The Effect of Service Quality on Brand Loyalty through Patient Satisfaction and Word Of Mouth: Study in Rsudza General Hospital

Rahmad Rizal, Syafruddin, Teuku Roli Ilhamsyah Putra
Management Department, Universitas Syiah Kuala, **Indonesia**

Abstract

Many companies that have strong brand loyalty experience the repeat purchases of their products and services despite the fact that there is a change in price or convenience. The purpose of this study is to look at the effect of service quality on brand loyalty through patient satisfaction and word of mouth. The population in this study were all patients in the Executive Poly in General Hospital of Zainoel Abidin (RSUDZA) located in Banda Aceh. This study uses a convenience sampling method, namely sampling based on the availability of elements and the ease of getting it randomly. The selected respondents were patients at the polyclinic executive at RSUDZA. The number of sample is 205 respondents. The result shows that of the 6 direct hypotheses available, all of them are significant and accepted because they have Critical Ratio (CR) and Probability (p) value that met the requirements. The results of indirect effect tests for the service quality on brand loyalty through patient satisfaction and the service quality on brand loyalty through word of mouth are not significant. The role of patient satisfaction and word of mouth in this case are as partial mediation. Sequence mediation testing places customer satisfaction and word of mouth as sequence partial mediation. This finding can be used as a reference for RSUDZA management to improve the Company's Brand Loyalty, individually or sequentially, the role of customer satisfaction and word of mouth can be utilized as a mediating variable that mediates the effect of service quality on brand loyalty. The discussion provides some managerial implications.

Keywords: Service Quality, Customer Satisfaction, Brand Loyalty, Word of Mouth, Gender.

1. Introduction

Brand loyalty helps in building a strong customer base which in turn serves as a tool to surpass competitors and achieve the competitive advantage needed to succeed in the market (Al-Msallam, 2015). Companies that have strong brand loyalty experience a buying experience repeatedly for their products and services despite the fact that there is a change in price or convenience. Loyal customers of a particular brand are less likely to be influenced by competitors' marketing efforts, thereby increasing the likelihood that these customers will continue to use products and services from certain companies.

Customer satisfaction will not be achieved without adequate service quality. Service quality generally refers to a comparison of customer service expectations related to company performance. Businesses with high levels of service quality are likely to be able to meet customer needs and also remain economically competitive in their respective industries. Successful businesses that remain competitive and relevant in the marketplace work proactively to get information from their current

or potential customer base so they can ensure they meet their needs. (Frost & Kumar, 2000). In the context of the Banda Aceh Zainal Abidin Hospital, the same principle applies, especially in the services provided to the executive polyclinic at this hospital.

The quality of service is still below expectations, causing deep disappointment for patients who seek treatment. The impact of this deep disappointment certainly has an impact on brand loyalty such as what has been conveyed and confirmed by (Nemati, Khan, & Iftikhar, 2010) and (Bloemer & Lemmink, 1992) who found a close relationship between customer satisfaction and brand loyalty.

2. Literature Review

Brand Loyalty

Brand loyalty is seen as the extent to which a customer shows a positive attitude towards a brand, is committed to a particular brand, and intends to continue to buy it in the future. (Mowen & Minor, 2002). According to (Nagar, 2009) argued that brand loyalty shows a consistent buying pattern towards a particular brand over time and also a pleasant attitude towards a brand. Meanwhile, according to (Giddens & Hofmann, 2002) brand loyalty can be defined as the attitude of liking a brand that is manifested in a consistent purchase of that brand over time.

Word of mouth

Word of mouth communication is increasingly done by consumers who want to recommend to other potential customers, advice in the form of this information in the marketing world is referred to as Word of Mouth. (Hidayati, Suharyono, & Kumadji, 2013) defined Word of Mouth as information about a target object directly through the communication media. Word of Mouth is a marketing strategy to make customers talk (do the talking), promote (do the promotion) and sell (do the selling) shortened to TAPS (Talking, Promoting and Selling) and become the basic reference of Word of Mouth research first marketing in Indonesia. (Hamjah, 2015).

Service quality

Service quality can be known by comparing consumers' perceptions of the services they actually receive / obtain with the services they actually expect / want for the service attributes of a company. (Ambartiasari, Lubis, & Chan, 2017).

If the service received or perceived (perceived service) is as expected, then the quality of service is perceived to be good and satisfying, if the service received exceeds consumer expectations, then the quality of service is perceived to be very good and quality. Conversely, if the service received is lower than expected, the perceived quality of service is poor. (Tjiptono, 2017).

Customer satisfaction

According to (Kotler & Keller, 2012) satisfaction is one's feelings after comparing the performance or results received with one's expectations before receiving results. Satisfaction is a condition that a person feels after experiencing an action or the result of an action that meets expectations (Hartono, 2010). Patient satisfaction can be defined as a condition where needs, desires and expectations can be fulfilled. So it can be concluded that patient satisfaction is a feeling of pleasure or disappointment that is experienced after comparing the reality received / felt while in hospital

with patient expectations. (Fuad, Aziz, & Yunus, 2012). In this study, the customer satisfaction is equated with patient satisfaction because of the customer in the RSUDZA as a General Hospital is the patient.

Research paradigm

The paradigm or relationship between concepts (variables) in this study can be illustrated in Figure 2.1 below.
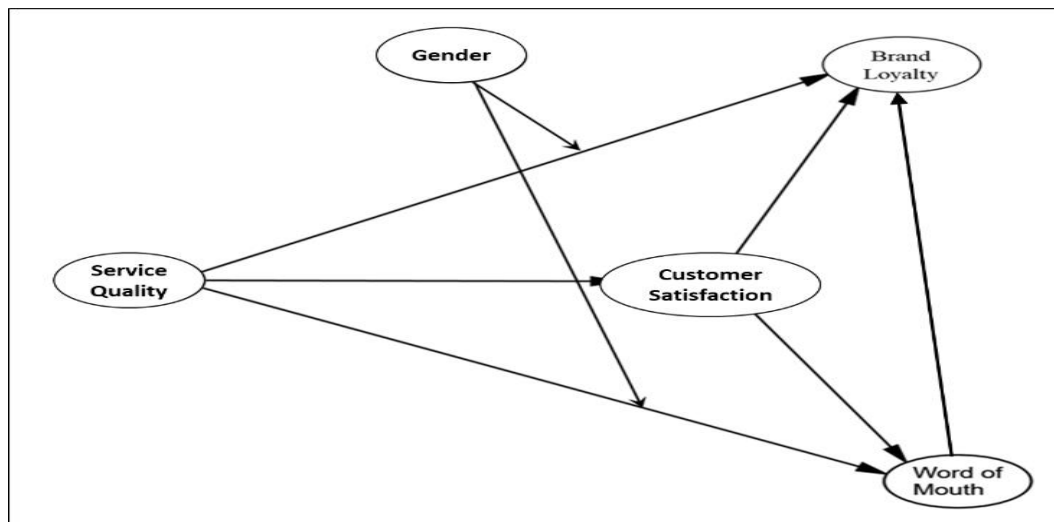

Figure 1. Research Paradigm

Hypothesis

Based on the phenomena and from the theoretical basis previously stated, then some alternative hypotheses can be stated as follows:

H1:   Service Quality, Patient Satisfaction, Brand Loyalty and Word of Mouth at RSUDZA are already good

H2: Service Quality affects Patient Satisfaction

H3: Service Quality affects Brand Loyalty

H4: Service Quality affects Word of Mouth

H5: Patient Satisfaction affects Brand Loyalty

H6: Patient satisfaction affects Word of Mouth

H7: Word of Mouth affects Brand Loyalty

H8:   Service Quality affects Brand Loyalty through Patient Satisfaction

H9:   Kuality of Service affects the Word of Mouth through Patient Satisfaction

H10: Service Quality influences Brand Loyalty through Patient Satisfaction and Word of Mouth (sequence mediation)

H11a: Gender has a role in moderating the influence of Service Quality on Brand Loyalty

H11b: Gender has a role in moderating the influence of Service Quality on Word of Mouth

3.   Research Method

Location and Object

The location of this study was carried out at the Zainoel Abdin Regional General Hospital (RSUDZA) located in Banda Aceh, Indonesia. The subjects of this study were the patients in the executive polyclinic at RSUDZA. The object of this study is service quality, patient satisfaction, brand loyalty and word of mouth as well as gender variables from patients at RSUDZA. The scope of research is only on executive polyclinics in RSUDZA.

Population and Sample Determination

The population was all patients in the executive clinic at the Banda Aceh Regional General Hospital. This study uses a sampling technique with convenience sampling method, namely sampling based on the availability of elements and the ease of getting it randomly. The selected respondents were patients at the executive polyclinic at RSUDZA. The number of samples is 205 people.

Data analysis method

Data processing obtained in the field is done by the equation model technique that is multivariate statistical analysis technique to be able to analyze not only the influence between variables, but also the relationship of variables with their respective indicators. The criteria for accepting Ha are Critical Ratio (CR)> 1.96 and Probability value (P) <0.05.

4. Result And Discussion

Loading Factor with measurement test
Testing the validity of the loading factor can be seen in the following figure and table:
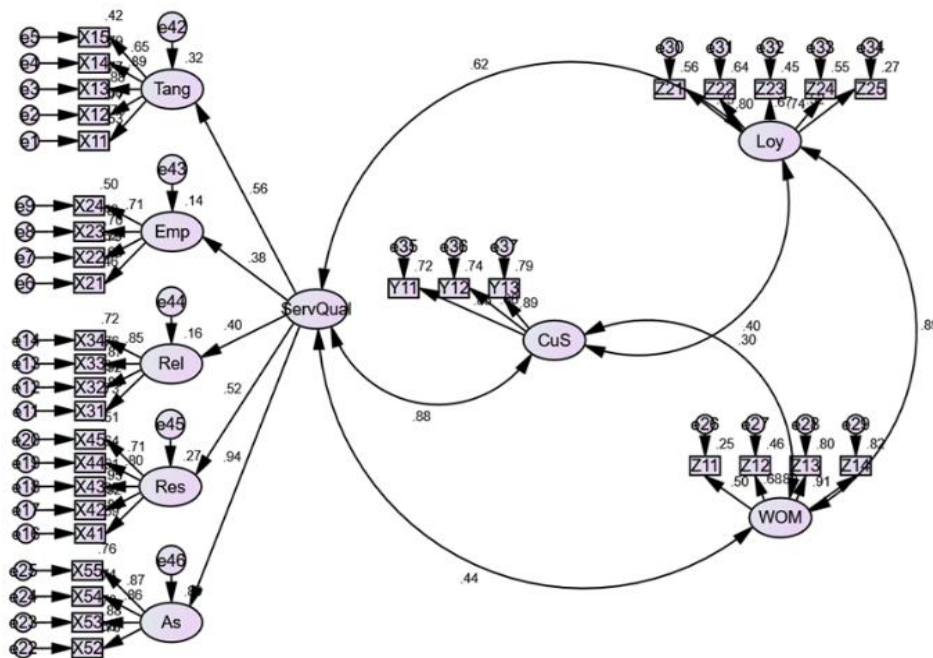

Figure 1 Loading Factor

Measurement test results indicate that several indicators of the research variable have a loading factor value below 0.5. The following table is the result of a net measurement test which can later be included in structural testing.

Table 1. Loading Factor

No	Indicator		Variable	Estimate
1	X11	<---	Pliers	.726
2	X12	<---	Pliers	.775
3	X13	<---	Pliers	.880
4	X14	<---	Pliers	.891
5	X15	<---	Pliers	.645
6	X21	<---	Emp	677
7	X22	<---	Emp	.787
8	X23	<---	Emp	695
9	X24	<---	Emp	708
10	X31	<---	Rail	853
11	X32	<---	Rail	.918
12	X33	<---	Rail	.871
13	X34	<---	Rail	.849
14	X41	<---	Res	.831
15	X42	<---	Res	.921
16	X43	<---	Res	.952
17	X44	<---	Res	.803
18	X45	<---	Res	.714
19	X52	<---	US	759
20	X53	<---	US	.881
21	X54	<---	US	.862
22	X55	<---	US	.874
23	Z11	<---	WOM	496
24	Z12	<---	WOM	.676
25	Z13	<---	WOM	.892
26	Z14	<---	WOM	.905
27	Z21	<---	Loy	.746
28	Z22	<---	Loy	.801
29	Z23	<---	Loy	.670
30	Z24	<---	Loy	.741
31	Z25	<---	Loy	.518
32	Y11	<---	CuS	.850
33	Y12	<---	CuS	859
34	Y13	<---	CuS	.890

Table 1 shows the loading factors of all the indicators in the model, and have met the requirements for further processing because they have a loading factor> 0.5.

Table 2. Goodness of Fit Criteria Table

Size Index Criteria	Cut-off Value	Analysis Results	Model Evaluation
Chi Square	Expected to be small	916,196	Fit
CMIN / DF	CMIN / DF <2	1,776	Fit
GFI	≥ 0.90	0.669	Fit
AGFI	≥ 0.90	0.589	Well
IFI	≥ 0.90	0.909	Well
CFI	Approaching 1	CFI above 0.5	Relatively Good
NFI	0-1	FI 0 - 1	Fit
RMSEA	<0.08	0.066	Fit

Structural Analysis for Indirect Effect
The results of structural tests carried out have produced the information needed to answer hypotheses that have been built before whether proven or not. Figure 3 below illustrates the influence between variables:
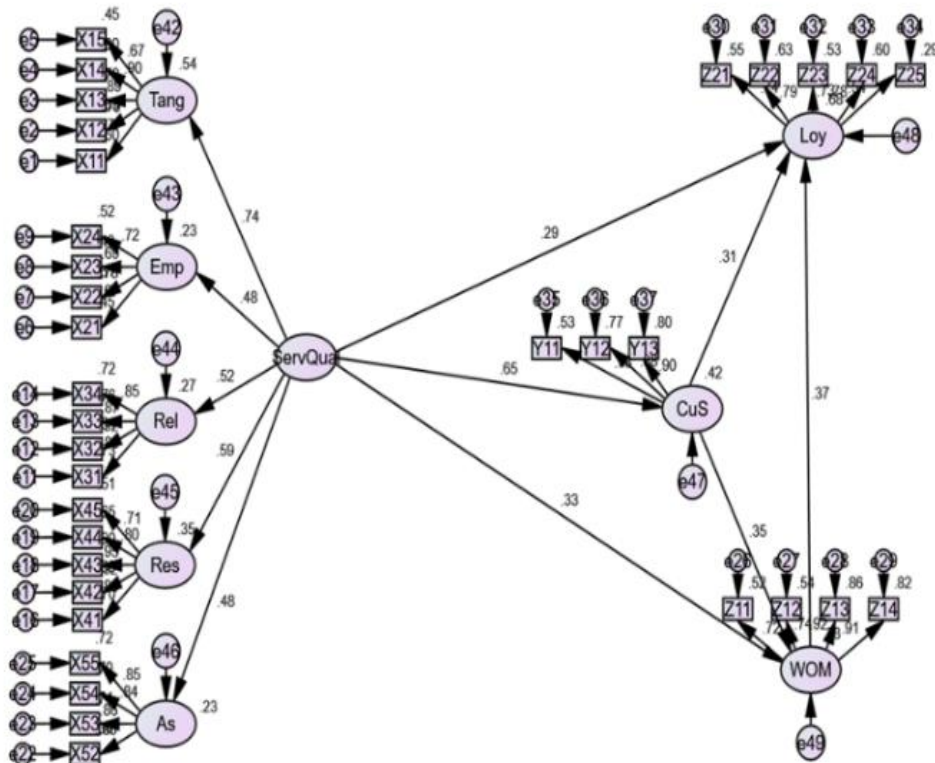

Figure 3. Structural Equation Model

Based on Figure 3 it can be explained the influence of each variable, namely service quality, patient satisfaction, brand loyalty and word of mouth. An overview of all hypothesis testing together with the results can be seen in the following Table 3.

Table 3. Hypothesis Conclusion

No	Hypothesis	CR Cut off> 1.96	P value Cut off <0.05	Information
1	There is an effect of service quality on patient satisfaction	6.039	***	Accepted
2	There is an effect of service quality on Word of Mouth	7.803	***	Accepted
3	There is an Influence of Patient Satisfaction on Word of Mouth	7.922	***	Accepted
4	There is an effect of service quality on brand loyalty	8.857	***	Accepted
5	There is the effect of Wrord of mouth on Brand loyalty	9.533	***	Accepted
6	There is an influence of patient satisfaction on brand loyalty	2.739	***	Accepted

From Table 3 above it can be seen that from the 6 direct hypotheses, all of which have a significant effect because they have a CR value of 1.96 and P Value <0.05 so that they meet the minimum requirements for accepted hypotheses. In other words, the independent variable has an influence to increase the dependent variable, namely the quality of service as long as this independent variable can be improved by the leadership or management at the Zainoel Abdin Regional General Hospital (RSUDZA) especially at the Executive Poly.

Structural Analysis for Indirect Effect

The following is an indirect hypothesis conclusion that is the effect of service quality, patient satisfaction, brand loyalty and word of mouth on the executive polyclinic at RSUDZA through patient satisfaction as shown in the following Table 4:

Table 4. Conclusion of the Indirect Hypothesis

No	Indirect Hypothesis	P value <0.05	Beta	Information	The Role of Mediation
1	The Effect of Service Quality on Brand Loyalty through Customer Satisfaction (Simple Mediation)	0.012	19.7%	Accepted	Partial Mediating
2	Effect of Service Quality on Brand Loyalty through Word of Mouth (Simple Mediation)	0.009	12.3%	Accepted	Partial Mediating
3	Effect of Service Quality on Brand Loyalty through Customer Satisfaction and then Word of Mouth (Sequence Mediation)	0.001	8.3%	Accepted	Partial Mediating

An indirect effect happens in the effect of Service Quality towards Brand Loyalty through Customer Satisfaction. In other words, Customer Satisfaction is able to act as a mediating variable on the effect of Service Quality on Brand Loyalty, even though its influence is limited to Partial Mediation. Moreover, the effect of Service Quality on Brand Loyalty through Word of Mouth is directly significant, and through word of mouth is also significant, so in this case word of mouth acts as a partial mediation. So for these three indirect effect hypotheses we can conclude that Both directly and through Customer Satisfaction and then Word of Mouth (Sequence Mediation), the influences of Service Quality on Brand Loyalty are significant, so this research model that involves the Customer Satisfaction and then Word of Mouth (Sequence Mediation), these two mediation variables are figured as the partial mediator.

5. Conclusion

Some of results are concluded as follows.

1. Descriptive testing of the 4 variables in this study, with a significance level of 5% alpha all under the number 0.05 so that it can be concluded that all variables in this study are Service Quality, Customer Satisfaction, Word of Mouth, Brand Loyalty already well. Thus rejecting H0 and accepting H1.
2. **N**The estimated parameter values for testing the Effect of Service Quality on Customer Satisfaction indicate the CR value and the probability value that meets the statistical significance requirements. Thus it can be stated that the effect of Service Quality on Customer Satisfaction is significant.
3. The estimated value for testing the Effect of Service Quality on Word of Mouth shows the value of the CR probability that satisfies the conditions of acceptance of Ha, namely the CR value greater than 1.96 and the probability smaller than 0.05. Thus it can be stated that the effect of Service Quality on Word of Mouth is significant. The magnitude of the effect of Service Quality on Word of Mouth is 0.331 or 33.1%. So the impact of improving Service Quality on Word of Mouth is very significant.
4. The effect of Customer Satisfaction on Word of Mouth is significant. The magnitude of the coefficient of the influence of Customer Satisfaction on Word of Mouth is 0.347 which

means that every time there is an increase in one unit of Customer Satisfaction will increase Word of Mouth by 44.2%.

5. The estimated parameter values for testing the Effect of Word of Mouth on Brand Loyalty show a CR value of 9,533 and with a probability of 0,000. Both of these values are obtained that meet the requirements for acceptance of Ha. Thus it can be stated that the effect of Word of Mouth on Brand Loyalty is significant. The magnitude of the coefficient of the influence of Word of Mouth on Brand Loyalty is 0.373, an adequate coefficient number, so that the impact it has on increasing Brand Loyalty is also not so large but still adequate, as a result of the increase in WOM.

6. In testing the effect of Customer Satisfaction on Brand Loyalty shows a CR value of 8,857 and with a probability of 0,000. So the requirements for acceptance of Ha are sufficient. Thus it can be stated that the effect of Customer Satisfaction on Brand Loyalty is significant. The magnitude of the coefficient of the influence of Customer Satisfaction on Brand Loyalty is 0.291 which means that every time there is an increase in one unit of Customer Satisfaction will have an impact on increasing Brand Loyalty by 32.4%.

7. In indirect testing the effect of Service Quality on Brand Loyalty through Customer Satisfaction, it can be seen that the value of p two tailed sobel test <5%, it is evident that the effect of Service Quality on Brand Loyalty through Customer Satisfaction, there is an indirect effect. In other words, Customer Satisfaction is able to act as a mediating variable on the effect of Service Quality on Brand Loyalty, even though its influence is limited to Partial Mediation

8. In indirect testing, the Effect of Service Quality on Brand Loyalty through Word of Mouth. The value of p two tailed sobel test = 0.009 <0.05 shows that the indirect effect is significant. Because the effect of Service Quality on Brand Loyalty through Word of Mouth is directly significant and through the attitude of word of mouth is also significant, so in this case word of mouth acts as a variable partial mediation

9. In the indirect test, the Effect of Service Quality on Brand Loyalty through Customer Satisfaction and then Word of Mouth (Sequence Mediation) shows the value of two tailed p value sequence mediating through the calculation of syntax bootsrapping estimand <0.05, so it is proven that the indirect effect is significant. This is also strengthened by other evidence, namely the indirect value covariance estimation value movements whose movements from upper to lower and vice versa do not pass through the zero point. Because both directly and through Customer Satisfaction and then Word of Mouth (Sequence Mediation) the influence of Service Quality on Brand Loyalty is significant, the role of the Customer Satisfaction variable and then Word of Mouth (Sequence Mediation) here is partial mediating.

From the explanation above, the managerial implications are mapped in the form of suggestions as follows.

1. Through a series of tests it turns out that the determinant variables in this study such as Service Quality, Customer Satisfaction, Word of Mouth and Brand Loyalty, as well as dimensions of service quality namely Tangible, Empathy, Reliability, Responsiveness and Assurance showed a good contribution to participate in explaining the phenomenon of this research related with the determinant factor of Brand Loyalty.

2. Of the 3 determinant Brand Loyalty variables, all of them contributed significantly, if the three variables were treated by this RSUDZA management. However, of the three

variables, it can be seen that Word of Mouth gives the biggest contribution to increase this brand loyalty. This finding can be used as a reference in solving problems related to Brand Loyalty.

3. Furthermore, if we look in more detail, it turns out that indicators that also play a role in increasing WOM levels among RSUDZA customers are their passion for encouraging friends or relatives to make purchases of RSUDZA health services, because this indicator is perceived best by respondents compared to other indicators .

4. There are two mediating variables used in this study, namely customer satisfaction and word of mouth. Both of these variables play a role as mediation variables in the simple mediation model, even though their role is only as partial mediation, which means there is still a role as mediation but the size effect is on a medium scale.

5. This finding can be used as a reference for RSUDZA management to increase the company's Brand Loyalty, individually or sequentially, the role of customer satisfaction and word of mouth can be utilized as a mediating variable that mediates the effect of service quality on brand loyalty.

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