

Customer Value Creation Behaviour in Health Care Services

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Abstract: In recent time, the healthcare sector undergone a number of transformation in terms of adaptation of technology and more customer centric approach. Focusing on customer, the major challenge is to provide value based healthcare services. Patients have long obtained a passive role when receiving healthcare services. However, the emerging service-dominant logic suggests that value is always co-created between the service provider and the service recipient. In the view service-dominant logic value of healthcare services can be increased when the physician and patient co-create that value together. Focusing on the importance of customer in-role and extra-role during service delivery. This study can provide theoretical back ground for the outcome of customer co-creation behaviours and the factors affecting value co-creation behaviour. This research reviews concepts related to customer value co-creation behaviour and determines whether they are in line with the views of the co-creation concept as proposed by the service-dominant logic. Moreover, this research derives a conceptual model of the customer value co-creation behaviour in the context of healthcare provider-patient relationships and outcome of value co-creation behaviour.

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I. Introduction

In India were 67 percentage of medical expenses are out of the customer pocket and rest of them covered by govt schemes and insurance coverage. Indian healthcare sector is dominated by private organisations. Various studies had been conducted to understand the reasons behind the selection of private healthcare services providers in India. It has been reported that customer prefer private healthcare services providers for quality of services compare to public medical centres (Pinto & Udawadia, 2010; Dilip & Duggal, 2004). The customer prefers private healthcare facilities due to their shorter waiting times, convenient operating hours, better hygiene and greater faith in their doctors as compared to public healthcare facilities.

Role of customer in health care delivery is recognise by various research (Nambisan, 2011.) Managing health care, and chronic disease particularly, depends largely on the active involvement of customers (Michie, Miles, and Weinman 2003). Research in the field of health services focus on customer behaviour and the healthcare centre to understand how well health systems in the particular medical centre and other parts of the countries are meeting the growing demand and satisfying the customer requirements. The multidisciplinary nature of healthcare services research, scientific investigation that how social factors, financing systems, organizational structures and processes, health technologies, and personal behaviors affect access to health care, the quality and cost of health care, and ultimately our health and well-being. Its research domains are individuals, families, organizations, institutions, communities, and populations (Lohr, K. N., & Steinwachs, D. M. (2002).

II. Literature Review

2.1 Customer value in health care

Two types of perspective were identified by researchers. The first is customer perceived value (Kotler & Armstrong, 2008, p.13), and the customer life time value (Kotler & Armstrong, 2008, p.20). Value specially in production and services is generated through a value chain by combination of organisation primary activities and with the help of support activities to generate profit for the organisation (Porter 1985).

In case of customer behaviour in preventive health care services, it is more appropriate to use the customer perceived value. Different terms have been used by marketing researchers to define the concept of consumer perceived value (Woodruff, 1997). These include customer value (Woodruff, 1997) perceived value (Chang and Wildt, 1994), and value for money (Sweeney et al., 1999), customer perceived value (Gronroos, 1997), perceived customer value (Chen and Dubinsky, 2003), consumer value (Holbrook, 1999), value for the customer (Reichheld, 1996), buyer value (Slater and Narver, 2000) and perceived service value (LeBlanc and Nguyen, 1999).

All the concepts focus on certain similarities. First, value is considered as inherent in the service/product usage. Second, it is something perceived by consumers and subjectively determined. And lastly,

it is trade-off between what the consumer receives and what he or she gives up acquiring and using a product or service and as such the terms are interchangeably used.

Morris B Halbrook (2006), define customer value as an “*interactive relativistic preference experience*”. By this, he means that it involves an interaction between an object (e.g., a product) and a subject.(e.g., a consumer).The concept of perceived value implies an interaction between a subject (a consumer or customer) and an object (a product). Value is relative by virtue of its comparative, personal, and situational nature. Value is preferential (Holbrook, 1994, 1999; Zeithaml, 1988), perceptual, and cognitive-affective in nature

Table 1: A typology of consumer value

		Extrinsic	Intrinsic
Self-oriented	active	Efficiency (Q/I, Convenience)	Play(Fun)
	Reactive	Excellence	Aesthetics(Beauty)
Other oriented	active	Status (Success, Impression Management)	Ethics (Virtue, Justice, Morality)
	Reactive	Esteem (reputation, Materialism, Possessions)	Spirituality (Faith, Ecstasy, Sacredness, Magic)

Source: Consumer value a framework of analysis and research

In healthcare services, consumer satisfaction depends on well-known relationships among service quality, value and behavioural indentation. Service quality emerged as a more important determinant of patient satisfaction than value. Result also indicated that both service quality and value have a significant direct impact on behavioural intention while value assessment was influenced by perceived service quality.(Kui-Son Choi et.al. ,2004).

2.2 Value creationis value co-creation

Value creation is a paradigm(sheth & Uslay, 2007) that involves multiple stakeholders in the marketing process, working together at various points of the consumption process to create value. Value creation is different from the exchange paradigm as the value consists of more than utilityand the consumption experience is critical component.This value creation paradigm is still in early stage and there is lack of consensus on the conceptualization of value and there has been limited theorization or empirical evidence to support the value creation process(Smith & colgate ,2007).

2.3 Value co-creation in healthcare services

Because of the performativity of the discursive formation of service management in society and the incorporation of the value concept in the discourse, proposed by Normann and Ramirez (1993, 1994), Gronroos (2006), Prahalad and Ramaswamy (2004)and Vargo and Lusch (2004), phrases like “co-creation of value”, “co-production” and “value-in use” have become more salient in the service management discourse. It became necessary to underline that the context, for using the concept of value creation here, it is health care.

The possibility for a customer to participate in value co-production was suggested by de Boisguilbert as early as 1707 (Ramirez, 1999). The fundamental idea was that a customer produces value interactively with the provider instead of consuming in the sense of spending. This is supported in novel consumer theory in economics, introduced by Becker (1964). It claimed that it is the customer who produces the satisfaction that he/she consumes later. In order to be able to produce satisfaction the customer’s participation in a process of exchange with the service provider is necessary, and subsequently a disposition of the time that will be spent to attain a consumer value. According to the discourse of health economics and in line with Becker (1964), Folland et al. (2004) points out that it is the consumer who produces health, when spending time on health-improving efforts. This is important that value is created when customers use products, goods or services (Gronroos, 2006). The role of the customer as a participator is articulated particularly apparent for services such as health care and personal fitness (Bitner et al., 1997; Prahalad and Ramaswamy, 2004). Physical comfort and pleasant reception of the patient will reduce dissatisfaction, but “real” value creation cannot be reached without a satisfactory dialogue that supports and establishes the relation between patient and doctor/nurse (Lindqvist and Persson, 1997). The patient’s experience of care can be related to a sense of trust in relations (Nordgren and Fridlund, 2001). As a value creator, the customer affects his/her health and life quality in a way and to a degree that is very relevant in health care. Value is created in the recreation of the value creation process and interaction between the health care provider and the customer. (Elg. et al. 2012)In service sector customers is recognised as a resource (Marco Galvagno & Daniele Dalli ,2014)

2.4 Customer value co-creation behaviour

According to recent studies conducted, the customer's (patient) aspirations are fast changing. Customers are growing more aware of their health needs, demand quick response, less waiting times, better quality care; they however now do not want to travel much as in earlier days. To gain a competitive advantage, and satisfy the customer needs manyorganisation encourage their customer to actively engage in value creation

process. In-role (role required by firm to delivery of products/services) and extra-role (which indirectly help the firm in delivery of services) played by customer during service delivery (Yi and Gong,2013).In a similar way, Growth (2005) proposed a typology of customer value creation behaviour in -role and extra-role behaviour in health care. Yi and Gong (2013) define customer value co-creation as customer in-role and extra-role behaviour which leads to value creation by customer and developed and validate customer value co-creation behaviour scale.

2.5 Customer value co-creation behaviour in health care context

Patients’ roles specially in preventive health care services recognise as active contributor to care than passive recipient (Badcott,2005). Patient value co-creation increases patient adherence and satisfaction and can also improve health care outcomes (Martin et al. 2005), and less anxiety and depression (Fallowfield et al. 1990). Patients active participation in decision making process related to care plan, self-medication improve service satisfaction, reduce service provider stress level and increase subjective well-being. During the treatment patients have to play two conflicting roles, customer sick role which forced them to follow health care and prescription role to involve in decision making and self-care.

Merz, Czerwinski, & Merz, (2013) During health care services, health care provider and patient’s willingness and ability to co-create value influence overall customer and health care provider relationship. Patients ability to co-create influence by disease nature and for health care provider consultation time, consultation behaviour. Health care provider willingness to co create depend on willingness to share power and available consultation time, familiarity with healthcare provider. (table no 2)

Table 2. Factors affecting value co-creation in the Healthcare Context

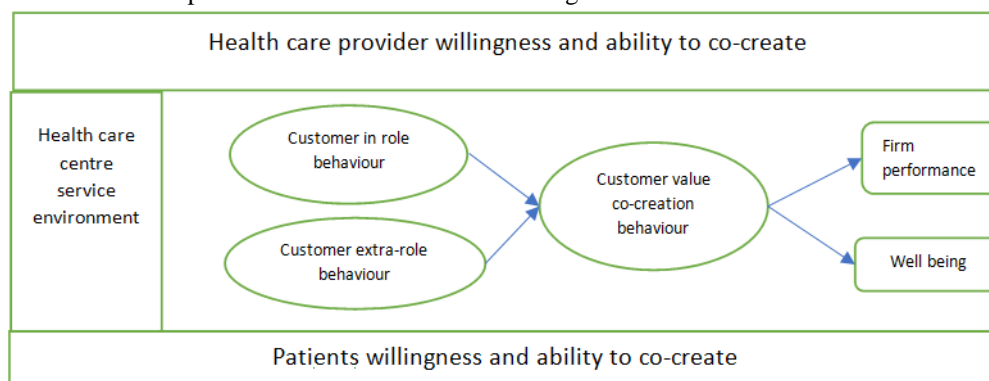
	Factors Affecting Patients’ Level of Co-Creation	Factors Affecting Physicians’ Level of Co-Creation
Factors Affecting the Ability to Co-Create Value	Disease type, disease state, number of treatment options, medical related knowledge	available consultation time, consultation behavior,
Factors Affecting the Willingness to Co- Create value	Perceived control, perceived risk, familiarity with physician, length of consultation	willingness to adjust of consultation, Willingness to share power, willingness to educate.

Source: adopted from Miwa Y. Merz et. al.2013

III. Conclusion

Customer value is key for any running any business specially in healthcare sector where customer at risk. Customer participation in health care delivery by following treatment plan, sharing correct information, maintaining healthy life style and maintain good interaction with health care provider. At the same time customer play some extra role like providing feedback for service improvement, helping other customer, Advocacy, and tolerance in case service is not delivered as expected. Customer value co-creation also leads to the firm performance in terms of reducing service provider stress level, loyalty and subjective well-being. This conceptual paper provides insight of customer value co-creation behaviour in health care services and also provide theoretical support for further empirical study on factors influencing customer co-creation behaviour and outcome of value co-creation behaviour

Table 2 Conceptual Frame work for factor affecting customer value co-creation behaviour



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