



**FACTORS INFLUENCING CUSTOMERS' SELECTION TOWARDS
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ABSTRACT

With the rapid expansion of population and shortages in healthcare facilities in governments' hospital, private hospitals in the society have been playing a vital role. The demand of health service in private hospitals is increasing because of the certain amenities that are provided in the institutions. Patients can choose a hospital according to what matter most to them, whether the cost of treatment, services and also efficiency. The paper aims to test the proportion of patients willing to seek a particular hospital is same across all the attributes for treatment. It also indentify the factors that influencing customers in selecting private hospitals. The findings of the present study would be an important aid for private hospital administration.

1.1 Background of Study

Healthcare is one of the service industry that growing widely in Malaysia. It is divided into two sectors, public and private. Malaysia is one of the countries that have experienced fundamental changes in the healthcare sector since independence in 1957 (Harper, 1999). In healthcare industry, customers are known as the immediate patients followed by their families and also their friends, as the outcome of the healthcare service potentially affect all their lives. Most countries are facing structural change from low to high value added of healthcare activities and have been characterized by the private providers (Hunt, 2002).

Privatization can be defined as the acquisition or sale of assets by private owners from non-private control such as government, communities and religious community (Estradaough, 2009). It is also important to include in the definition about the increase in the private share of particular sectors as a consequence of an increasing shift of responsibilities, functions and services from the public to the private sector.