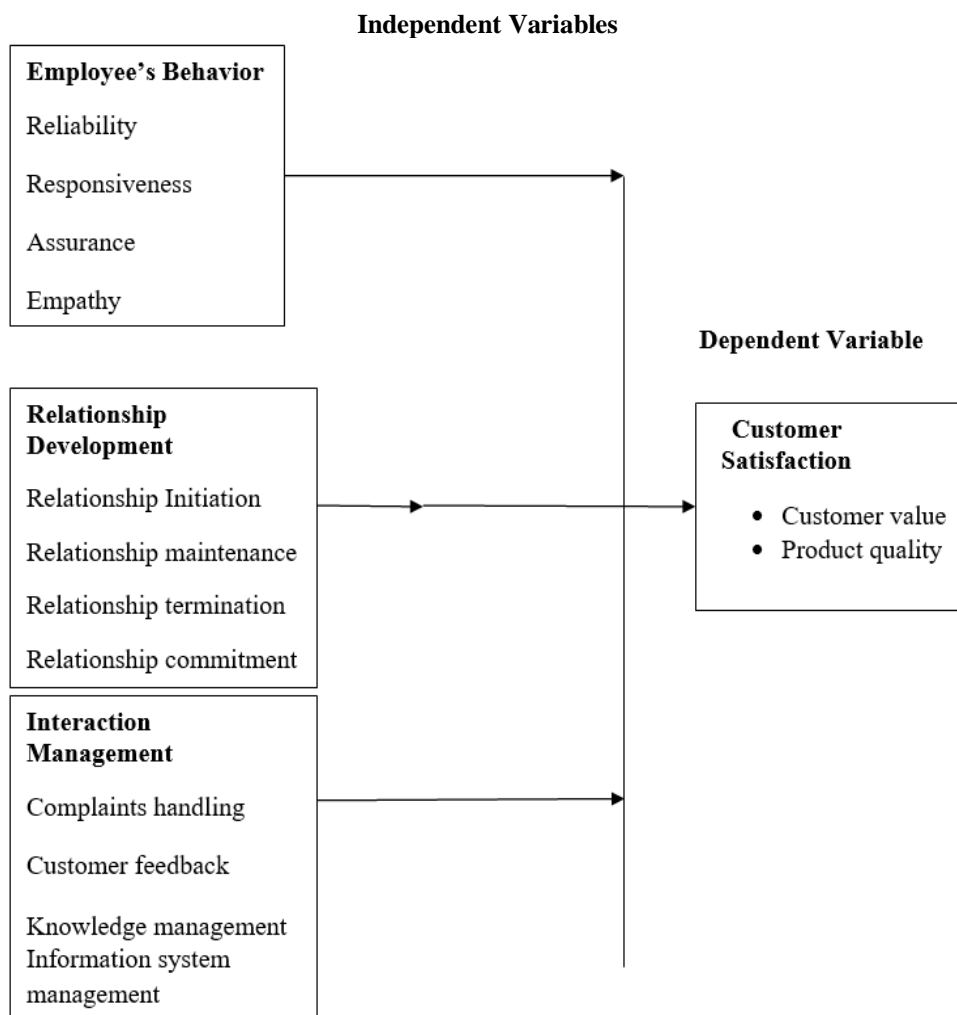
III. CONCEPTUAL FRAMEWORK

Fig 2.1: **Conceptual Framework**
Sources: Adopted from Long *et al.,* (2013), Azzam (2014) and Chowdhury (2015)

IV. RESEARCH METHODOLOGY

➢ *Research Design*

The present study made use of case study research design. Also, the study used survey strategy. The survey strategy helps researchers to gather standardized data from large group of population economically, allow simple judgment and it is easy to understand and explain (Saunders *et al.,* 2012). Population refers to the group of interest can be mankind, things and events of interest that the researcher want to conduct a study (Gill and Johnson, (2010). The population of the study were the patients (customers) attended by 9 hospitals available in Kigoma region. Currently, there are 9 hospitals which attend at least 200 patients everyday in Kigoma region and thus the total population of the study is 1800 patients attended by healthcare facilities (Hospitals). The study employed convenience sampling technique to obtain the number of patients attended to participate in the study. The respondents are selected according to their ease-of-access Convenience sampling was used because it is a quick, easiest method, cost effective and near proximity advantageous to the researcher (Gill and Johnson, (2010). This technique approached the out patients (OPD) and asks for permission for their time to responding to the questions by filling questionnaire. It was free will of respondents time depending on the convenience period of the respondents to fill the questionnaires.

➢ *Sample size*

Sample size is the specific number of targeted respondents selected to participate in the study from the total interested population. It depends on the population size, population heterogeneity and accuracy needed neither the sample is subdivided or not availability of resources (Gill and Johnson, 2010). The Sample can be defined as a collection of some parts of the interest population on the bases of the researcher judgment made prior to make data collection convenient and should be small or large enough to create true representative of the total population which is selected (Saunders et al., 2012). The sample size of this study is calculated by using the Yamane (1967) formula. The total population of patients in Kigoma hospitals (N) is 1800 and 0.05 significant levels (e). Therefore;

$N = N/ (1+N. (e^2))$
$N = 1800 / (1+ (1800*(0.05)^{2)} = 327$

Therefore, the sample size of this study involved 327 patients who have been attended by hospitals from Kigoma region.

➢ *Methods of Data Collection*

The study collected data by using a self-structured questionnaire to collect primary data. This self-questionnaire forms are a papers with 10 questions to be answered by interested respondents in the target area which were 9 health facilities in Kigoma region.   This questionnaires were distributed to respondents who were interested to participate in this study and given enough time to tick the answers and return the same day to researcher. The questionnaires method was quick and cost effective, confidential method while ensures that all respondents are asked exactly the same questions and have ample time to respond all the questions. The other advantages of questionnaires method is fast in capturing answers and it is easy to transfer data to different research software tools (Saunders et al., 2012).

➢ *Data analysis*

Data collected were entered in SPSS software version 22, comprehensive inspection was done to check for data which are missing, incompleteness and data entry errors. Thereafter, data were analyzed by using descriptive statistics. Quantitative data analysis involved descriptive statistics to determine the values of frequency, percentages, means scores values and standard deviations and inferential statistics involved correlation analysis using Pearson correlation values (r) at P<0.05. The assessment determine the correlation between the correlation interaction management, relation management, employees' behavior against customers' satisfaction. This study for inferential statistics Pearson correlation decision point ranged of different dimensions from -1 to +1, the range of -1 to 0 signify a negative correlations and the range of 0 to +1 signify a positive correlations while the range between -1 to -0.5 means a strong negative correlation and between -0.5 to 0 indicates a weak negative correlation of variables. While a range between 0 to +0.5 means a weak positive correlation and between +0.5 to +1 signify a strong positive correlation between variables. (Churchill, Brown and Suter, 2010).

Table A: Pearson correlation between customer satisfaction and relationship development, interaction management, employees' behavior.

	1	2	3	4
1. The combined variables of customers' satisfaction	1			
2. The combined variables of employees' behavior	.605*	1		
3. The combined variables of interaction management	.716*	.633*	1	
4. The combined variables of relationship development	.691*	.706*	.715*	1

*   The o significant value of correlation at the 0.01 level (2-tailed)

Source: SPSS correlation result output, 2021

From the results table of Pearson analysis it shows that there is a strong and significant correlation between customer satisfaction and employees' behavior and the value of correlation coefficient is (r=0.605, P<0.01). It is clear that employees are the engines of the organizations. The human aspect of the organizations such as hospitals is very crucial at physical interaction with patients. Patients need to see the doctors and nurses who are knowledgeable and sympathetic

when it comes to attending their problems and offer professional solutions (Chatterjee, 2019). The findings are similar to that of Chivugi et, al., (2019) who insisted much on employees of hospitals (doctors, nurses and attendants) to be consistent to ensure reliable services are rendered to patients all the time.

Also, the results of Pearson analysis indicate presence of strong and significant correlation between customers' satisfaction and interaction management and the value of correlation coefficient is (r=0.716, P<0.01). The results mean that hospitals have been smart from point of reception of clients, services points until departure of clients. The organizations must be in a position to self-evaluate regularly so as to note any deviation that must be curbed accordingly and thus maintaining its working standards (Mohamed, 2020).

On the other hand, the results of Pearson analysis indicate that there is a strong and significant relationship between relationship development and customers' satisfaction and the value of correlation coefficient is (r=0.691, P<0.01). This is a crucial aspect that must be seriously looked upon. The findings imply that hospitals have able to establish a strong bond, trust and confidence to its clients. The relationship starts from reception up to the CRM which will maintain the relationship with clients through storage of client's personal information which will be used any time when the client accesses the hospitals and also when the hospital seeks to share important information to clients. The findings concur with the theory of commitment which posits that organizations normally strive to build a strong trust and confidence in the minds of customers and thus ensure there is a well established and unquestionable customers' satisfaction.

V. CONCLUSION

The results revealed that specific research objectives To examine the effect of employees behavior on customer satisfaction in health facilities in Tanzania To investigate the effect of relationship development on customer satisfaction in health facilities in Tanzania To determine the effect of interaction management on customer satisfaction in health facilities in Tanzania.

The value of correlation coefficient was (r=0.605, P<0.01). It is clear that employees are the engines of the organizations. The human aspect of the organizations such as hospitals is very crucial at physical interaction with patients. Patients need to see the doctors and nurses who are knowledgeable and sympathetic when it comes to attending their problems and offer professional solutions (Chatterjee, 2019). The findings are similar to that of Chivugi et, al., (2019) who insisted much on employees of hospitals (doctors, nurses and attendants) to be consistent to ensure reliable services are rendered to patients all the time.

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