Patient Satisfaction, Hospital Image and Patient Loyalty in West Sulawesi Province

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ABSTRACT

The purpose of this study was to examine and analyze the effect of patient satisfaction and hospital image on patient loyalty. The research design uses a survey method with cross-section data collection through a questionnaire. As a sample in this study, 124 patients were hospitalized at a Private Hospital located in West Sulawesi Province and taken by simple random sampling. The data analysis method used in hypothesis testing is Structural Equation Modeling (SEM). The results of the study provide evidence that patient satisfaction affects and can improve the image of the hospital. High patient satisfaction also has an impact on patient loyalty, as well as the high Sakityang house image has a positive and significant influence on patient loyalty.

Keywords: Patient Satisfaction; Hospital Image; and Patient loyalty.
INTRODUCTION

With the increasing and development of technological advances, especially in the health sector, marketing the Hospital and becoming an important thing. Especially if we see the relationship between the progress of the world of health services and economic growth that are closely interrelated (Ramani and Dileep, 2006). The variety of products of a brand, will increase the awareness of customers to choose and determine the services they want (Ramli, 2010), and have an impact on service providers to create strong brands or increase customer satisfaction that the company has (Ramli, 2016a).

Branding plays an important role in a service company, because it is proven to be able to increase customer loyalty (Berry, 2000), and allows customers to better visualize the service products obtained (Kim et al., 2008; Ramli, 2012a), can act to choose one of several products that available (Motameni and Shahrokhi, 1998) and provide value to customers. This affects what factors contribute to the formation of value in the eyes of customers (Bamert and Wehrli, 2005).

Health services are a very important and very personal need for patients (Kemp et al., 2014). Therefore, several health services or hospitals such as the Mayo and Cleveland Clinic, Johns Hopkins, Memorial Sloan-Kettering and Massachusetts, have shown their efforts to strengthen the Hospital’s Image (Thomaselli, 2010). Likewise with efforts to improve Hospital Image carried out by Maris Hospital in Makassar (Ramli, 2012b) and several Type-C Private Private Hospitals in Makassar (Ramli, 2013). A brand acts as a promise to consumers, implying that staff provide health services needed (Kemp et al., 2014).

Research on corporate image problems in this regard is health organizations, which have economic and social aspects, exposing that health organizations are primarily customer-oriented. Therefore, to achieve sustainable success and maintain its existence, health organizations also need to get help and meet the needs of their target markets. Health organizations can successfully create a positive image by maintaining their relationships with patients well (Karafakioglu, 1998; Cinaroglu and Sahin, 2011). Positive images direct patients to prefer hospitals to other hospitals and apply to selected hospitals while
determining their priorities; in other words contribute to the creation of patient loyalty (Derin and Demirel, 2010).

At present, most patients make choices from hospitals that offer the same comfort, have the same value and similar transportation facilities (Ramli, 2016b). In such an environment, hospitals can increase patient loyalty and thus improve organizational performance by developing their strategies in the right way by defining their image. Starting from this idea, this research is expected to contribute to the literature with scientific findings by attracting health managers’ attention to this problem.

Customer satisfaction is the best guarantee to create and maintain customer loyalty and defense in the face of global competition. Creating superior service quality must be supported by reliable human resources and adequate technology (Kotler, 2009). Satisfaction is someone’s pleasure from a comparison between the impression of goods or services with their expectations. If the reality is the same as expectations, then the service is called satisfactory, and vice versa, if reality is lower than expectations, the service is called unsatisfactory (Kim, et al., 2008, Kotler, 2009). Providing high-quality services can increase benefits through customer satisfaction, because empirically there is a relationship between customer satisfaction and benefits. Customers who feel satisfied and re-purchase will increase the benefits, so that a good image will be formed for the hospital (Francken, et al., 1981, Anderson, 1994, Cronin, et al., 1992, Kang, et al., 2004, Alrubaiee, 2011).

**LITERATURE REVIEW**

**Effect of patient satisfaction on hospital image**

Corporate image is a commitment and opinion of an individual to an organization (Minkiewicz, et al. 2011). Researches on corporate image are often done on companies that promote tangible products, but on the contrary very little conducted for research on service companies (Nguyen and LeBlanc, 1998, 2002). As for Belanger et.al (2002) has a different view of the image of the organization which considers it as a welcome speech from the impression that arises from an individual towards an organization or company.

To buy or choose a service that has a positive, special, important and valuable image for an individual, accelerates and facilitates customer choices. A good brand image makes
consumers believe in product quality and helps consumers to make choices and to feel comfortable when buying their products. (Chih-Chung et al., 2012). Kotler (1991) refers to brand image as combining name, fame (reputation), design and symbol. Used by consumers to differentiate products and services from competitors. Farquhar (1989) states that brand image has additional value beyond the function and service of the product. Greve (2014) also measures brand image using a scale containing three items: value, manifested (perceived) quality and uniqueness. Kim et al. (2012), adopted Lemmink’s et al. (2003), brand image measured using two classifications. Intangible brand image (standard medical, positive reputation, kind personnel, etc.) and real brand image (equipment, parking facilities, dependents / subsidiaries, etc.) Dodds et al. (1994) claim that the brand image provides all information about the product; influence of higher brand image overall assessment and perceived quality.

The theory of Kotler & Keller (2012) says that patient satisfaction is to see how the internal and external zones of the company / organization have an impact on the conclusions of business design made in order to advance business capacity. The dominance of patient satisfaction with a health service is how to get the service from a number of things that cannot be controlled by the company that must always be observed and carried out corrective actions.

Previous research provides evidence, as stated by Marzaweny & Hadiwidjoyo, 2012; Andaleeb, 1998; Nguyen & LeBlanc, 2002, that patient satisfaction has a positive and significant effect on Hospital Image / organization. Based on these empirical evidence, the hypothesis is proposed as follows:

**H1:** Patient satisfaction has a positive and significant effect on Hospital Image.

**Effect of patient satisfaction on patient loyalty**

assistance. Chahal and Sharma (2004) claim that doctors, nurses and managers; fourth, facilities and fifth, cleanliness is the main factor that influences patient satisfaction. Doctors and nurses complement each other and both must be studied if service quality needs to be improved (Jakobsson and Holmberg, 2012). Kang and Jeffrey (2004) and Raftopoulos (2005) consider that food, room characteristics, and treatment are important in explaining patient satisfaction. Staff comportment also had a significant effect on patient satisfaction. The way staff behave with patients is an important factor (Andaleeb, 1988).

Based on the Health Services Research Unit (NHSRU) report, carried out jointly by the nursing faculty at Toronto and McMaster universities (Ontario Ministry of Health, 2014), several factors that lead to an increase or decrease in health services are identified: socio-economic status (SES); doctor supply; policies and beliefs; risk behavior; and health status. SES is an education, income and demographic information (gender, age and ethnicity) measure. It is believed that SES has a significant influence on utilization behavior in several aspects such as needs, recognition and response to symptoms, knowledge of disease, motivation to recover and access to health services (Anderson, 1988; Hulka and Wheat, 1985). In addition, health status (Anderson, 1988; Hershey et al., 1975; Hulka and Wheat, 1985), national values (Barer et al., 1988) and access to doctors (Barer et al., 1988; Hulka and Wheat, 1985) are other factors that influence the use of health services.

Previous research has provided data and the fact that patient / customer satisfaction is significant and positive for patient / customer loyalty. This result is evidenced by the findings of Chung & Shin, (2010); Kantsperger & Kunz, (2010); Jani & Han, (2011); Ramli & Sjahruddin, (2015). Based on these empirical evidence, the hypothesis is proposed as follows:

**H2: Patient satisfaction has a positive and significant effect on patient loyalty.**

**Effect of Hospital Image on patient loyalty**

Kennedy (1977) has indicated that there are two elements in brand image, namely functional and affective aspects. Functional aspects are related to real characteristics that can be easily measured, while the emotional aspects are related to psychological aspects manifested through feelings and attitudes toward the company. As for Delgado and Munuera (2001), each loyalty arises based on personal experiences of individuals towards the brand so that
the results not only comes from direct relationships arising from the use of services, but indirectly also will be obtained from the production of advertisements made by the company. So that customer perceptions of socially responsible behavior from service provider companies will be able to strengthen brand loyalty (Keller and Aaker, 1992), different value systems (Turban and Greening, 1997), by exposing respect for customers will certainly increase loyalty to companies (Maignan et al., 1999).

Brand loyalty is determined by brand image (Park et al., 2004; Brunner et al., 2007). In looking for the main determinants of customer brand loyalty, some researchers have proposed brand image as a key element found in this construction associated with loyalty (Andreassen and Lindestad, 1998; Park et al., 2004; Brunner et al., 2007). In the tourism industry, as found by Kandampully and Suhartanto (2000) which explain that brand image is one of the most important factors for hotel guests to advise their colleagues to use the service. However, the relationship between brand image and loyalty is considered unclear (Ziaul et al., 2010) because some studies have failed to expose the direct impact of brand image on customer loyalty (Davies and Chun, 2002). Similarly, brand loyalty has been widely studied in relation to customer satisfaction, while brand image has received less attention (Brunner et al., 2007). Regarding this, Andreassen and Lindestad (1998) argue that in complex service services, brand image is the main element that will lead to brand loyalty.

The company’s image is important for health organizations in several ways. Like how the hospital leaders manage and distribute their resources. Because problems will arise if the hospital is negatively imaged, because it will experience the impact of decreasing preferences in the eyes of consumers and all stakeholders, which will reduce the market share of the hospital. On the other hand, the image of a good hospital will increase the tendency of patients to be loyal in choosing the hospital in the future (Kim and Kim, 2008). To create a positive corporate image, which is very important in shaping patient loyalty, the hospital managers must make these patients feel that they are protected, employees who serve them are friendly so that they can be trusted, services are provided in a timely manner, patient privacy who are made to use well-kept medical records, organizations can be recognized, use modern equipment from the latest technology, the environment is designed with charm and charm (Kim and Kim, 2008; Laohasirichaikul et al., 2011). Patient loyalty
must be an important part of the marketing strategy that will be made by the hospital and get support from hospital management (Erdem et al., 2008; Wu, 2011).

The research has been carried out by Hart and Rosenberg (2004), Kandampully and Suhartanto (2000), in the service sector by Nguyen and Leblanc (2001), Dursun (2001) and Hong Goo (2004), exposing that there are strong, positive and relationship influences statistically significant between company image and customer loyalty. Based on these empirical evidence, the hypothesis is proposed as follows:

**H3:** Hospital image has a positive and significant effect on patient loyalty.

**RESEARCH METHODS**

The research design uses an explanatory research approach because the aim of the study is to test and empirically influence the satisfaction and image of the Hospital, on the loyalty of patients in West Sulawesi Province, then to confirm the conclusions or reject the theory or results of previous studies.

The location of the study was Hospital services in West Sulawesi Province with the object of family patients so that the analysis in this study was inpatients in the period June to December 2016 which amounted to 457 patients who had used health services in West Sulawesi Province. The sampling technique uses simple random sampling, the amount of the sample in this study is determined by using the Slovin formula (Sekaran, 2006), so that the number of samples drawn is 124 people with conditions (1) inpatients in health services in West Sulawesi Province, at a minimum being an inpatient for 3 days, (2) patients who are sampled in this study are patients who can provide information or can communicate well so that they can fill out questionnaires, whereas if patients cannot provide information about this study, they can be replaced by family or couples, (3) samples are adult patients who can provide data representative and understand the filling out of the questionnaire after being explained by the researcher. The analysis method starts from looking at data characteristics through descriptive statistics and further analysis of multivariate data analysis includes factor analysis and Partial Least Square (PLS)
RESULTS AND DISCUSSION

Testing of the proposed hypothesis is done using Structural Equation Modeling (SEM) with the help of PLS software. Hypothesis test decision making is to look at the results of t-value, where if the value is positive it means that the variable has a positive effect, while to see its significance is to refer to the t-statistic value between variables, if the t value obtained is greater than t-table amounting to 1.96, meaning that the effect is significant (Hair, et al. 2010). The results of this study, can be seen in the table below:

Table 1: Hypothesis Test Results

| Variables                          | T Statistics (|O/STERR|) |
|-----------------------------------|--------------|-----|
| Patient satisfaction -> Hospital image | 2.3235       |
| Patient satisfaction-> Patient loyalty       | 2.5492       |
| Hospital Image -> Patient loyalty         | 1.9978       |

Source: *PLS Data Results, 2017*

In the table above shows that all the influence between one variable to another variable shows positive values, including:

Effect of patient satisfaction on patient loyalty is positive and significant because the value of t-value is 2.3235 which means positive and significant because it is greater than the t-table of 1.96.

The effect of patient satisfaction on the hospital image is positive and significant because the t-value is 2.5492 which means positive and significant because it is greater than the t-table of 1.96.

The effect of patient loyalty on hospital image is positive and significant because the t-value is 1.9978 which means positive and significant because it is smaller than t-table of 1.96.

CONCLUSION
The conclusions of this research are formulated based on the results of hypothesis testing, namely:

Patient satisfaction has a positive and significant effect on patient loyalty.

Patient satisfaction has a positive and significant effect on the Image of the Hospital. With the highest results from the other two hypotheses, point out that the influence of patient satisfaction must be a major concern for companies to increase the image of their hospitals.

Patient loyalty has a positive and significant effect on Hospital Image, but among the three hypotheses of the relationship between variables, the influence of patient loyalty on the Hospital Image is the smallest compared to the other two hypotheses.

This exposes that although it is not a top priority, the company still has to pay attention to patient loyalty, because its influence on the Hospital Image is positive and significant.

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