

## THE INFLUENCE OF SERVICE QUALITY, PERCEIVED VALUE AND CORPORATE IMAGE TOWARD INPATIENT SATISFACTION ON PRIVATE HOSPITAL

### Case Study in Jabodetabek, Indonesia

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**ABSTRACT** – The purpose of this research was to determine the influence of service quality, perceived value, and corporate image of the hospital toward inpatient satisfaction of private hospitals in Jabodetabek. This study is categorized as a survey research, where researchers distributed questionnaires to 155 respondents who had been inpatients in private hospitals in Jabodetabek area. The method that used in this research is quantitative method and descriptive analysis. The method used in this research is simple and multiple linear regressions using SPSS v20. The results of this research showed that service quality, perceived value, and corporate image of Private Hospitals in Jabodetabek have significantly affect patient satisfaction on private hospitals in Jabodetabek.

**Keywords:** *Corporate image, patient satisfaction, perceived value, private hospitals, service quality*

## INTRODUCTION

The development of the business world in the era of globalization so rapidly and cause competition among companies increasingly stringent. Nowadays, every company is required to work more effectively and efficiently in carrying out its activities. By improving the performance of the organization is expected to satisfy consumers. Health issues today have become a basic necessity for the community. Everyone wants health because health is considered very valuable and expensive.

Business hospitals in Indonesia recently developed very significantly. This is based on the rapid growth of hospitals in Indonesia when referring to the distribution of hospitals in Indonesia and is shown in Figure 1, which is about the number of hospitals in Indonesia.

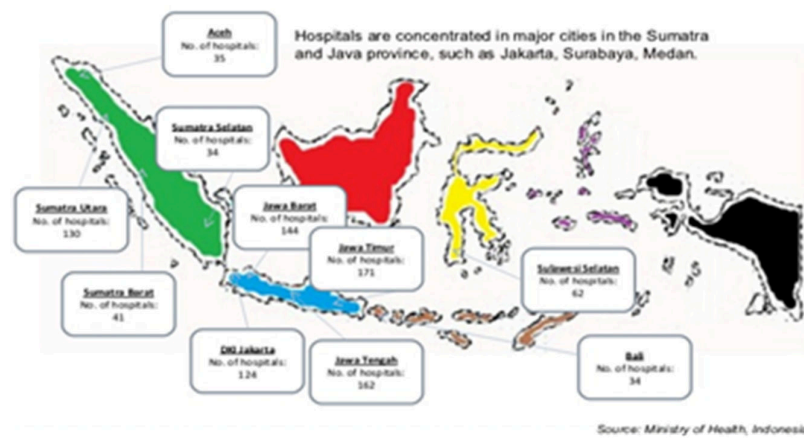


Figure 1: Number of Hospitals in Indonesia

Source: Ministry of Health Indonesia, 2015

The growing number of hospitals in Indonesia should make Indonesians have many options to decide which hospitals they will choose. From the hospital perspective, as the overall growth of hospitals in Indonesia indicates that every hospital should be ready to compete with each other. Every hospital must fix itself in order to compete with other hospitals.

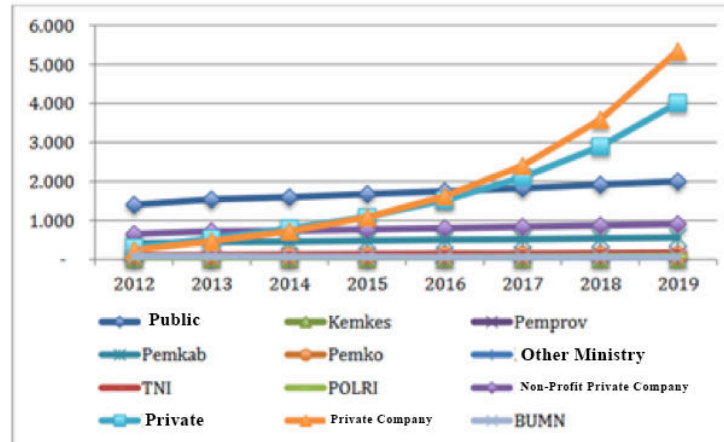


Figure 2: Hospital Growth Projection by Ownership  
Source: Ministry of Health Indonesia, 2013

Observation of data from Health Ministry Hospital's information system website that explains the significant growth of hospitals in the last 2-3 years. If the data is projected by following the law of linear growth, the number of Private Hospitals will increase significantly over the next five years. This can happen with the same growth assumption from 2012 to 2014. With the increasing number of hospitals expected to meet the needs of patients. It is also expected to increase not only from the quantity or number of hospitals available, but also the improvement in terms of the quality of hospital services (Figure 2).

In these tight competitive conditions and the service industries offered tend to be homogeneous, one of the strategies that the hospital should pay attention to is the quality of service. The quality of service that is managed as well as possible can be the advantage of other competitors. For that reason every business actor must commit to continuously improve their service quality.

In theory, quality is a dynamic condition that affects products, services, people, processes and environments that meet or exceed expectations (Tjiptono & Chandra, 2007). So the definition of service quality can be interpreted as an effort to meet the needs and desires of consumers and the accuracy of delivery in counterbalance consumer expectations (Tjiptono & Chandra, 2007). Quality of service can be known by comparing consumer perceptions of the services they actually receive / earn with the actual service they expect / want against the attributes of a company's services. If the service received or perceived in accordance with the expected, then the quality of service perceived good and satisfactory, if the service received exceeds consumer expectations, the quality of service is perceived very good and quality. Instead if the service received is lower than expected, then the quality of service poorly perceived.

In their study, Aliman & Mohamad (2013) explain about the influence of service quality on patient satisfaction of private hospital in Malaysia. This shows the importance of service quality in influencing patient satisfaction.

Consumer assessment on Hospital service quality is an important thing as a reference in the correction of services so that the creation of a customer satisfaction and create a loyalty from consumers. Customer satisfaction has become a central concept in business and management discourse (Tjiptono and Chandra, 2011: 192).

Satisfaction is defined as a consumer reaction to the service received and reviewed based on the experience experienced. In addition, satisfaction also considers what consumers feel. Consumers will give an assessment of what they get. 8 of 1999 on consumer protection entered into the scope of health services by hospitals to patients. In addition, in Law no. 23 of 1992 which regulates the health, increasingly provide certainty about the rights of patients protected by law. Both of these laws carry legal consequences on the obligations and responsibilities of hospitals or physicians to meet the rights of patients. Consequently, business actors or service providers may be required to compensate, compensate, or reimburse if there are complaints from consumers. Through this understanding is expected service companies can be able to eliminate consumer demands and optimize customer satisfaction.

Customer satisfaction is not only obtained from the quality of service alone, in such competitive competition is also required to create customer value, the value is perceived directly by the patient (perceived value). One thing that may be an added value for the patient is a valuable thing that should be used by hospital industry actors to create their own value.

The perceived value is the perception of the customer of the value to which the firm should consider the value in developing the product and its services so that it matches what the customer expects (Vanessa, 2007: 65). The value felt directly by consumers is one of the important indicators for customer satisfaction. There is a perception formed from perceived value when a patient pays a high price for his or her health service so the patient expects good service for him / her. This is confirmed in the Hosang, N., et al (2016) study which explains that providing superior consumer value and also adjusting prices according to consumer expectations makes it possible to benefit the service provider and create customer satisfaction.

The value felt by these patients directly establishes an image for the hospital. When patients get value according to the sacrifices they provide then directly the image of the Hospital in the eyes of the patient becomes good. The image is a valuable intangible asset of the company. A positive image enables a company to gain reputation and competitive advantage (Porter & Claycomb, 1997 in Chen & Green, 2008). A good image will improve customer satisfaction, service quality, loyalty, and repurchase intentions.

A good image will be able to improve the success of a company and otherwise bad images will cultivate stability of a company. Istijanto (2007) argues that companies that have a good image or reputation will encourage consumers to buy products offered and enhance competitiveness. The image of the hospital affects the patient's attitude and behavior towards the hospital. Thus, understanding the relationship between the image of the hospital and its influence on the patient's intentions is necessary.

The image of the hospital has attracted attention among the conceptual model researchers aimed at answering the important role of the brand image to the perceived value of the customer. Imagery is an important step for the hospital because it can encourage customer loyalty. The image of the hospital has the function of connecting and maintaining harmony with their customers (Chan, 2011). Wu's research shows that the image of the hospital has a direct or indirect effect on patient loyalty. This indicates that a good hospital image not only increases patient satisfaction through direct patient loyalty, but also increases patient satisfaction through improved perceived service quality, which in turn improves the re-intention of patient visits.

The above facts and descriptions further motivate to study about influence of service quality, perceived value and corporate image toward inpatient satisfaction on Private Hospital in Jabodetabek area. It is

important to estimate the wishes and expectations of consumers so that the services provided can provide optimal satisfaction.

## **LITERATUR REVIEW**

Definition of services according to Kotler cited by Hurriyati (2010: 27) is any action or performance offered by one party to another party that is intangible in principle and does not cause ownership transfer. According to Zeithaml and Bitner in Hurriyati (2010: 28) Services are essentially all economic activity with output other than products in physical terms, consumed and produced at the same time, providing value added and intangible principle to the first buyer.

According to Zeithaml et.al (1985) in Yamit (2013: 10), who has conducted various studies on several types of services and successfully identified five dimensions of characteristics used by customers in evaluating service quality, there are five service quality dimensions, as follows:

1. Tangible (tangibles), namely the ability of a company in showing its existence to external parties.
2. Reliability (reliability), namely the ability of the company to provide services in accordance with the promised accurately and reliably.
1. Responsiveness (responsiveness), which is a policy to help and provide prompt service (responsive) and appropriate to customers with clear information delivery.
3. Guarantee and assurance (assurance), namely knowledge, kesopansanunan and the ability of company employees to grow the trust of customers to the company.
4. Empathy (empathy), which is to give a sincere and individualized or personal attention given to customers by trying to understand their desires.

According to Zaithaml (1998) in Pevac & Pisnik (2016), Perceived Value is defined as a customer evaluation of perceived benefits and sacrifices. That is, consumers may cognitively integrate their perceptions of what they get (benefits) and what they have to sacrifice.

In the aspect of customer perceived value there are 6 dimensions of transaction value, value of efficiency, aesthetics, social value, value of self-satisfaction, and value of acquisition. The value of the acquisition refers to the perceived net gain when a product or service is acquired to be paid, and is generally referred to as a trade. (Mathwick et al, 2002 in Chahal, 2011).

The image of the company according to Nicholas (2008) in Sutisna (2011) is "a brief overview of an organization generated through the accumulation of messages received."

According to Khvtisiashvili (2012), there are 5 corporate image dimensions:

1. Corporate identity  
It is an identity that differentiates between one company and another.
2. Reputation  
It is concerned only with internal perceptions such as management leadership styles, credibility actions, service guarantees and trusted cultural organizations focused on customer needs.
3. Corporate quality  
It is an important dimension of all three corporate images, which have a rational influence on image creation and performance.
4. Physical quality  
Is one of the factors that affect corporate image. Physical quality financial institutions are tied to the real environment, which results in organizational interaction with the community during operation. And it's all about atmosphere, decor, ambiance, layout, lightening, building and parking space.
5. Interactive quality  
It can be considered as the last dimension of corporate image. Interactive quality is partly related to corporate quality.

Satisfaction is a feeling of happiness or disappointment that arises from the consumer after comparing the consumer perceptions of the results or the performance of a product or service and its expectations.

If the perception of consumer products or services is equivalent to the expectations given by consumers then it can be said that the consumer is satisfied, but if the consumer perception is below the expectations given by consumers then it can be said that the consumer is not satisfied or disappointed. (Kotler and Keller, 2009 in Kartika, 2015)

Pohan (2007) describes the dimensions of patient satisfaction, namely: Health services are available at the time and place when needed, Easy access to health services, Responses from health care patients, Competence doctor, The end result of the disease or changes experienced by the patient, Insights from doctors or other health professions in caring for patients, Patient trust, Understand the doctor's advice, Physical facilities and the health-care environment, Agreement system, Time in waiting, Mechanisms for solving problems and environment, Perceived price, Clarity of service costs, Compared to similar hospitals, There is a waiver fee.

## RESEARCH METHODOLOGY

The research method used is Descriptive analysis with associative research with Quantitative data type. Then the time horizon used is cross-sectional at a given point in time.

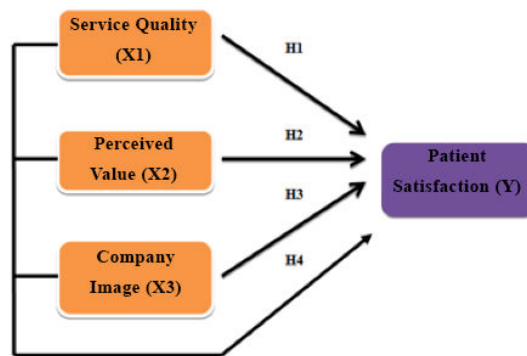


Figure 3: Research Model  
Source: Authors, 2017

Based on Figure 3, the hypothesis design in this study can be described as follows:

H1: there is an influence between service quality towards inpatient satisfaction

H2: there is an influence between perceived value towards patient satisfaction

H3: there is an influence between the corporate image towards inpatient satisfaction

H4: there is an influence between the service quality, perceived value, and corporate image towards inpatient satisfaction simultaneously.

The sampling technique used in this research is Non-Probability Sampling. While Convenience Sampling used as sampling technique. The sample used in this study is the patient who had undergone hospitalization in various private hospitals in Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek) area. In this study, the authors use quantitative data with primary data sources, obtained from the questionnaire distributed to the respondents.

From 168 filled questionnaires, only 155 respondents can be processed further. Various methods of analysis are used are Test Validity, Reliability, Normality, Heteroscedasticity, Multicollinearity, Simple Linear Regression, Multiple Linear Regression, Hypothesis Test consisting of Test T and F Test, and Coefficient of Determination ( $R^2$ ).

## RESULTS AND DISCUSSION

Profile of respondents, in this study is depicted in several categories as in the following table.

Table 1: Profile of Respondents

Profiles	Category	Frequency	Percentage
Age	15-25 years old	29	19%
	26-35 years old	38	25%
	36-45 years old	47	30%
	>45 years old	41	26%
Gender	Male	82	53%
	Female	73	47%
Occupation	Housewife	22	14%
	Government Employee	18	12%
	Private employee	45	29%
	Student	25	16%
	Entrepreneur	34	22%
	Others	11	7%
	Domicile	DKI Jakarta	43
Bogor		35	23%
Depok		25	16%
Tangerang		28	18%
Bekasi		24	15%

Source: Processed data (2017)

Based on the results of simple linear regression testing, it is known that the variable quality of service is the greatest influence or the most significant influence on patient satisfaction compared with other variables. This proves and supports previous research from Şener (2014) which suggests that service quality has the greatest value of influence compared to other variables studied.

Based on data processing result as in Figure 3, the following linear regression equation as follow:

$$Y = 1.872 + 0.465X_1 + 0.260X_2 + 0.256X_3$$

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,872	1,387		1,349	,181
1 X1	,465	,076	,460	6,141	,000
X2	,260	,099	,185	2,615	,010
X3	,256	,062	,327	4,139	,000

a. Dependent Variable: Y

Figure 3: Linear Regression Analysis  
Source: Processed data (2017)

Based on the results, the variable of service quality (X1) has a significant influence on the satisfaction of inpatients of private hospital in Indonesia. This supports the previous research of Şener (2014) which expresses the quality of effective service in influencing consumer / patient satisfaction.

Meanwhile, the variable of perceived value (X2) has a significant effect on the satisfaction of inpatients of private hospital in Indonesia. This supports previous research from Pan (2011) which suggests that perceived value is the main determinant of satisfaction and loyal behavior of consumers that it can be concluded that perceived value has an influence on patient satisfaction.

The variable of hospital image (X3) has a significant influence on the satisfaction of the inpatient on private hospital in Jabodetabek. This supports the previous research of Abd-El-Salam et.al (2013) which suggests that patient satisfaction is significantly influenced by corporate image.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863 <sup>a</sup>	.744	.736	1,72101

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

*Figure 4: Coefficient Determination*

Source: Processed data (2017)

In Figure 4 it is known that the regression model has a coefficient of determination (adjusted R<sup>2</sup>) of 0.736. It can be concluded that the contribution of independent variable consisting of service quality variable X1, perceived value (X2), and hospital image (X3) can influence the dependent variable of Patient Satisfaction (Y) equal to 73,6% and balance 26,4% % is explained by other factors not addressed in this study.

In addition, based on the table is also known that the value of coefficient R which shows the closeness of the relationship between the dependent variable and independent variables. In this research, the variable quality of service (X1), perceived value (X2), and hospital image (X3) explained the patient satisfaction variable is 0.863 indicating a strong relationship or influence.

## CONCLUSIONS

Service quality has the most significant influence of the three independent variables. This is based because the patient lacks technical skills in the medical field, so the patient judges based on his interaction with himself with doctors, nurses as well as other employee members. In addition, patients also judge from the results of the quality provided by the hospital, whether the results of using services from the hospital can satisfy themselves.

This suggests that hospitals should maintain good quality services such as physical or intangible facilities such as physician competence to meet the needs and achieve patient satisfaction.

The perceived value also significantly affects patient satisfaction. When the hospital can meet expectations and even provide services that exceed expectations of patients then patients will feel satisfied. The patient's expectation of the service is closely related to value. The greater the value received by the patient the greater the satisfaction felt by the patient.

The image of the hospital has a significant influence on patient satisfaction. When the hospital image variable is a variable that strongly affects patient satisfaction after service quality variable. When patients use hospital services, patients will choose hospitals that have a good image and can be trusted.

The establishment of a good hospital image is based on satisfied or dissatisfied consumers, for example the hospital provides good service to patients then directly a good image will be formed from the hospital. Besides patients are satisfied with the hospital service a positive image will also be formed in the eyes of patients.

The simultaneous effect of all independent variables on patient satisfaction was done by F-test. From the results of multiple linear regression analysis obtained that the three independent variables have a significant influence simultaneously on patient satisfaction that is equal to 73.6%. The results of this study indicate that good service quality will increase the value felt by the patient, and will directly make the image of the hospital well in the eyes of the patient.

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