The Effect of Service Quality on Customer Satisfaction, Positive Word of Mouth and Corporate Image

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Abstract: The purpose of this research is to know the role of service quality to patient satisfaction, positive word of mouth and corporate image on inpatient patient of Sanglah Hospital Denpasar. This research takes sample 155 respondents by using purposive sampling technique and using technique of Structural Equation Modeling (SEM) analysis. The result of this research indicates that (1) service quality have positive and significant effect to positive word of mouth, (2) service quality have positive and significant effect to consumer satisfaction, (3) service quality have positive and significant effect to corporate image, (4) (5) Patient satisfaction have positive and significant effect to corporate image, (6) Positive word of mouth have positive and significant effect to corporate image. The practical implication of this research is for the management of Sanglah General Hospital to always pay attention and improve the service quality so that the patient's satisfaction can increase, the happening of WOM positive, and the image of RSUP Sanglah also increase.

Keywords: service quality, patient satisfaction, positive word of mouth, and corporate image

I. Introduce

Quality of service is the determining factor of patient satisfaction in the hospital. If the quality of service is less good, then the patient's satisfaction decreases. The same result conducted by Chaniotakis&Lymeropolous (2009); Zarei (2015); Kondasani& Panda (2015); Fatima et al. (2018). Besides being a determinant of patient satisfaction, service quality is also affecting the positive Word of Mouth (WOM). Nuryatno (2012) indicated that the independent variable of core service quality posed positively and significantly to positive WOM, so the core service quality becomes the most important determinant factor to create positive WOM. Aulia & Sendjaja (2015) stated that the higher the level of satisfaction felt by UNTAR students, the positive WOM of students is increasing. Conversely, the lower the level of customer satisfaction will decrease the student's positive WOM.

The better the quality of service, the higher the patient's satisfaction with the hospital services that will make the patient positive WOM leads to the image of the corporate. Patient satisfaction will increase along with the service received from the hospital, when the patient has felt satisfied that the patient will do positive WOM to his relatives and the people around him. Allahham&Aljumaa, (2014) explores that customer satisfaction strongly affects positive customer words. In addition, research Jayasankaraprasad et al. (2012) found that the effect of customer satisfaction on WOM.

Patients who already feel satisfied from hospital services and perform positive WOM, will have a positive impact on the hospital, which will improve the image of the hospital. Cynthia&Hatammimi (2014) stated that there is a positive and significant effect of e-WOM on brand image. Image is the best-known imaging predictor, utilizing Instagram's social media that has a visual message base so as to enhance the effects of eWOM communications as a whole. Zarel&Kazemi (2014) state that customers who shop from stores ethics share some information about the store (price, service, convenience, merchandise) with others and say their good experiences to others and also prove that eWOM plays an important role in perception store image, brand selection and so on. Giovani et al. (2014) states that the corporate's image has been identified as an important factor in the overall assessment of service providers. This is defined as the mental picture it appears when mentioning the corporate's name.

II. Literature Review

Service Quality

There are several dimensions or factors used by consumers or service users in determining the quality of service, according to Parasuraman et al. in the book Tjiptono (2011) states that there are five basic dimensions that can be used to measure the quality of service, namely: 1) Tangibles, including physical facilities, personnel equipment and means of communication. Tangibles are widely used by companies engaged in
services in order to improve their image, delivering quality smoothness to their customers. 2) Reliability, namely the ability to provide services promised immediately, accurately and satisfactorily. 3) Responsiveness, namely the desire of the staff to help customers and provide responsive services. 4) Assurance, including knowledge, competence, courtesy and credibility of staff, free of danger, risk or doubt. 5) Empathy, including the ease of doing good communication, personal attention and understanding the needs of the customers. Sawitri et al. (2013) in his research states that the quality of service and satisfaction is a success factor of a corporate to achieve competitive advantage. Customer satisfaction can provide benefits such as positive WOM. Quality of service and customer satisfaction can affect customer loyalty that will form recommendations from mouth to mouth (positive WOM).

Customer Satisfaction

Basically, there is a close relationship between the determination of service quality and customer satisfaction (Tjiptono, 2011). In evaluating this the customer will use his or her expectations as a standard or a reference. Consumer satisfaction can only be achieved by providing quality services to consumers. So, the quality of service is an important thing that must be considered by the company in order to achieve customer satisfaction. Tidtichumrenporn et al. (2010) states that the service quality of a service cannot be ruled out, because it can increase the competitive advantage in obtaining customers and customer satisfaction. Satisfied customers will then tell you the positive things about the product and the company.

Word of Mouth (WOM)

According to Hasan (2010), Word of Mouth is part of the effort to deliver business messages to customers, especially their target market in order to know the benefits of the product in the middle of an increasingly diverse product offerings rival. Suprapti (2010) suggests that the communication word of mouth or word of mouth interpersonal communication between two or more individuals, for example between customers or among members of a group. WOM communication occurs when consumers provide advice or opinions and share experiences with other consumers about a product, service or brand (Schiffman and Kanuk, 2010). The positive WOM achieved will strengthen the corporate image as a corporate with a positive image.

Corporate Image

Image is the public perception of the corporate regarding its service, product quality, corporate culture, corporate behavior, or behavior of individuals within the corporate and others. In the end, perceptions will affect public attitudes whether supportive, neutral or hostile (Kriyantono, 2008). So, marketers must constantly try to affect the image that the consumer understands. Corporate image presents the overall perception of the corporate. Consumers who have a positive image of a corporate, more likely to make a purchase.

Hypothesis

Service quality to customer satisfaction

Based on research conducted Nurcahyo et al. (2017) states that facility and service quality variables significantly affect customer satisfaction. The Selvakumar study (2015) shows that patient satisfaction with banking services in the city of Yogyakarta Coimbatore is significantly affected by Assurance, Tangibility, Empathy, Reliability, and Responsiveness. Research conducted by Saragih et al. (2015) stated that the quality of service has a positive and significant effect with this satisfaction which consists of five dimensions that can affect customer satisfaction, and positive correlation through path analysis. In addition, Jandavath & Byram (2016) study showed that service quality had a significant positive effect on customer satisfaction. This result supported by Padma et al. (2010); Sadeh (2017); and Fatima et al. (2018).

H1: Service quality has a positive and significant impact on customer satisfaction

Service quality to WOM

Anita and Rahanata (2015) stated that the quality of service has a positive and significant effect on WOM, which means the better the quality of service provided the higher the positive WOM. Fibriyadi (2016) states there is a positive and significant effect between the quality of service with WOM in LP3I advanced education program. Rahayu (2011) states that the quality of service has a positive and significant effect on WOM, which means the better the quality of service provided then the more positive WOM. Mousavi & Nosratabadi (2015) stated that quality has a significant positive effect on customer’s WOM.

H2: Service quality has a positive and significant effect on the positive WOM

Service quality to corporate image

Pangandaheng (2015) states that there is a significant effect of service quality consisting of physical evidence, reliability, responsiveness, assurance and empathy towards corporate image. Research by Peng (2011)
states that service quality has a significant positive effect on the corporate image. Saleem & Raja (2014) stated that service quality is also significantly related to brand image. Malik et al. (2011) states that empathy, responsive responsiveness and reliability play an important role in maintaining the brand image of the hotel.

H3: Service quality has a positive and significant effect on corporate image

Customer satisfaction to WOM

Santos and Melendez (2016) stated that patient satisfaction had a positive effect on WOM. Wahyuningsih and Nurdin (2010) stated that customer satisfaction can contribute significantly to the success of the corporate in various ways, the empirical results of this study indicate that the higher the level of patient satisfaction, the higher also the desire to repurchase (repurchase intentions) and inform positive things to others (positive WOM). Putri and Suhariadi (2013) stated there is a relationship between customer satisfaction with WOM at Beauty Clinic London Beauty Center “. Nhat&Quy (2016) states there is a significant impact of customer satisfaction on loyalty and WOM, although the impact of satisfaction on loyalty is higher than WOM.

H4: Customer satisfaction has positive and significant effect on Positive WOM

Customer Satisfaction to corporate image

According to Normasari et al. (2013) results of this study indicate a significant effect of customer satisfaction on the image of the corporate positive image Hotel Pelangi Malang. In addition, research conducted in the banking sector by Fitri (2012) states in his research that customer satisfaction positively and significantly effects on the image of Islamic banks. Fahmi (2013) states that the results of simultaneous testing showed the effect of customer satisfaction and loyalty variables together have a significant effect on corporate image. Previously, Nguyen & Leblanc (2010) examined the corporate’s image, which showed the result that patient satisfaction is very determining the image of the hospital.

H5: Patient satisfaction has positive and significant effect to corporate image

Positive WOM to corporate image

Rahman et al. (2016) states that WOM proved to have a significant effect on brand image. Suwarduki et al. (2016) stated that the results showed that Electronic Word of Mouth variable has a significant effect on destination image variable. According Jalilvand (2012) E-WOM has a positive and significant impact with the intention to buy where the brand image as a variable partial mediator.

H6: Positive WOM has positive and significant effect on corporate image

III. Research Methods

Procedure

This study uses primary and secondary data sources, primary data in this study obtained through the dissemination of questionnaires to respondents who have been in accordance with the established criteria of perceptions about the quality of service, patient satisfaction, positive WOM, and image from RSUP Sanglah Denpasar. Secondary data sources in this study are data that are not obtained directly by researchers but obtained from data owned by the company, literature study, literature, and previous research journals related to the issues under study. Secondary data collected sourced from internal hospital, that is data about the number of inpatients and complaints - the dominant complaints experienced by patients in Sanglah Hospital Denpasar. Data collection using closed statement given to respondents directly using Likert Scale.

Sampling research using purposive sampling technique, the patients who had undergone hospitalization twice in the last five years, and minimal education completed high school or equivalent. The analysis technique of this research is using AMOS21 Structural Equation Modeling (SEM) technique and IBM SPSS Statistics22 software. Exogenous variables of this research are service quality (X) and endogenous variable in this research are as follows: patient satisfaction (Y1), positive WOM (Y2), and the last corporate image variable (Y3).

Result

Testing causality to determine the causality relationship between exogenous constructs with endogenous constructs in a study. In the result of regression weight full model test in Table 1. it can be seen that the critical ratio value (C.R.) is not equal to zero and at p <0,05 so this means it can be stated that there is significant relation between variables. The statistical test of the result of processing of Structural Equation Model (SEM) is done based on probability value (P) and critical ratio (C.R.) any relationship between variables.
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Table 1. Regression Weight Full Model Estimation

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>0.684</td>
<td>0.136</td>
<td>5.036</td>
<td>0.000</td>
</tr>
<tr>
<td>WOM</td>
<td>0.285</td>
<td>0.135</td>
<td>2.112</td>
<td>0.035</td>
</tr>
<tr>
<td>WOM</td>
<td>0.741</td>
<td>0.127</td>
<td>5.853</td>
<td>0.000</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.249</td>
<td>0.113</td>
<td>2.203</td>
<td>0.028</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.758</td>
<td>0.149</td>
<td>5.081</td>
<td>0.000</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>0.255</td>
<td>0.123</td>
<td>2.069</td>
<td>0.039</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2018

The result of data analysis shows estimate value of service quality to satisfaction equal to 0.684 and probability equal to 0.000. Estimate value indicates that service quality positively influences to satisfaction, while probability value 0.000 less than 0.05 (0.000 < 0.05) indicate service quality have significant influence to satisfaction, so that result of statistical data analysis shows that service quality influence positive and significant to satisfaction, so patients who feel the quality of service given Sanglah Hospital has been good, then patients become satisfied in the service. This result is in accordance with research conducted by Selvakumar (2015) stated that service quality (Assurance, Tangibility, Empathy, Reliability, and Responsiveness) have positive and significant impact on satisfaction. Further research conducted by Saragih et al. (2015) states that the quality of service has a positive and significant impact on this satisfaction which consists of five dimensions that can affect customer satisfaction, and positive correlation through path analysis.

Furthermore, about the effect of service quality on WOM positive, it can be explained that the value of estimate of service quality to positive word of mouth is 0.285 and probability equal to 0.035. Estimate value indicates that service quality positively influences to positive word of mouth, while probability value equal to 0.035 less than 0.05 (0.035 < 0.05) shows service quality have significant influence to positive WOM, so that result of statistical data analysis show that the quality of service has a positive and significant effect on the positive WOM, so patients who get the quality of service from Sanglah Hospital is good, then patients will do positive WOM to the people closest. This result is in accordance with research Anita and Rahanata (2015), states that the quality of service has a positive and significant influence on word of mouth. Fibriyadi (2016) states there is a positive and significant influence between the quality of service with WOM. A previous study by Rahayu (2011) stated that service quality has a positive and significant influence on WOM.

Furthermore, the results of data analysis show the value of estimate quality of service to corporate image of 0.255 and probability of 0.039. Estimate value indicates that service quality has positive effect to company image. The probability value of 0.039 (0.039 < 0.05) shows the quality of service has a significant effect on the company image, so the results of statistical data analysis shows that the quality of service has a positive and significant impact on the company image. So, patients who have received good service quality from Sanglah Denpasar Hospital have an impact on the image of Sanglah Hospital will increase as well. This result is in accordance with research by Peng (2011) which states that service quality has a significant positive effect on the company image. Saktiani (2015) stated that the quality of service and corporate image proved to affect the level of student satisfaction, where the better service quality and corporate image then student satisfaction will also increase.

The result of data analysis shows estimate value of consumer satisfaction to positive word of mouth equal to 0.741 and probability equal to 0.000. Estimate value indicates that consumer satisfaction has positive effect on positive word of mouth. A probability value of 0.000 smaller than 0.05 (0.000 < 0.05) indicates consumer satisfaction has a significant influence on positive word of mouth, so the results of statistical data analysis showed that patient satisfaction has a positive and significant effect on positive word of mouth, so patients who already feel satisfaction from the service given Sanglah Hospital, then patients will do positive word of mouth to the people closest. These results are consistent with Santos and Melendez (2016) research suggesting that customer satisfaction positively affects the word of mouth of tourists which strengthens the activation of emotions in tourists and non-tourists, as long as cultural activities have a positive effect on their satisfaction, thus positively affecting the words they are about the museum. Putri and Suhariadi (2013) states there is a relationship between customer satisfaction with word of mouth at the London Beauty Clinic customer "received. Nhat & Quy (2016) suggest there is a significant impact of customer satisfaction on loyalty and WOM, although the impact of satisfaction on loyalty is higher than WOM.

The result of data analysis shows estimate value of consumer satisfaction to company image of 0.758 and probability equal to 0.000. Estimate value indicate that consumer satisfaction has positive effect to company image. A probability value of 0.000 smaller than 0.05 (0.000 < 0.05) indicates consumer satisfaction has a significant influence on corporate image, so the results of statistical data analysis shows that patient satisfaction has a positive and significant impact on corporate image, so patients who have feel the satisfaction of the service provided by RSUP Sanglah, it will improve the image of the hospital. This result is in accordance with the
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research of Normasari et al. (2013) results of this study indicate a significant effect of customer satisfaction on the image of the company positive image Hotel Pelangi Malang. Customer satisfaction positively affects the image (image) company. Fitrí (2012) stated in his research that customer satisfaction positively affects the image of sharia banks. Fahmi (2013) states that the results of simultaneous testing showed the influence of customer satisfaction and loyalty variables together have a significant effect on corporate image.

The results of data analysis show the value of estimate positive WOM on corporate image of 0.249 and probability of 0.028. Estimate value indicates that positive WOM have positive effect to company image. The probability value of 0.028 which is smaller than 0.05 (0.028 <0.05) shows the positive WOM has a significant influence on the image of the company, so the results of statistical data analysis showed that the positive WOM positive and significant impact on corporate image, so patients who do a positive WOM to the people closest, it will improve the image of Sanglah Hospital. This result is in accordance with research conducted by Rahman et al. (2016) which states that WOM proved significant effect on brand image. This means that WOM can be used as a tool by the company in improving its corporate image. Suwarduki et al. (2016) stated that the results showed that the Electronic WOM variable has a significant influence on the destination image variable.

IV. Conclusion and Discussion

Based on the results of the analysis that has been done in this study, it can be concluded that: The quality of service has a positive and significant impact on patient satisfaction. This means that the better the quality of service perceived by the patient, it will tend to be followed by the higher level of patient satisfaction. The quality of service has a positive and significant effect on the positive WOM. This means that the better the quality of service perceived by patients, it will tend to be followed by the higher level of positive WOM performed by patients. Quality of service has a positive and significant impact on corporate image. This means that the better the quality of service perceived patients, the better the image of Sanglah Denpasar Hospital is in the eyes of patients.

Patient satisfaction has a positive and significant effect on the positive WOM. It means that the higher the satisfaction level felt by the patient, it will tend to be followed by the higher level of positive WOM done by the patient. Patient satisfaction has positive and significant effect to company image. This means that the higher the level of satisfaction felt by the patient, the better the image of Sanglah Denpasar Hospital in the eyes of the patient. Positive WOM has a positive and significant impact on corporate image. This means that the higher the positive WOM level performed by the patient, the better the image of a company.

References


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