

# **The Effect of Hospital Image towards the Patient Satisfaction and Loyalty of Outpatients in the Hospital of PKU Muhammadiyah Gamping Yogyakarta**

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## **Abstract**

The purpose of this study was to analyze: 1) the effect of hospital image on patient satisfaction; 2) effect influence of hospital image on patient loyalty; and 3) the effect of patient satisfaction on patient loyalty in PKU Muhammadiyah Hospital Gamping Yogyakarta. This study used a descriptive survey design using cross sectional study. The population is all patients in the outpatient section of the PKU Muhammadiyah Hospital Gamping Yogyakarta. Samples were taken by purposive sampling of 100 respondents. Data collection is done using a questionnaire. The data analysis technique used is SEM (Structural Equation Modeling). The results obtained: 1) there is a positive influence on the image of the hospital to patient satisfaction; 2) there is a positive influence on the hospital's image on patient loyalty; and 3) there is a positive effect on satisfaction with outpatient loyalty at PKU Muhammadiyah Hospital Gamping Yogyakarta.

## **1. Introduction**

The hospital is the forefront of development and public health services, however hospitals in Indonesia do not all have the same standard of service and quality. The increasing number of hospitals and the increasing demands of the community for quality and affordable health facilities, makes hospitals must always attempt to survive and meet demands in the midst of increasingly fierce competition (Trisnantoro, 2005). Hospitals that have a strong image tend to more easily meet the needs and desires that are in accordance with customer perceptions; it can also easily become the top position in the minds of customers (Nurulaini, 2010). Image influences the success of an institution such as a hospital. In the recent time, a positive image will be very helpful for a company. A good image is a company asset, because image can have an effect on perceptions of quality, value, and satisfaction (Zeithaml, 1996).

In practice and marketing theory, customer satisfaction has become a fundamental concept, and is one of the essential goals in business activities. Customer satisfaction affects a number of aspects, such as creating customer loyalty, increasing the company's reputation, reducing price elasticity, reducing transaction costs, and increasing employee efficiency and productivity (Edvardsson, et al., 2000). In addition, satisfaction is also seen as one of the best indicators to gain profits in the future (Kotler, 2003). Tse & Wilton (1988) in Tjiptono (2011) defines customer satisfaction or dissatisfaction as a response to evaluation of discrepancies perceived between initial expectations at the time of purchase and perceived product performance when after the use of the product in question.

Satisfying customers is the most effective effort against competition. Companies that can keep their customers always satisfied can hardly be defeated. Customers will become more loyal and have high loyalty so they will make repurchases, want to pay more and remain customers even though the company is experiencing difficulties. Satisfaction does not always lead to loyalty, but loyalty often begins with a sense of satisfaction first (Tjiptono, 2011). According to Kotler and Keller (2009), customer loyalty is the customer's commitment to re-subscribe or to repurchase a particular product or service continuously in the future, even though there is a situation or marketing influence that can cause behavior change. Consumer loyalty is formed from the image that exists in a product or service from a

company's brand. Loyalty is also caused by the satisfaction gained by consumers while using the product and having a relationship with the company (Herizon and Maylina, 2003).

One of the health service places in Yogyakarta is PKU Muhammadiyah Gamping hospital, which is one of the private Islamic hospitals that has a strong and different image, based on Islam as one of the consumers' appeal and the age since the establishment of this hospital based on history. In addition, it currently has many branches in Indonesia using the same image so that it is already familiar to people, especially Muslims.

Hospital of PKU Muhammadiyah Gamping Yogyakarta has a vision that is to create a primary education hospital with excellence in health, education and research services with a strong network and partnership system in 2018, and has a mission namely the mission of public or social services, education mission, research mission and development, and missionary mission. While the motto of the hospital of PKU Muhammadiyah Gamping in service is "AMANA" which stands for: Enthusiastic, Quality, Safe, Comfortable, Accurate, and Reliable.

In relation to the above background, the problem formulation of this research is

1. Does the image of the hospital affect patient satisfaction in the hospital of PKU Muhammadiyah Gamping Yogyakarta?
2. Does the image of the hospital affect the loyalty of patients in the hospital of PKU Muhammadiyah Gamping Yogyakarta?
3. Does patient satisfaction affect patient loyalty in the hospital of PKU Muhammadiyah Gamping Yogyakarta?

## **2. Hypotheses Development**

### ***2.1. The influence of Hospital Image to patient satisfaction***

Research of Anung Pramudyo in 2012 showed there is significant positive effect between the brand image and satisfaction. Satisfaction is consist of positive image from the company. The image itself has role to trade the company and influence the consumer's perception and expectation about the service and product that leads to influence the loyalty. Based on the research, hypotheses is :

**H1 : There is a positive relationship between hospital image with outpatient satisfaction in hospital of PKU Muhammadiyah Gamping Yogyakarta**

### ***2.2. The influence of Hospital Image to patient Loyalty***

Research of Selvy Normasari et all in 2016 showed there is significant effect of the brand image and loyalty. The image will attached to consumers thought if they think the brand is different and finally establish the loyalty.

Based on the research, hypotheses is :

**H2 : There is a positive relationship between hospital image with outpatient loyalty in hospital of PKU Muhammadiyah Gamping Yogyakarta**

### ***2.3. The influence of satisfaction with patient loyalty***

Research of Chao-Chan Wu in 2011 showed that the satisfaction has positive effect with loyalty of repeat purchasing. Their significant effect promote big possibilities of satisfied patient become more loyal to come to the hospital compared to the others (Kim et al, 2008).

Based on the research, hypotheses is :

**H3 : There is a positive relationship between satisfaction with outpatient loyalty in the hospital of PKU Muhammadiyah Gamping Yogyakarta**

### 3. Research Methodology

#### 3.1. Research Design

This study used a survey descriptive design. This study used cross sectional studies or was only carried out one time (Sekaran, 2017).

#### 3.2. Population and Sample

The population of this study were all patients who received an action or service in the outpatient section of the Hospital of PKU Muhammadiyah Gamping Yogyakarta polyclinic, in the period of January to December 2016 which was 80,465 people.

Sample determination for the SEM (Structural Equation Modeling) analysis used formula of the indicators number x 5 to 10 (Hair, 2006). The indicators used in this study amounted to 20, so the minimum sample for this study was 100 with a maximum sample of 200. Hair (2006) suggests that the sample size suitable for SEM was between 100-200 samples. The sampling technique used was purposive sampling.

#### 3.3. Data collection technique

Data collection was done using a questionnaire. Validity testing was done by Confirmatory Factor Analysis (CFA).

#### 3.4. Data analysis technique

Data analysis technique used was SEM (Structural Equation Modeling).

## 4. Results And Discussion

### 4.1. Validity and Reliability Test

#### Analysis of Exogenous Constructive Confirmatory Factor

The results of the exogenous construct confirmatory factor analysis are described in the following figure.

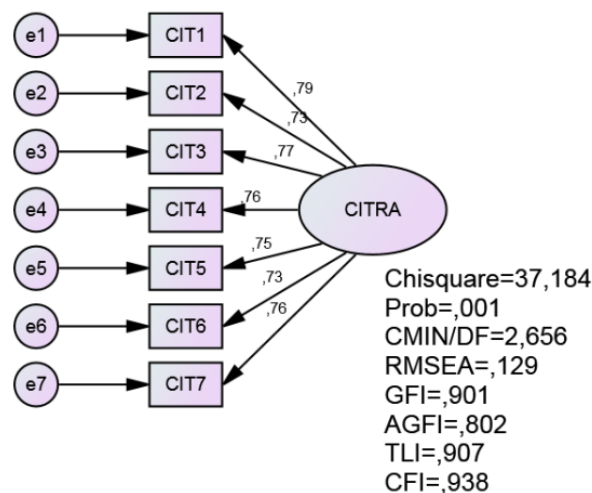


Figure 1 Test of Exogenous Constructive Confirmation Factor

Furthermore based on the factor loading, it is conducted analysis of validity for each indicator in the exogenous constructive as follow:

Table 1. Validity of Exogenous Constructions

No.	Indicator	Factor Loading	Info
1.	CIT1	0,786	Valid
2.	CIT2	0,735	Valid
3.	CIT3	0,772	Valid
4.	CIT4	0,761	Valid
5.	CIT5	0,754	Valid
6.	CIT6	0,729	Valid
7.	CIT7	0,761	Valid

Table 1 shows that all indicators in the hospital image instrument are valid, because they have a factor loading value of more than 0.5.

### Analysis of Endogenous Constructions Confirmatory Factor

The results of the endogenous construct confirmatory factor analysis are described in the following figure.

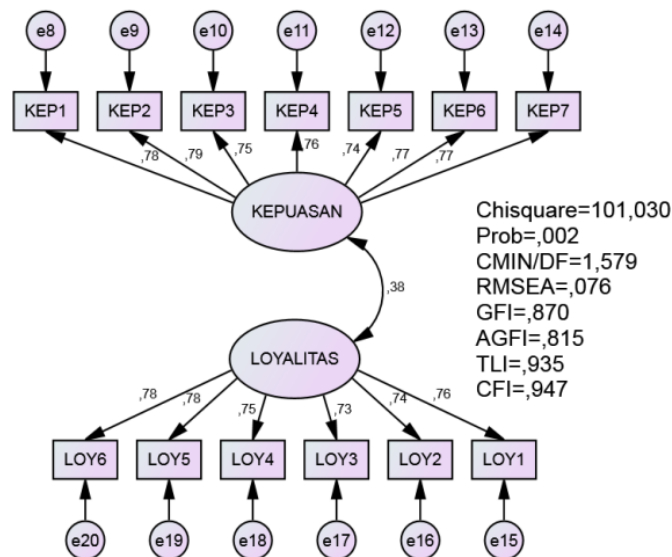


Figure 2 Test of Endogenous Constructions Confirmatory Factor

Furthermore, based on the factor loading value, validity analysis for each indicator in endogenous construct as follows:

Table 2. Validity of Endogenous Constructions

No.	Indicator	Factor Loading	Info
<b>Patients' Satisfaction</b>			
1.	KEP1	0,783	Valid
2.	KEP2	0,791	Valid
3.	KEP3	0,749	Valid
4.	KEP4	0,756	Valid
5.	KEP5	0,739	Valid
6.	KEP6	0,769	Valid
7.	KEP7	0,768	Valid
<b>Patients' Loyalty</b>			
1.	LOY1	0,758	Valid

No.	Indicator	Factor Loading	Info
2.	LOY2	0,735	Valid
3.	LOY3	0,734	Valid
4.	LOY4	0,749	Valid
5.	LOY5	0,776	Valid
6.	LOY6	0,784	Valid

Table 2 shows that all indicators in the instruments of patients' satisfaction, and patients' loyalty are valid, because they have a factor loading value of more than 0.5.

### Reliability Test

The results of construct reliability testing and average variance extracted are described in table 3.

Table 3. Calculation Results of Construct Reliability and Average Variance Extracted

Indicator	Load.	Load <sup>2</sup>	Error	CR	AVE
<b>Hospital Image</b>					
CIT1	0,786	0,618	0,382	0,904	0,573
CIT2	0,735	0,540	0,460		
CIT3	0,772	0,596	0,404		
CIT4	0,761	0,579	0,421		
CIT5	0,754	0,569	0,431		
CIT6	0,729	0,531	0,469		
CIT7	0,761	0,579	0,421		
$\Sigma$	5,298	4,012	2,988		
<b>Patients' Satisfaction</b>					
KEP1	0,783	0,613	0,387	0,908	0,586
KEP2	0,791	0,626	0,374		
KEP3	0,749	0,561	0,439		
KEP4	0,756	0,572	0,428		
KEP5	0,739	0,546	0,454		
KEP6	0,769	0,591	0,409		
KEP7	0,768	0,590	0,410		
$\Sigma$	5,355	4,099	2,901		
<b>Patient's Loyalty</b>					
LOY1	0,758	0,575	0,425	0,889	0,572
LOY2	0,735	0,540	0,460		
LOY3	0,734	0,539	0,461		
LOY4	0,749	0,561	0,439		
LOY5	0,776	0,602	0,398		
LOY6	0,784	0,615	0,385		
$\Sigma$	4,536	3,431	2,569		

Table 3 shows that the value of construct reliability for all variables is more than 0.7 and average variance extracted is more than 0.5. Based on this, all the instructions used are reliable.

#### 4.2. Structural Equation Model Test (SEM)

The test results of Structural Equation Model (SEM) are described in Figure 3.

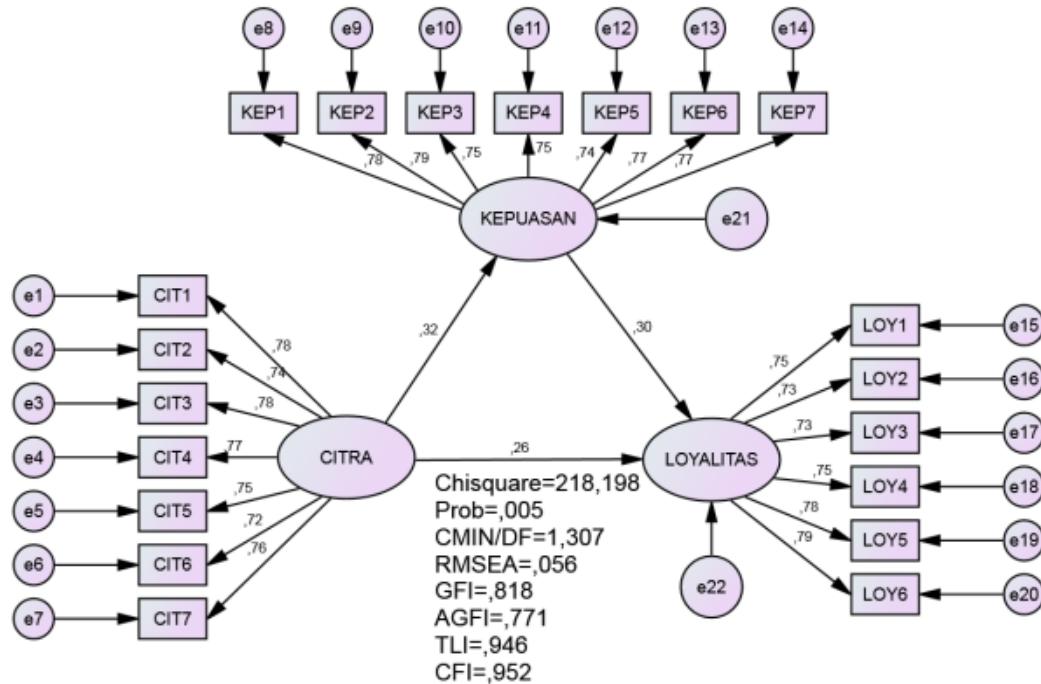


Figure 3. Full Model of Structural Equation Model (SEM)

The results of the goodness of fit from the SEM model above are as follows:

Table 4. Full Model SEM Goodness of Fit

Indicator of Goodness-of-fit	Recommendation Value	Model result	Info
$\chi^2$ -Chi Square		218,198	Marginal
$\chi^2$ -p	$\geq 0,05$	0,005	Marginal
CMIN/DF	$\leq 2,00$	1,307	Good
RMSEA	$\leq 0,08$	0,056	Good
GFI	$\geq 0,90$	0,818	Marginal
AGFI	$\geq 0,90$	0,771	Bad
TLI	$\geq 0,90$	0,946	Good
CFI	$\geq 0,90$	0,952	Good

Table 4 shows that there are 4 good categories of goodness-of-fit indicators, namely CMIN / DF, RMSEA, TLI, and CFI, so it can be concluded that the full SEM model meets the criteria of the fit model.

#### 4.3. Hypothesis testing

The testing phase of this hypothesis is to test the proposed research hypothesis. Testing this hypothesis is based on the processing of research data using SEM analysis. The results of testing hypotheses can be summarized in the table as follows:

Table 5. Summary of Hypothesis Testing Results

<b>Ha</b>	<b>Hypothesis</b>	<b>C.R.</b>	<b>p</b>
Ha1	Hospital Image → Patients' Loyalty	2,814	0,005
Ha2	Hospital Image → Patients' Loyalty	2,309	0,021
Ha3	Patients' Satisfaction → Patients' Loyalty	2,594	0,009

Based on table 5 above, the following hypothesis is tested:

### **First Hypothesis Testing**

The first hypothesis in this study is that there is a positive influence on hospital image on the satisfaction of outpatients at Hospital of PKU Muhammadiyah Gamping Yogyakarta. Based on the results of the analysis obtained CR values of 2.814 and p of 0.005. Based on the positive CR value and more than 1.96 and  $p < 0.05$ , the first hypothesis (Ha1) is accepted. The results of this study support the results of Lestari's research (2015) and Susanto (2009).

Company image is a public perception of a company or company product (Kotler and Keller, 2009). Community perception of PKU Muhammadiyah Gamping hospital services is formed in the minds of customers, because of various knowledge and information received from various sources. The equal and repetitive information from various parties, will influence the customer's assessment so that it will shape the customer perception on PKU Muhammadiyah Gamping Hospital.

A good corporate image is an asset for most companies, because image can have an impact on perceptions of value, quality and satisfaction (Zeithmal, 1996). A positive image of PKU Muhammadiyah Gamping Hospital in the customers' perception will influence it in giving an assessment of the service it receives. A positive image in the customers' perception, causing customers to rate the services they receive more positively. This is because with a positive image in the customers' perception, the customer has the confidence that the service of the PKU Muhammadiyah Hospital is good, and better than other hospitals, so that it will have a more positive response to the services it receives. This will have an impact on satisfaction.

### **Second Hypothesis Testing**

The second hypothesis in this study is that there is a positive influence on the hospital image on the loyalty of outpatients in the Hospital of PKU Muhammadiyah Gamping Yogyakarta. Based on the results of the analysis obtained CR values of 2.309 and p of 0.021. Based on the positive CR value and more than 1.96 and  $p < 0.05$ , the first hypothesis (Ha2) is accepted. The results of this study support the research results of Lestari (2015); Bastian (2014); and Pramudyo (2012). The results of this study support the theory which states that consumer loyalty is formed from the image that exists in a product or service from a company's brand (Herizon and Maylina, 2003).

Customers when performing health services at a hospital will first seek information about the hospital. This information can be obtained by customers from various sources such as advertisements, the internet, or because of references from friends or relatives. Information and knowledge about PKU Muhammadiyah Gamping Hospital influences its customers' assessment of the services they receive compared to other hospital services. Their assessment and experience in carrying out the service will encourage customers to re-service and form their loyalty to PKU Muhammadiyah Gamping Hospital.

### **Third Hypothesis Testing**

The third hypothesis in this study is that there is a positive influence on satisfaction of outpatient loyalty at Hospital of PKU Muhammadiyah Gamping Yogyakarta. Based on the results of the analysis, the CR value is 2.594 and p is 0.009. Based on the positive CR value and more than 1.96 and  $p < 0.05$ , the first hypothesis (Ha3) is accepted. The results of this study support the research results of Puteri (2015); Tu et al (2012); and Laksono (2008).

Satisfaction is formed from the patient's trust or expectations of what is received from the product or service that has been chosen (Engel et al, 1995). Customer satisfaction is one of the determinants of customer loyalty, so when a customer is satisfied with a product or service, he will make a repeat purchase. For a company, loyal customers are very important and usually competitors are difficult to win. Loyal customers can also indirectly become company advertisements, meaning that companies can benefit greatly from them because they have recommended and changed other customer purchasing patterns (Tjiptono, 2011).

A patient who is satisfied means that he gets health services that are in line with what he hopes. Satisfaction with these health services will be taken into consideration by patients in re-performing services at PKU Muhammadiyah Hospital. Satisfactory service that is received every time they make a visit will form a positive attitude towards service and form patient loyalty to the services of PKU Muhammadiyah Hospital.

### **5. Conclusion**

There is a positive influence on the hospital image on the satisfaction of outpatients in the Hospital of PKU Muhammadiyah Gamping Yogyakarta. There is a positive influence on hospital image on the loyalty of outpatients in the Hospital of PKU Muhammadiyah Gamping Yogyakarta. There is a positive effect on satisfaction with outpatient loyalty in the Hospital of PKU Muhammadiyah Gamping Yogyakarta.

### **6. Suggestion**

RS PKU Muhammadiyah Gamping Yogyakarta should consider marketing strategy to establish good hospital image, for example by make an advertisement, promotion through health charity for people and collaborate with other company so that the result will improve the satisfaction and loyalty of patient. Furthermore, hospital should maintain and enhance the patient service .

To the upcoming research should plan the research about satisfaction and consumer loyalty by observe different variable than brand image. The expectation is to identify more wide variable that has influence with satisfaction and loyalty of consumers.

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