

Original Research Article

Antecedents of Customer Satisfaction and Customer Retention in Outspan Hospital in Nyeri County, Kenya

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Abstract: The rate at which private hospitals are failing to satisfy and retain their customers is becoming a concern for hospital managers. Customer satisfaction and retention issues have affected most private hospitals leading to customer defection. For organizations to have a competitive edge over their competitors, they need to focus on customer satisfaction and retention to reduce customer defections. The general objective of the study was to evaluate the antecedents of satisfaction and retention of customers in Outspan Hospital in Nyeri County, Kenya. The study was guided by the Service Quality Gap Model. The study used a descriptive research design. 70 respondents acting as heads and deputies of the various departments of Outspan Hospital consisted of the target population. A census method was used hence the assumption of 70 respondents as the sample size. Structured questionnaires were used to collect data. Inferential statistics which included variance, and regression analysis were used to measure the existence of a relationship between the independent variables, and the dependent variables. The study findings established that three independent variables namely; service design, system usage, and customer switching cost were significantly associated with customer satisfaction and retention in Outspan hospital. Therefore, the management of Outspan Hospital should enhance customer satisfaction and retention based on key study recommendations. These recommendations include; improving the external appearance of the institution, focusing on improving complaints handling programs, improving utilization of self-service technology (SST), and retaining customers through switching barriers that provide customers with superior customer value.

Keywords: Customer retention, customer satisfaction, service design, system usage, corporate image.

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1. INTRODUCTION

Customer satisfaction and customer retention are crucial constructs in an organization used to power customer loyalty and help businesses maintain sustainability. Stiehler-Mulder, Roberts-Lombard, and Hlefana (2020) indicate that the continuation of a business is founded on the relationship that an organization establishes with its customers through the provision of offerings that align with the customers' needs thus transferring them into loyal customers. The private healthcare industry is among the most dynamic and competitive sectors with private hospitals not only competing with each other; but also, with the public and FBO hospitals (Nyamu, Namusonge, and Dache, 2018). Most of the healthcare services in private hospitals are easily replicable and competition increases when

hospitals provide closely matching healthcare services. For private hospitals to distinguish themselves from other competitors, they need to embark on enhancing customer satisfaction and retention. Therefore, hospitals can potentially use customer satisfaction and retention to gain a strategic advantage and come out on top in today's competitive healthcare environment.

A global perspective of Southeast Asia, specifically in Thailand, shows that the healthcare industry has experienced a change that brought intense competition among hospitals. The market value of the Thai healthcare industry is high, and this has attracted more private hospitals to compete for increased market share as much as possible (Laohasirichaikul, Chaipoopirutana, & Combs, 2011). The market value of

Thailand's private hospitals was 49,000 million baht as of 2006, a number that is growing rapidly with the business globalizing (Laohasirichaikul *et al.*, 2011). What remains of these hospitals is to attract and retain customers to remain viable and successful in improving their competitive position. Laohasirichaikul *et al.*, (2011) add that for customer satisfaction and retention to be realized, corporate image and delivery of superior service quality must be enhanced, and this adds to the success of an organization in the long run.

A local perspective of the Kenyan private healthcare sector shows that private hospitals have significantly grown over the last 20 years. The potential factors for growth include major factors of satisfaction and retention in the healthcare sector which include the lack of quality services from the public hospitals, and the introduction of user fees by public hospitals hence making the services costly (Kenya Healthcare Federation, 2018). Further, the competition for healthcare services from private hospitals has seen close to 47% of Kenyans seek services from private hospitals (KHF, 2018). In a nutshell, the private healthcare sector which consists of commerce-based hospitals, and FBOs owns and manages approximately two-thirds of Kenya's health infrastructure. Besides, with the increase in the number of private healthcare insurance, many Kenyans are obliged to seek healthcare services from private healthcare providers.

With such competition, private hospitals in Kenya ought to focus on satisfying and retaining their customers by closing the gaps that lead to customer attrition or defection. Some of these drivers of customer defection include low-quality services, poor communication, and costly services (Thompson, 2005). Due to the challenges in customer preferences, private hospitals should realign their strategic marketing activities not only to satisfy new clients but also to retain them. This can also help them cut marketing costs because recruitment of new clients costs five times more than retaining the existing ones (Grion, 2002). Hospital management teams in private hospitals should consequently become pivotal and eliminate any drivers of customer defection that prevent customers from being satisfied and loyal. The evaluation and tracking of satisfaction and retention rates can have a huge effect on the hospitals' performance. Therefore, it is from this context that this paper seeks to explore how customer satisfaction and retention can be developed between private hospitals in Kenya and their clients.

2. RESEARCH PROBLEM

In Kenya, the private healthcare industry tops the list of the best industries and most developed in Sub-Saharan Africa (Barnes & Decker, 2010). It accounts for approximately 62% of the nation's healthcare expenditure, implying that its market share is ever-increasing. The sector has over time grown from a monopolistic competition industry. Today, the industry

comprises many entrants meaning that private hospitals are faced with stiff competition, which causes client defection to other private hospitals. Kimalu, Nafula, Manda, Bedi, Mwabu, and Kimenyi (2004) opine that because of the Kenyan government's policy to ensure increased access to healthcare, the number of private hospitals has grown over the years. Nyamu, Namusonge, and Dache (2018) add that private hospitals are facing competition from both FBOs, public hospitals, and other private hospitals. This has led to a very competitive environment with most hospitals losing clients to competitor hospitals, thus a challenge to customer satisfaction and retention.

Several studies biased toward the satisfaction and retention of customers have been done across different industries. Locally, Chuani (2017) studied the factors that determined customer retention in commercial banks and found out that customer-responsive services, friendly, reliable, and helpful staff, accessibility of technology such as mobile banking, and faster customer service delivery had a major influence on retaining customers. Further, Mayaka and Oloko (2018) did a study on the effectiveness of competitive stratagems for customer retention implemented by Airtel Kenya. The findings revealed that service quality and brand visibility positively influenced customer retention. Another study on the strategic forces that enhanced the retention of customers in the hotel industry in Mombasa was conducted (Mwangeka, Mjomba, Omindo, & Nyatichi, 2014). It revealed that the technology reputation, service quality, and image of the hotel had a significant consequence on client retention.

From the above studies, a contextual gap exists where most of the studies focused on other industries such as telecommunication, retail, banking, hotel, and not the private healthcare industry. Thus, this work closed this gap by giving more consideration to the private healthcare industry and helped fill the contextual gap.

3. OBJECTIVES OF THE STUDY

The general objective was to assess the antecedents of customer satisfaction and retention in Outspan Hospital in Nyeri County, Kenya.

Specific Objectives were;

- i. To evaluate the effect of system usage on customer satisfaction and customer retention in Outspan Hospital in Nyeri County, Kenya.
- ii. To determine the effect of service design on customer satisfaction and customer retention in Outspan Hospital in Nyeri County, Kenya.
- iii. To establish the effect of corporate image on customer satisfaction and customer retention in Outspan Hospital in Nyeri County, Kenya.
- iv. To evaluate the effect of customer switching costs on customer satisfaction and customer

retention in Outspan Hospital in Nyeri County, Kenya.

4. THEORETICAL REVIEW

4.1 The Service Quality Gap Model

The Service Quality Gap Model was first introduced in 1985 by Valerie Zeithaml and Leonard Berry (Ahmed, Khuwaja, Othman, Qureshi, & Ali, 2017). The theory recognizes that service providers need to continuously improve their customer services because it forms a core part of the service or product. It also recognizes that it should be an ongoing concern for marketers in the service sector to deliver superior value to their clients. By doing this, the needs and wants of the customers are met and customer churn is prevented thus leading to customer retention. The purpose of developing the theory according to Valerie Zeithaml was to establish a roadmap along which an organization can minimize the gaps between client expectations and the perceived service level. The theory is unique because it highlights some of the hindrances of a service provider towards satisfying the customer hence leading to customer churn. According to Samuelsson and Wister (2000), when clients' expectations supersede their perceived service, they tend to feel dissatisfied and develop a negative attitude towards the services and this may cause them to switch to another alternative. Therefore, service providers must ensure that service gaps are removed to meet the expectations of the customers and in the end retain them.

4.2 Leaky Bucket Theory

The Leaky Bucket Theory is a simple marketing theory that underpins the strategic need for firms to develop customer retention strategies to prevent customer churn or customer defection. Developed by Ehrenberg in 1988, the theory uses a bucket full of water representing a firm's customers while the leaking water represents customers who are lost by a firm (Machirori, & Fatoki, 2011). According to the theory, the 'leaked' or rather lost customers represent the clients whose needs remain unmet by a company, and they resolve to seek alternative service providers who can satisfyingly meet their needs. The theory also highlights the need to consistently keep the customer base growing for a business to register profits (Machirori, & Fatoki, 2011). Because the theory emphasizes the rate at which a business loses its clients, it is important for firms that have low rates of customer retention to investigate strategies that can be applied to turn disloyal customers into loyal customers hence realizing customer retention. According to research carried out by Gupta, Lehmann, and Stuart (2004), customer retention is so beneficial to a firm because a 1% increment in customer retention can result in a 5% increase in revenue.

In this study, private hospitals face challenges in retaining their customers with a large percentage of them defecting to other health service providers.

Understanding the Leaky Bucket Theory enables administrators of different hospitals to understand the causes of customer turnover by soliciting feedback from them hence reversing the leak to retain the customers. Hospitals should use the basics of the Leaky Bucket Theory and understand what their clients' expectations are right from the time they visit their hospital. This means that hospitals should create favorable and long-lasting impressions from the very first contact with the customer such that the customer feels valued to the extent that the developed relationship bonds lead to customer satisfaction and retention.

4.3 The Commitment-Trust Theory of Relationship Marketing

This theory was advanced by Morgan & Hunt (1994), and it underscores that there must be two variables available, namely commitment and trust, for a cooperative relationship to exist between an organization and its customers. According to the theory, when trust and commitment exist, a relationship is established between a firm and its customers because the bond formed by meeting the client's ever-changing needs ensures that they feel honored and purpose to continue doing business with the firm. Despite there being many alternatives where customers can seek similar services, they look for a service provider who does not only value the transactional exchange but rather the relationship aspect thereafter. As a result, customers are after service providers who value and trust them and this leads to association with key trust aspects such as competency, integrity, and reliability (Kleinaltenkamp, Ehret, Hunt, Arnett, & Madhavaram, 2006). Therefore, the theory was appropriate for this study because private hospitals will learn how to establish commitment and trust with their clients by ensuring that they develop psychological and emotional bonds that can help to easily satisfy and retain them.

5. EMPIRICAL REVIEW

5.1 Service Design

Kinya, Mutukaa, and Jemaiyo (2019) researched the effect of complaint-handling approaches on customer loyalty, in the case of Almasi Beverages Limited (ABL) in Kenya. 369 respondents drawn from a target population consisting of Coca-Cola retailers who had sold Coca-Cola products for three years made up the sample size. The results of the study showed that satisfactory complaint-handling approaches are crucial in establishing business relationships that lead to the loyalty of customers who eventually become retained customers. Kinya, Mutukaa, and Jemaiyo (2019) also recommend that once an organization, especially those in the service industry focuses on developing complaints handling programs, they can manage the needs of their customers better and in the end increase their competitive edge because of retained customers and the stable relationships established.

ITAI (2018) did a study to assess the influence of service recovery on the retention of customers focusing on selected banking institutions in Lagos, Nigeria. The goal of the research was to access the link between strategies for the retention of customers and service recovery. The population of the study comprised 4,800,000 clients who were registered under the Nigerian Central Bank scheme, Bank Verification Number (BVN). From this number, 520 customers used as a sample were picked through stratified and simple random sampling methods. The findings showed a statistically significant effect of the overall service recovery process (service recovery promptly, quick complaint resolution, and exceeding customer expectations of quality) on customer retention (ITAI, 2018).

5.2 System Usage

Anucha (2019) studied the effect of electronic marketing on the retention of clients in the Nigerian hospitality industry. A correlation survey design was utilized and a sample size of 87 marketing executives and managers from Port Harcourt select hotels. Researchers concluded that a significant association exists between electronic marketing and the retention of hotel customers. In a closely related study, Alex-Onyeocha, and Chinonso (2015) investigated the effect of e-marketing on client service in the Nigerian hospitality industry. Using a survey design method and sample size of 120 respondents selected from three Abuja-based hotels, the authors found out that electronic marketing through search engine optimization, mobile advertising, display advertising, sponsored search, and email advertising improves the overall customer service, therefore, satisfying clients in the hospitality industry.

In a study that explored the effect of technology-based services, especially the SSTs, on patient loyalty and satisfaction, Wang, Cheng, and Huang (2013) found out that where hospitals use an online appointment system (OAS) they exhibited high-quality service that enhanced the hospital's image, patient loyalty, and satisfaction. The study's findings revealed that when hospitals provide OAS for their clients, they indeed provide patients with an effective online tool for self-service. The implementation of self-service kiosks can help reduce the patient's waiting time. This helps enhance patient satisfaction and in turn, prevents the defection of patients while generating a segment of loyal patients. The results of this study back up Alsiehem (2019) who through a review of various works of literature on SST and customer retention from different contexts found that the use of SST contributes to an organization's performance through long-term profits earned from retained customers.

5.3 Corporate Image

In a recent study in Kenya, Schulz, and Omweri (2018) examined the role played by the

business image in retaining hotel customers in Eldoret. The exploratory study design was employed while simple and stratified random sampling was applied for sampling. Interviews and questionnaires were applied for primary data collection. Business image was measured through customer retention, uptake technology, and the role of employees in maintaining the business image. The study concluded that brand or business image is a crucial element to consider in retaining customers (Schulz, and Omweri, 2018). Further, Schulz and Omweri (2018) concluded that employees play a key part in ensuring that a positive brand image is maintained through the provision of quality services, maintaining a positive customer-staff relationship, and recognizing the customers.

A study by Nazir, Ali, and Jamil (2016) evaluated the impact of brand image and customer retention in Pakistan fashion-wear industry. A survey method was used while a random sampling method was used for sampling. The questionnaire approach was used for data collection. The researchers found that loyalty, experience, and awareness of a brand play a vital role in a client's selection of a brand. In turn, this increased their satisfaction leading to a brand's conservative attitude. Also, Nazir, Ali, and Jamil (2016) opine that because of the intense competition by different players in the fashion wear industry, mental frameworks that create relationships and convenience for the brand should be developed.

5.4 Customer Switching Cost

Suryani and Chaniago (2011) studied the switching barriers factors that contribute to the retention of clients and hinder them from shifting to other banks in Indonesia. The study obtained data from 250 Islamic bank customers from Surabaya. The study found that five crucial factors create a switching barrier hence preventing the customer from switching. They include the type of relationship tactics the bank uses with its clients, perception of risk, the bank's compliance with customers' Islamic principles, and service recovery. The study concluded that banks that use a relational approach to their client lead to effective relationship investment that results in increased client dependency hence increasing the switching cost to the competitor banks. Suryani and Chaniago (2011) opine that when clients perceive that they have received benefits from their relationship investment with the bank, they become more loyal to the bank. Culture also plays a paramount role in the customer's choice of bank. Suryani and Chaniago (2011) found that customers seeking banking services consider first the bank's compliance with Islamic principles. Thus, hospitals can benefit from this research by establishing good relationships with their customers which can lead to relational switching costs that contribute to customer retention.

Muganda, Otuya, and Waiganjo (2014) studied the impact of loyalty cards as well as coalition loyalty programs on supermarkets’ competitiveness in Nakuru town, Kenya. The researchers used Naivas, Tuskys, and Nakumatt supermarket managers and customers as the target population. A sample of 9 managers and 375 customers was selected through purposive sampling. The method of data collection used was the questionnaire approach while regression and descriptive statistics were utilized to analyze data. The research discovered that customer loyalty schemes enhance the competitiveness of supermarkets. It recommends that loyalty cards increase the satisfaction and retention of customers by increasing their switching costs. The findings of the research align with those of Koo, Yu, and Han (2020) who sought to find the value of loyalty programs in boosting the loyalty of hotel guests by creating switching barriers. The findings revealed that loyalty programs are effective in the creation of customer retention and satisfaction by increasing switching barriers.

6. RESEARCH METHODOLOGY

The study used a descriptive research design that furnished the scholar with evidence on attributes or traits of the study subjects. The unit of analysis comprised employees working as heads and deputies in different departments within Outspan Hospital. According to Outspan Hospital, Human Resource

Office, there are a total of 35 departments. The target population therefore compri of the head and deputy from each of the 35 departments thus a target population of 70. The study did not use the sampling method since the population is not huge given the setup structure in Outspan Hospital. Therefore, the respondents were the final subjects of the study. The study assumed a sample size of 70 respondents. The study used questionnaires as the main tool for the collection of primary data. The questionnaire was in form of structured questions which provided a logical flow of items. Inferential statistics which included variance, regression, and correlation analysis were used to measure the existence of a relationship between the independent variables (service design, system usage, corporate image, and switching cost) and the dependent variable (satisfaction and retention of customers).

7. DATA ANALYSIS RESULTS

7.1 Regression Analysis

Based on Table 1, the multiple R for the variables is .867 which implies a strong correlation. R² shows the variation proportion in the dependent variable that is described by the four predictors. Thus, 75.3% variation in customer satisfaction and retention in Outspan Hospital can be explained by the service design, system usage, corporate image, and customer switching cost.

Table 1: Model Summary for the Combined Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867	.753	.736	1.782

Source: Research Data (2022)

As shown in Table 2, the F statistic (46.37) probability for the regression relationship showed as <.001. This is less than the .05 level of significance. The null hypothesis that both the independent and dependent variable (R² = 0) have no relationship was

thus rejected. Subsequently, the research hypothesis stating that both the independent and the dependent variable have a statistically significant relationship was supported.

Table 2: ANOVA for Combined Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	588.7	4	147.2	46.37	.000
	Residual	193.6	61	3.174		
	Total	782.3	65			

Source: Research Data (2022)

The variables for the study were service design, system usage, corporate image, and customer switching cost. Following the multiple regressions, the

output showing the significance of the respective predictor variable is displayed in Table 3.

Table 3: Regression Coefficients for Combined Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	P-Value
		B	Std. Error	Beta		
1	(Constant)	-25.850	3.179		-8.130	.000
	Service design	1.171	.178	.484	6.597	.000
	System usage	.327	.086	.329	3.817	.000
	Corporate Image	.094	.140	.062	.672	.504
	Customer switching cost	.321	.141	.203	2.276	.026

Source: Research Data (2022)

For the service design predictor variable, the t statistic (6.597) probability for the b coefficient is $< .001$. This is less than the .05 level of significance. The null hypothesis that the slope related to service design equates to zero ($b = 0$) was thus rejected. Subsequently, it was determined that a relationship with statistical significance exists between service design and customer satisfaction and retention in Outspan Hospital. The relationship between service design and customer satisfaction and retention was found to be positive based on the regression coefficients. This finding aligns with the assertion of ITAI (2018) that a significant effect of the overall service recovery process on customer retention. This also supports the assertion of Kinya *et al.*, (2019) who argued that satisfactory complaint-handling approaches are crucial in establishing business relationships that lead to the loyalty of customers who eventually become retained customers.

It is worth noting that Outspan hospital had a complaint handling procedure for dealing with customer complaints, had embraced service recovery strategies to help manage service failure, and was appealing to visitors in terms of ambient condition, cleanliness, and external appearance. Moreover, the hospital's staff enhanced service quality by being disciplined, well-dressed, courteous, and skilled to meet customer expectations. Managers in the service industry like Outspan hospital should focus on improving tactics that help improve the external appearance of the organization to enhance customer satisfaction and customer retention. This is because customers are happy and satisfied with premises that have impressive physical environment aspects, such as cleanliness, ambiance, symbols, artifacts, and signs as well as functionality and special layout. Subsequently, the physical environment is of crucial importance because it highly influences a client's return intention. Furthermore, Outspan hospital should focus on improving complaints handling programs, to manage the needs of its clients better and in the end increase its competitive edge because of satisfied customers who ultimately are retained.

For the variable system usage, the t statistical probability of (3.817) for the b coefficient is less than the level of significance of .05 at $< .001$. Therefore, the null hypothesis that the slope related to system usage is zero ($b = 0$) was rejected. It was determined that a relationship with statistical significance existed between system usage and customer satisfaction and retention in Outspan Hospital. Based on the regression coefficients, the relationship between system usage and customer satisfaction and retention was found to be positive. This finding aligns with the assertion of Alex-Onyecho, and Chinonso (2015) who found out that electronic marketing through search engine optimization, mobile advertising, display advertising, sponsored search, and

email advertising improved the overall customer service, therefore, satisfying clients in the hospitality industry.

In respect to the parameters of system usage, Outspan hospital utilized electronic marketing as a major approach to communicate about its services, improved the patient experience using self-service technologies, and had an online appointment system to allow patients to book their clinics. Besides, the hospital had a well-developed customer relationship management technology to manage patients' medical records and utilized telemedicine for patients to consult remotely with their doctor. When a hospital uses an online appointment system (OAS) it exhibits high-quality service that enhances the hospital's image, patient loyalty, and satisfaction. Subsequently, an online appointment system significantly influences an organization's performance through improved satisfaction and retention of customers. Organizations in the service industry like Outspan Hospital should endeavor to improve the utilization of self-service technology (SST) to leverage convenience in service provision to customers and thus boost satisfaction, loyalty, revisit intent, and altogether customer retention. Adoptions of CRM technology help in patient satisfaction by addressing the pressures to provide quality service, proper maintenance of patient records and data, and building a CRM-centred culture in the organization. Further, telemedicine helps hospitals and physicians to strengthen their ties with clients through virtual consultations that ensure that their healthcare needs are seamlessly taken care of; subsequently improving customer satisfaction.

This study did not find a significant association between corporate image and customer satisfaction and retention in Outspan Hospital. The p-value was more than .05. This led to the rejection of the null hypothesis stating that there existed no significant relationship between corporate image and customer satisfaction and retention in Outspan Hospital.

For the variable customer switching cost, the t statistical probability of (2.276) for the b coefficient is $= .026$. This is below the level of significance of .05. Therefore, the null hypothesis that the slope linked with customer switching cost equates to zero ($b = 0$) was rejected. It was surmised that a relationship with statistical significance exists between customer switching cost and customer satisfaction and retention in Outspan Hospital. Based on the regression coefficients, the relationship between customer switching cost and customer satisfaction and retention was found to be positive. This finding is in line with the assertion of Suryani and Chaniago (2011) who observed that good relationships with customers can lead to relational switching costs that contribute to customer satisfaction and eventually retention. The finding also

supports the assertion of Koo *et al.*, (2020) who observed that loyalty programs are effective in the creation of customer retention and satisfaction by increasing switching barriers.

In regard to the parameters of customer switching cost, Outspan hospital's services were more attractive than those of its competitors and the hospital had loyalty programs to reward loyal customers. Moreover, the hospital considered clients from all religions and cultures as an important asset and encouraged its employees to provide superior customer value. The management of Outspan hospital should continually improve its relationships with customers. Consequently, relational switching costs will be enhanced leading to customer satisfaction and ultimately customer retention. Besides, the hospital's management should aim at retaining customers through switching barriers that provide customers with superior customer value, streamlining the service recovery in case of a service failure, and coming up with more meaningful incentives.

8. CONCLUSIONS

The study concluded that three out of the four independent variables were significantly associated with customer satisfaction and customer retention in Outspan hospital. The study concluded that there existed a relationship with statistical significance between service design and customer satisfaction and retention in Outspan Hospital. Satisfactory complaint-handling approaches are crucial in establishing business relationships that lead to the loyalty of customers who eventually become retained customers. Moreover, customers are happy and satisfied with premises that have impressive physical environment elements, such as cleanliness, ambient conditions, symbols, artifacts, and signs as well as functionality and special layout. Thus, the physical environment is of crucial importance because it highly influences a client's return intention.

The study concluded that there was a relationship with statistical significance between system usage and customer satisfaction and retention in Outspan Hospital. The adoption of an online appointment system (OAS) exhibits high-quality services that enhance the hospital's image, patient loyalty, and satisfaction. Furthermore, telemedicine helps hospitals and physicians strengthen their ties with clients through virtual consultations that ensure that their healthcare needs are seamlessly taken care of, subsequently improving customer satisfaction. CRM technology helps in patient satisfaction by addressing the pressures to provide quality service, proper maintenance of patient data, and building a CRM-centred organizational culture.

The study concluded that a relationship with statistical significance existed between customer switching cost and customer satisfaction and retention

in Outspan Hospital. Good relationships with customers can lead to relational switching costs that contribute to customer satisfaction and ultimately customer retention. Besides, loyalty programs are effective in the creation of customer retention and satisfaction by increasing switching barriers.

9. RECOMMENDATIONS

Based on the conclusions from the three independent variables that were significantly associated with customer satisfaction and retention in Outspan hospital, the following recommendations are made; the management of Outspan Hospital ought to focus on improving tactics that help improve the external appearance of the institution to enhance customer satisfaction and retention. The hospital's management should focus on improving complaints handling programs, to manage the needs of its clients better and in the end increase its competitive edge because of satisfied customers who ultimately are retained. The hospital's management should endeavor to improve the utilization of self-service technology (SST) to leverage convenience in service provision to customers and thus boost satisfaction, loyalty, revisit intent, and altogether customer retention. The hospital's management should aim at retaining customers through switching barriers that provide customers with superior customer value, streamlining the service recovery in case of a service failure, and coming up with more meaningful incentives. Further research was recommended to be carried out in a public hospital to evaluate whether divergent findings may be realized regarding the antecedents of customer satisfaction and retention.

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