Service Quality, Customer Value and Patient Satisfaction on Public Hospital in Bandung District, Indonesia

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ABSTRACT

The purpose of this research is to investigate the influence of service quality on customer value as well as on public hospital patient satisfaction. Population studies were conducted in government hospitals. Data analysis used structural equation modeling partial least square. Sample in this research are 158 patients from government hospitals in the district Bandug, Indonesia. The results showed a significant influence on service quality on customer value and patient satisfaction. Furthermore, the results also showed that gender plays a role as moderating variable between customer value and patient satisfaction. This indicates that the services provided by public hospitals can improve customer value implications on patient satisfaction.

Keywords: Service Quality, Customer Value, Patient Satisfaction, Public Hospital

JEL Classifications: M31, M38, I13

1. INTRODUCTION

Increased public awareness of the importance of the health care of the services and excellent health care services become indispensable by the community and everyone has the same right to gain access to resources in the health care sector as well as to health services that are safe, high quality, and affordable. Instead, each person also has the obligation to participate in the social security program which is in line with the demands of universal health coverage. This indicates that health care is a human right and a constitutional right that its rights are protected by the rule of law, and is one indicator in the development of human resources. Based on the application of the principle of universal health coverage for health services will be a right of the population, is no longer commodities that can only be enjoyed by those who can afford to pay but all citizens are protected against the health insurance program.

However, people are also obliged to pay a premium fee, use of health facilities in stages, and adopt healthy behavior. Contributions are poor and can not afford to be financed by the government. Thus the whole population is expected to receive the same health care. The health can improve health care access and quality health services to all citizens with fairness. This requires optimal service in the hospital, especially government hospitals. In providing good services the hospital should pay attention to some standard of good health services, such as patient satisfaction, availability of drugs, pharmaceutical services, brand image and customer value (Abdelfattah et al., 2015; Cronin et al., 2000; Wang et al., 2004; Chen, 2008; Lai and Chen, 2011; Lim et al., 2010; Juhana et al., 2015; Sidharta, et al., 2016; Heryanto et al., 2016).

Patient satisfaction, it has become essential for the hospital. In the form of patient satisfaction then there are some things that are important gain attention. Results of research by Heryanto et al. (2016) showed that the service quality significantly influence patient satisfaction as well as research by Sidharta et al. (2016). Patient satisfaction is not only influenced by the quality of hospital services but is also determined by customer value. Lee et al. (2010) prove that customer value significantly influence patient satisfaction. Satisfaction as the evaluation of post-consumption on an alternative that is selected at least meets or exceeds expectations (Lupiyoadi, 2001). The presence of satisfaction and dissatisfaction with a product or service will affect subsequent behavior (Kotler, 2009). This can be realized through fulfilling the needs and wishes of the patient and the precise delivery to compensate for the patient’s expectations. If the customer is satisfied, will most likely use the same product or service. Satisfied customers tend to give
a good reference to the prospect of the potential consumers. Conversely, dissatisfied customers will return the product, complaining, and reflecting the experience of labor to others, or in the extreme will file a law suit against the organization. In addition, the switching behavior tacitly also lead to organizations do not have the opportunity to retain customers and do not have any information about why they are not satisfied (Kotler, 2009).

Measurement model of service quality by Parasuraman et al. (1988) formed by the expected service and perceived service. Meanwhile, according to Donabedian (2005) the quality of health care can be seen from the absolute quality of the health benefits, social quality based on cost and quality individually based on expectations of patients. Furthermore Grönos (1984) stated the quality of service established by outcome-related dimension, image-related and process-related demission deminition. In the context of the quality of health care services to patients can be as amicable, friendly attitude, the wait time will make patients satisfied (Padma et al., 2009; Atinga, 2012; Grondahl et al., 2013; Vinagre and Neves, 2008; Lim et al., 2010).

Service quality has a close relationship with patient satisfaction. Good service quality gives encouragement the patient to establish a strong relationship with the hospital. In the long term this relationship allows hospitals to understand carefully the prevailing expectations and needs of the patient. Thus the hospital can improve patient satisfaction in a way to maximize the fun and minimize the experience less enjoyable experience for the patient. Patients will be evaluated on their perceptions of health care received. This perception underlies the perceived quality of overall services. In other words, customers form perceptions of the quality of services based on evaluation of services at various levels and combine similar service evaluation in order to determine the overall quality of health care.

The results of systematic reviews conducted by Seth et al. (2005) show that; (1) the development of models of service quality is developed based on the type of different industries, (2) the need for the development of a model based on the situation of the industry that will measure the service quality, (3) development of a model of a new concept based on the weaknesses of existing models, (4) need the new variable based on the current situation with the testing of the model to be developed.

According Jahng et al. (2005) satisfaction of patients can meet the expectations of patients, patient compliance in the treatment, shortening the healing period, and improve general health. The development of hospital services need to be improved with the implementation of the national health insurance as universal health coverage in the health field in place since 2014. All hospitals in Indonesia should implement systems for better quality services and more efficient without compromising quality standards.

Health services provided by the hospital is sometimes perceived as unable to meet the standards and respect the patient’s rights such as the right to life, right to her own body and the right to die naturally, obtain medical services are humanely in accordance with the standards of the medical profession, obtain an explanation about the diagnosis and treatment of the treating physician, rejected the diagnosis and therapy procedures are planned, can withdraw from the contract even therapeutic, obtain an explanation of medical research, the confidentiality of personal matters and medical records, obtain an explanation details of the cost of the hospital.

Based on the above, the central theme of this study was the hospital in Bandung, health care quality, customer value and patient satisfaction. By looking at the problem of the quality of health services in a comprehensive and allow the hospital in Bandung district could provide quality services so as to increase customer value and patient satisfaction.

2. LITERATUR REVIEWS AND HYPOTHESES

2.1. Service Quality
The service company that wants to grow and gain competitive advantages should be able to provide quality services at competitive prices, faster delivery, and good service to its customers. To meet customer satisfaction in the service industry, quality of service is critical managed company with good. Service quality contributes significantly to the creation of differentiation, positioning and competitive strategy organizations (Tjipto and Chandra, 2016). Quality can be grouped into two perspectives: The perspective of internal and external perspective, where the internal perspective is zero defects while the external perspective is customer delight (Sachdev and Verma, 2004).

According to Kotler (2009) that service quality is how far the difference between reality and expectations of customers for the services they received or acquired. Meanwhile, according Tjipto and Chandra (2016) stated that the service quality is the expected benefits and control over the level of excellence to meet customer desires. Thus the service quality of health care is an effort to fulfill the needs and desires of the customer as well as the accuracy of delivery according to customer expectations.

Service quality is an important element of customer responses as in the case of pure service, such as health care, financial services, and education (Zeithaml et al., 2006). If the services received or perceived as expected, then the perceived service quality is good and satisfactory. If the services received or perceived exceed customer expectations, the quality of service perceived as an ideal quality. Conversely, if the services received are lower than expected, the quality of service perceived as poor quality. The quality of health care is multidimensional which consists of health care service users (patients and families), health care providers (hospital) and raised funds to finance health care.

2.2. Customer Value
According to Sumarwan (2011), the essential idea of marketing is a wide range of customer needs and develop a proposition to offer superior value. Through the provision of customer value higher then management can provide and produce higher value to shareholders as well. Marketing can be seen as the identification, creation, communicating, and monitoring the delivery of customer value. Customers making a purchase will account for a bid that will provide the highest value. The concept that helps consumers
choose products to meet their needs is the value and satisfaction. They want value with search costs and limited by knowledge, mobility, and limited income; they form an expectation of value and in accordance with it. According to Kotler and Keller (2012) Value reflects the sum of the perceived tangible and intangible benefits and costs to customers. Meanwhile, according to Rangkuti (2003) is a comprehensive assessment is the value of the benefits of a product, which is based on customer perception of what has been accepted by customers and which has been supplied by products/services. Further Kasali (1998) stated that the value is something that benefits the consumer because it received good service, a satisfactory price, strong image, and timely delivery.

In order to create customer value, business should see itself as a solution provider, is more than just a seller of a product or service (Suwarman, 2011). Customer problems must be viewed more broadly beyond the products and services with a more comprehensive understanding of the various needs and situations of use by its customers. This provides an opportunity for organizations to create benefits that add value to its customers. Kurtz and Clow (1998) cited by Widjaja (2009), categorize the five levels of value: (1) Functional value, benefit function with service charges reasonable to expect the customer, (2) social value, utility services do not just function but its size wanted more than other customers, (3) emotional value, not just want to go over other customers, but also want to meet the emotional, (4) epistemic value, the value of which can provide customer satisfaction or service perceived can meet customer desires, and (5) conditional value, perceived usefulness services can meet the situational demands.

The marketing strategy geared to achieve competitive advantage, while the competitive advantage can be achieved if the company is able to create superior customer value. This means that the customer value to measure a company’s competitiveness. Hence understanding in creating customer value management becomes very important in formulating marketing strategies. Creation and delivery of value to the consumer is the total benefit consists of functional benefits, psychological benefits and experiential benefits. Meanwhile, the total cost is the fee paid to obtain the product/service, the cost of time, energy costs incurred by consumers. Search value by the customer to the company’s products/services, then the customer delivered value. Customer delivered value represents the difference between total customer values with a total customer cost.

2.3. Customer Satisfaction
Customer satisfaction is one’s judgment about the performance of the products or services in relation to expectations. Satisfaction plays an important role in the success and survival of the company. According to Kotler and Keller (2012) satisfaction of the consumers’ feelings on the results of the product or service he felt. Consumer satisfaction is a function of performance and expectations. If performance meets expectations, consumers satisfied. Vice versa; satisfied or dissatisfied customers can also be interpreted as a judgment between the expectations of buyers with perceived performance on after purchasing the product or service.

In determining the level of customer satisfaction, according to Lupiyoadi (2001) there are five (5) main factors to be considered, namely: (1) The quality of products, customers will be satisfied if the assessment showed that the quality of products they use; (2) quality of service, particularly in the service industry, customers will be satisfied if they get good service or as expected; (3) emotional, customers will feel proud and gain confidence that other people would be amazed to him when using products with certain brands that tend to have a higher quality; (4) price, the products have the same quality but set a relatively cheap price would give a higher value to its customers; (5) the cost, customers do not need to incur additional costs or do not need to waste time to get a product or service tend to be satisfied with the product or service.

It aims to involve patients in the development of services in order to meet the expectations of patients, even if it may exceed their expectations. An accurate perception of the patient’s expectations is a necessary, but not sufficient to give satisfaction to the customer. Hospitals should realize the hopes of patients in the standard design and customer satisfaction. Design and customer satisfaction standards are developed on the basis of consumer expectations.

Based on the results of research and literature review, the conceptual framework in Figure 1 and the hypothesis in this study are as follows:
• H1: High service quality would lead customer value
• H2: High customer value would lead patient satisfaction
• H3: Gender as a moderating significantly influence between customer value and patient satisfaction.

3. RESEARCH METHODS
This study uses quantitative methods positivism approach to the type of cross section. The populations in this study are patients with the district government hospital in Bandung district, Indonesia with a total sample of 158 patients. Questionnaires distributed to patients in government hospitals as much as 175 but only 158 questionnaires that can be used in hypothesis testing. Analysis of the data using partial least squares (PLS) Warp 5.0 with structural equation modeling (SEM) approach component base. Instruments in this study adopts instrument of service quality for public hospitals, prohubqual (Aagja and Grag, 2014). The instrument of customer value adopts from Wang et al. (2014), while the instrument of satisfaction adopting from Johnson et al. (2001).

4. RESULT AND DISCUSSION
4.1. Result
The result of the calculation using the Warp PLS 5.0 showed model fit and quality indices are; average path coefficient = 0.289, P < 0.001, average R² (ARS) = 0.208, P < 0.001, average adjusted R² = 0.202, P < 0.001, average block VIF = 1.327, acceptable if ≤5, ideally ≤3.3, tenenhaus goodness-of-fit = 0.360, small ≥0.1, medium ≥0.25, large ≥0.36, nonlinear bivariate causality direction ratio = 1.000, acceptable if ≥0.7.

Data analysis was performed to test the convergent validity, discriminant validity and significance tests. The result of calculation shows that there are 9 indicators that do not meet the
loading value >0.50 (Chin, 1998) so that only 39 indicators were eligible convergent validity (Kock, 2014) and calculating results Cronbachs alpha, average variance extracted and composite realibility indicate a value above yng required as shown in Table 1.

From the calculation of regression analysis by using Warp PLS 5, it is obtained the results as shown in Table 2 and Figure 1 of R² and ARS of structural model. The calculations show that the structural models in the medium category, this indicates that the structural model changes can be explained by 20.8%.

The results of structural models as shown in Figure 2.

4.1.1. Results of hypothesis testing
Testing the hypothesis of the calculation results SEM-PLS shows the results as shown in Figure 2 and Table 3.

In Table 3, it shows that the path coefficient and hypothesis testing. All hypotheses are proven statistically. This indicates that the service quality significantly influence customer value. Similarly, customer value significantly influences patient satisfaction. Furthermore, the influence of customer value to patient satisfaction proved to be moderated by gender. This is indicated by P < 0.05.

4.2. Discussion
4.2.1. The effect of research variable service quality toward customer value
One indicator of the success of marketing activities is customer value. Customer value and service quality has a close relationship, as proposed Lam (2004) which states the value of usability consumers of the quality of service will affect loyalty. This proves that the consumer utility value on the quality of service perceived is very important in business relations. Research Choi et al. (2004) suggested model of the relationship between quality, value, satisfaction and behavioral intention in health care provider choice. The results showed that service quality significantly influence customer value. Similarly, research conducted by Abdelfattah et al. (2015); Cronin et al. (2000); Wang et al. (2004); Chen (2008); Lai and Chen (2011).

Service quality can provide a value for patients through goods and services. The service is one of the important processes in increasing value for patients. A service from early stages is a service aimed at building relationships with patients. Services provided after the transaction is a service that will always be remembered by the patient. The level of patient satisfaction with good performace services, the level of courtesy and friendliness of nurses and health care facilities, reasonable levels of fees paid each month in comparison with the services provided by the Hospital. In addition, services such as; the waiting time is too long, especially in the service of the drug; the limited number of officers and

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**Table 1: Value of cronbachs alpha, AVE and composite reliability**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbachs alpha</th>
<th>AVE</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality</td>
<td>0.739</td>
<td>0.535</td>
<td>0.776</td>
</tr>
<tr>
<td>Medical</td>
<td>0.783</td>
<td>0.514</td>
<td>0.808</td>
</tr>
<tr>
<td>Admission</td>
<td>0.850</td>
<td>0.560</td>
<td>0.834</td>
</tr>
<tr>
<td>Overall service</td>
<td>0.779</td>
<td>0.695</td>
<td>0.900</td>
</tr>
<tr>
<td>Discharge</td>
<td>0.769</td>
<td>0.610</td>
<td>0.824</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>0.902</td>
<td>0.836</td>
<td>0.939</td>
</tr>
<tr>
<td>Customer value</td>
<td>0.775</td>
<td>0.540</td>
<td>0.796</td>
</tr>
<tr>
<td>Functional value</td>
<td>0.725</td>
<td>0.784</td>
<td>0.879</td>
</tr>
<tr>
<td>Emotional value</td>
<td>0.765</td>
<td>0.520</td>
<td>0.842</td>
</tr>
<tr>
<td>Social value</td>
<td>0.668</td>
<td>0.609</td>
<td>0.820</td>
</tr>
<tr>
<td>Customer perceived</td>
<td>0.799</td>
<td>0.714</td>
<td>0.882</td>
</tr>
<tr>
<td>Patient satisfaction</td>
<td>0.719</td>
<td>0.544</td>
<td>0.826</td>
</tr>
</tbody>
</table>

AVE: Average variance extracted

**Table 2: Value of R² and tenenhaus GoF criteria**

<table>
<thead>
<tr>
<th>Variables</th>
<th>R²</th>
<th>Tenenhaus GoF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer value</td>
<td>0.040</td>
<td>Small</td>
</tr>
<tr>
<td>Patient satisfaction</td>
<td>0.377</td>
<td>Large</td>
</tr>
<tr>
<td>Average R²</td>
<td>0.208</td>
<td>Medium</td>
</tr>
</tbody>
</table>

GoF: Goodness-of-fit

**Table 3: Result of path coefficient and hypothesis testing**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Path coefficient</th>
<th>P values</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Service quality→Customer value</td>
<td>0.199</td>
<td>0.003</td>
<td>Accept</td>
</tr>
<tr>
<td>H2: Customer value→Satisfaction</td>
<td>0.543</td>
<td>0.000</td>
<td>Accept</td>
</tr>
<tr>
<td>H3: Value→Gender→Satisfaction</td>
<td>0.124</td>
<td>0.042</td>
<td>Accept</td>
</tr>
</tbody>
</table>
registration of drugs; the limited number of cleaning service is not sufficient; service procedure is quite complicated; waiting room air circulation is inadequate; limited room for inpatients; parking space is very limited; hour physician practices must comply with scheduled; patients often have to wait long because the doctor has not come, and the persistence of the practice of brokering the queue number registration section may cause the value to the patient.

4.2.2. Customer value toward customer satisfaction

Values are intangible aspects of the overall product concept that is important to the company, as stated Sidharta and Affandi (2016) that the value is an intangible aspect of the total product concept. Thus it can be said if the total value of the sacrifice which excluded patients greater than the total sacrifice obtained it will create a highly patient satisfaction patient satisfaction; and vice versa if the total value received is equal to the total sacrifice pasein patients will create a low patient satisfaction. Satisfaction is feeling happy or disappointed someone who emerged after comparing the performance of the products/services are considered the performance of the products/services that are expected (Kotler et al., 2010). Patient satisfaction is a reaction to the value received, so tend to be oriented in the past. Specific benefits of customer satisfaction may be related to loyalty, has the potential to become future revenue, reduce the cost of customer transactions, suppress volatility forecast cash flow, increasing the price tolerance, and increase the bargaining power of public hospitals (Anderson et al., 2004; Boulding et al., 1993; Sidharta et al., 2016; Narayandas, 1998).

This indicates that patient satisfaction can build long-term relationships. The results are consistent with research conducted by Lim et al. (2010) shows that customer value significantly influences patient satisfaction. This indicates that patient satisfaction will be higher if the perceived value and quality that exceeds the expectations of patients. Attitudes are satisfied of patients may affect the interests of patients. The results show that customers value a significant effect on patient satisfaction, this is in line with research conducted by Lam et al. (2004); Oh (1999); Cronin et al. (2000); Wang et al. (2004); Yang and Peterson (2004); Hur et al. (2013).

5. CONCLUSION

The results showed that there is significant service quality on customer value. This indicates that service quality can improve customer value. Furthermore, this study also proves that customer value significantly influence customer satisfaction. This indicates that the hospital pemeritah provide quality health care services will increase customer value as well as the implications for patient satisfaction. Then, the results also showed that the significant effect of gender as a moderating between customer value and patient satisfaction.

This study has several limitations which do not include control variables such as income level and involve other variables that are considered influential on patient satisfaction, especially government hospitals patients are guaranteed by the universal health coverage. Expected in future studies need to include some factors suspected to affect the customer satisfaction, especially hospital patient’s governments in developing countries.

REFERENCES


