

# Effect Analysis of The Services Quality, Prices And Satisfaction On Loyalty of Rsmm Eye Hospital Surabaya

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## ABSTRACT

The research was conducted at the Surabaya Public Hospital RSMM. Study sample was 100 hospitalized patients. The results are: (1) no significant effect between service quality and satisfaction, (2) Rates of satisfaction is significantly affected, (3) quality of service is significantly affected loyalty (4) there was no significant effect between price and loyalty, (5) satisfaction is influenced significant loyalty. Based on our research, this suggests that patients should be more careful to avoid disappointment hospitalization. To the management should have a positive communication with patients when declining consumer confidence. And further research should be done continuously with similar time intervals to determine whether or not there is an increase in satisfaction, as a result of the increased performance of the services performed and prices that affect customer loyalty.

**Keywords:** Product quality, Price, Satisfaction, Loyalty

## INTRODUCTION

Hospital services are one of the services which is inseparable from the management of marketing activities, the main goal of implementing a service marketing approach to hospitals is to satisfy their patients. This goal can be realized if the service provided is more than what is expected by the patient.

Society, as consumers, of course always expects good service in an effort to fulfill their needs and desires, with the development of economics, technology and thinking power of the consumer society must realize that this self has the right to get good service and costs incurred to meet their needs and desires must be as expected, so that in order to fulfill these needs and desires must be accompanied by a level of satisfaction (Lastianti et al., 2018).

Many factors affect customer satisfaction, one of which is the price factor. Price is an important aspect, but the most important thing is the quality of service to achieve patient satisfaction. Nevertheless this element affects patients in terms of costs incurred, usually the more expensive the price of care, the patient has greater expectations (Mranani & Lastianti, 2019).

Services must be able to satisfy the desires and needs of consumers because what is offered is basically intangible and does not produce any ownership. Service activities cannot be separated from producers and consumers themselves, services provided by producers to consumers will be useful if the services provided can reach consumers to meet their needs.

East Java Community Eye Hospital (RSMM), originally called the Community Eye Health Center (BKMM), was established on April 18, 1992 under the Indonesian Ministry of Health. Based on Minister of Health Decree No. 909 / Menkes / SK / VIII / 2001 dated April 4, 2001 concerning the institutional transfer of several Technical Service Units (UPT) within the Ministry of Health to become regional apparatus, BKMM at that time transferred its authority to the Regional Government of East Java Province and was under the Provincial Health Service East Java.

The transfer of BKMM management to local governments is able to answer various problems in a more concrete manner, based on the needs and demands of the East Java community. The types of activities / services provided to the community are divided into 3 major activities, first the Technical Medical and Nursing Activities and Public Health Activities, the second the Management Activities, and the third the Additional Activities.

In 2002, the BKMM, which at that time collaborated with NGOs, expanded directly into the community to provide counseling, examinations, and even actions to alleviate the problem of visual impairment and blindness in East Java, precisely in the districts in East Java.

In 2009 with the Governor's Decree number 188/529 / KPTS / 013/2009 dated 23 December 2009 concerning the Establishment of 9 (Nine) Technical Implementation Units at the East Java Provincial Health Office as a Regional Public Service Agency, RSMM was established to bridge basic public health services (Puskesmas) and special eye health services (Community Ophthalmology), in addition to bridging the gap between the needs of specialist medical services and the number and distribution of existing facilities, also overcoming high blindness which is a public health problem, especially those caused by cataracts including in it the reduction of cataract backlog.

Then BKMM officially changed to East Java Community Eye Hospital (RSMM East Java) in accordance with the Governor's decision Number 68 of 2014 dated October 27, 2014. Community Eye Hospital (RSMM) East Java Surabaya is one hospital that offers quality health services accompanied by at competitive prices. The price offered by the Community Hospital of East Java (RSMM) Surabaya is in accordance with the quality of services provided so that users of health services in this hospital get a satisfaction. This is evident from the increasing number of patients each year.

The hospital as one of the health facilities that provide health services to the community has a very strategic role in accelerating the improvement of public health status. Therefore, hospitals are required to provide quality services in accordance with established standards and can reach all levels of society. According to Taner (2016), quality health services are health services that can satisfy every service user in accordance with the level of satisfaction of the average

population and its implementation in accordance with the standards and professional code of ethics that have been set.

The old paradigm has shifted into a new paradigm marked by the management of an organization that applies a quality management pattern and reliable service in the face of global competition and work dynamics, including the health sector (Supartini et al., 2017). Patient satisfaction is a measure of the quality of health services. In addition, patient satisfaction is an important element in evaluating service quality by measuring the extent of patient response after receiving services. Improving the quality of health care services can be started by evaluating each of the elements that play a role in shaping patient satisfaction.

Health care systems can be improved through clinical channels, services, including patient perspectives such as how well the health services they need. Conceptually, satisfaction is defined as a reaction of consumers to services received and reviewed based on experience experienced. In addition, satisfaction also considers what the patient feels. Consumers will provide an assessment of a service feature provided, by providing something fun from the lowest level to the top.

Donabedian (2017) evaluates the structure and components of patient satisfaction with hospital services. They define the service structure as the physical environment and facilities where the service is given. Satisfaction is shown by the patient's attitude after receiving medical services from the hospital. If the patient feels that the service provided is in accordance with his expectations, it will usually notify the system of services obtained to other people he knows.

Patient satisfaction is explained as a form of overall satisfaction with the aim of recommending the hospital to others (word of mouth). In addition, satisfaction is also associated with patient behavior. This behavior will be assessed using the model disconfirmation of expectation. In this model, the patient will compare experiences with desired expectations or compare them with the services provided by the hospital.

Based on the description above, it is necessary to conduct a study to find out the factors that cause patient dissatisfaction with the services received from the East Java Community Eye Hospital (RSMM), East Java, Surabaya. Along with the development of science and technology, the modern marketing concept has also experienced development by placing consumers as the main concern. Manufacturers are competing to compete with competitors as much as possible. This can be seen from the increasing number of companies that produce products with the same types and uses but different prices, product features, and services. Consumers are also more selective and critical in choosing products to buy. Consumers no longer buy products based solely on physical form, but also include all aspects of service that are attached to the product, starting from the purchase stage to the post-purchase stage.

Competition in service quality and price is so fierce, requires marketers to be able to provide quality products and prices that are affordable to consumers and can develop a product that is useful and innovative in accordance with consumer expectations and market needs, so that satisfaction after consuming can be obtained and will making consumers make purchases in the future coming or repeat purchases on the same product. Rubinette (2013: 152) states the price has an important role in the decision making process, namely the role of the allocation of prices is to help buyers to decide how to obtain the highest benefits or utilities expected based on the strength of purchasing power.

The ability of this product to provide the best service to the wearer will strengthen the position or position of the product in the minds of consumers, allowing consumers to make the first choice when there will be purchases in the future, especially young people. Kotler and Armstrong (2013: 22) state that according to the product concept, consumers will like products that offer the best quality, best performance, and the best traits and that the organization must devote its energy to continuous product repairs. Companies that are able to satisfy customers and have loyal customers tend to be able to survive in the current economic conditions.

Affordable prices and good quality enable customer satisfaction and will attract new consumers so that it is expected to make consumers loyal in the end. Moore (2015: 79) found that service quality directly and indirectly had a positive effect on consumer loyalty with customer satisfaction as an intervention variable. This study wants to confirm these findings, but uses satisfaction as a mediating variable to influence service quality and price on consumer loyalty.

Thus, based on the thoughts and explanations above can be drawn the hypothesis as follows:

H1: Service quality has a positive effect on customer satisfaction

H2: Price level has a positive effect on customer satisfaction

H3: Consumer satisfaction has a positive effect on consumer loyalty

## RESEARCH METHODS

This study includes research causal relationship which aims to detect the relationship between variables based on correlation coefficients and to determine the level of the relationship between these variables. The variable used in this study is the independent variable X namely service quality (X1) and price (X2), intervening variable (Z) is customer satisfaction and the dependent variable (Y) is customer loyalty. Indicator of satisfaction consists of satisfaction with hospitalization and quality. Indicators of consumer loyalty include regular treatment, discussing positive things about the product, and recommending to other parties.

By using purposive sampling 100 respondents were obtained. Data is collected using a questionnaire using a Likert scale where respondents get the opportunity to choose one answer in

each statement with criteria strongly agree, agree, disagree, disagree, and strongly disagree in a row with a score of 5, 4, 3, 2, and 1. The analysis method in this study uses statistical methods parametric because the type of data used is ordinal data. The analysis technique used is path analysis.

## RESEARCH FINDINGS

Reliability test seen from the value of a Cronbach, with the criteria if a Cronbach  $> 0.60$  then the variable is declared reliable. From the results of data processing, it was found that the value Cronbach Alpha was greater than 0.6 for all measurement items. So that it can be said that the variable items Service quality (X1), Price (X2), Satisfaction (Z) and items to measure Loyalty (Y) proved to be reliable or consistent in measurement. The results of multiple regression analysis.

Based on the results of the regression analysis table, it is known that the significance value of all variables, both service quality, price, customer satisfaction and loyalty shows a smaller value than the specified significance value ( $< 0.05$ ). Thus it can be concluded that there are three research hypotheses, namely: service quality influences customer satisfaction, price influences customer satisfaction, and customer satisfaction can affect customer loyalty. Figures R square shows the magnitude of the coefficient of determination 0.222. This means that 22.2% changes in consumer loyalty caused by changes in satisfaction, service quality and price, the remaining 77.8% are explained by other variables not examined.

The results of this study can be interpreted as follows:

1. Price variables have a positive and significant effect on patient satisfaction, this can be seen from the significant value  $(0,000) < 0.05$  and calculated t value  $(8,238) > t$  table  $(1.96)$  which means if the price variable is increased by one unit, patient satisfaction will increase by 0.657. This shows that the higher the price, the patient will have higher hopes for the services offered. If the services offered by the Community Eye Hospital (RSMM) East Java Surabaya are in accordance with the patient's expectations, the patient will get a satisfaction.
2. Service quality variables have a positive and significant effect on patient satisfaction, this can be seen from the significant value  $(0,000) < 0,05$  and the value of t count  $(6,587) > t$  table  $(1,96)$  meaning if the variable quality of service is increased by one unit then patient satisfaction will increase by 0.124.

Based on the results of the linear regression analysis it is proven that the results of this study strongly support the research conducted by Mosadeghrad (2016: 231), where the results of the study showed that service quality significantly affected customer satisfaction by 53.7%. But in this study, the authors also examined variables that affect patient satisfaction in addition to service quality variables, namely price variables.



Many factors affect customer satisfaction, one of which is the price factor. Price is an important aspect, but the most important thing is the quality of service to achieve patient satisfaction Mosadeghrad (2016: 237). Based on the results of the study it can be proven that the price variable has a significant influence on customer satisfaction. Even based on this research, the price variable is more dominant than the service quality variables. This shows that the variable price and service quality together have a significant effect on customer satisfaction.

The price offered by the East Java Community Eye Hospital (RSMM) in Surabaya was assessed very well by the patients. Although prices are increasing every year, patients are satisfied with the prices offered by the East Java Community Eye Hospital (RSMM) in Surabaya, for example, room prices, drug prices, doctor's fees, and other health services. This is because the higher prices are also adjusted to the service so that patients at the East Java Community Eye Hospital (RSMM) in East Java get a satisfaction and they are not price sensitive. People or communities will continue to use health services at the East Java Community Eye Hospital (RSMM) in Surabaya as long as the increase in prices is adjusted also with the increase in services.

## DISCUSSION AND ANALYSIS

Manufacturers can understand and meet consumer expectations, and vice versa consumers who feel the benefits of being able to give commitment to producers (companies). Based on the results of the regression analysis described above, it is known that the significance value of the service quality variable (X1) is smaller than the determined significance value of  $0.032 < 0.05$ . then from these calculations it can be concluded that there is a significant influence between service quality on satisfaction. Value B for variable X1 is equal to 0.167 indicating a positive influence between service quality and satisfaction. The adjusted R square number shows the coefficient of determination, the magnitude is 0.124. This means that 12.4% changes in variable (Z) are caused by changes in service quality variables (X1) and price (X2). While 87.6% is caused by factors outside the study.

The results of this study support the research conducted by Rose (2014: 68) who examined the same variables with the conclusions of the influence of service quality directly and indirectly on consumer loyalty with customer satisfaction as an intervention variable and the effect of price and service quality on customer loyalty with customer satisfaction as an intervention variable. In another study conducted by Moore (2015: 97) which examined the influence between service quality, service quality, satisfaction with consumer loyalty by using 100 respondents to draw conclusions There was a positive influence between variables, because the results obtained were positively marked while the service and puff variables did not affect significant positive for loyalty.

Based on Donabedian's theory (2014: 46) which states the factors that can influence consumer expectations, namely: the needs and desires of customers when conducting transactions with producers or suppliers of products (companies), past experience when consuming products from companies and competitors. , communication through advertising and marketing.

Based on the results of the analysis it is known that the variable significance value of Price (X2) is smaller than the specified significance value which is equal to  $0.003 < 0.05$ . So from the calculations, it can be concluded that there is a significant influence between service quality and satisfaction. Value B for variable X1 is equal to 0.179 indicating a positive influence between price and satisfaction. The adjusted R square number shows the coefficient of determination, the magnitude is 0.115. This means that 11.5% changes in variable Z are caused by changes in variables X1 and X2. While 88.5% is caused by factors outside of research.

The results of this study support the research conducted by Pruyn (2015: 32) who examined the same variables with the conclusions of the influence of service quality directly and indirectly on customer loyalty with customer satisfaction as an intervention variable and the effect of price and service quality on customer loyalty with customer satisfaction as an intervention variable. In another study conducted by Rose (2014: 47) which examined the effect of service quality, service quality, satisfaction with consumer loyalty by using 100 respondents concluded that there was a positive influence between variables, because the results obtained were positive while service and puff variables did not affect significant positive for product loyalty.

Based on the theory of Donabedian (2017: 158) which states the main factors that must be considered to increase customer satisfaction, namely service quality, customers will feel satisfied if they get good service or as expected; emotional, the customer will feel proud and get the confidence that others will be amazed at him when using products with certain brands that tend to have a high level of satisfaction; and costs, customers who do not need to incur additional costs or do not need to waste time getting a product or service tend to be satisfied with the product or service. In addition states that prices have an important role in the decision-making process, namely the role of price allocation is to help buyers decide how to obtain the highest expected benefits or utilities based on their purchasing power.

Thus the price can help buyers decide how to allocate the power of purchase to various types of goods and services. The buyer compares the prices of the various available alternatives then decides the desired allocation of funds. Based on the results of testing data and theoretical analysis, it can be concluded that there is an effect of prices on customer satisfaction.

Based on the analysis that has been explained, it is known that the significance value of the service quality variable (X1) is smaller than the specified significance value which is equal to  $0.047 < 0.05$ . So from these calculations it can be concluded that there is a significant influence

between service quality on consumer loyalty. Value B for variable X1 is equal to 0.246 indicating a positive influence between service quality and loyalty.

The adjusted R square number shows the coefficient of determination, the magnitude of 0.0411. this means that 4.1% change in Y variable is caused by changes in variables X1 and X2. While 95.9% is caused by factors outside the study. The results support the research conducted who studied the same variables with the conclusions of the Effect of service quality directly and directly on customer loyalty with customer satisfaction as a variable intervention and Influence of price and service quality on customer loyalty with satisfaction consumer as an intervention variable.

In another study conducted by Moore (2015: 47) which examined the influence between service quality, service quality, satisfaction with consumer loyalty by using 100 respondents to draw conclusions There was a positive influence between variables, because the results obtained were positively marked while the service variables and puffs had no effect significant positive for product loyalty.

Based on Mosadeghard's theory (2016: 18) which states the factors that influence customer loyalty, namely attention (carring), companies must be able to see and overcome all the needs, expectations, and problems faced by customers. With that attention customers will be satisfied with the company and repeat transactions with the company, and in the end they will become loyal company customers; confidence (trust), trust arising from a long process until both parties trust each other. If trust has been established between customers and companies, then the effort to develop it will be easier, the relationship between the company and customers is reflected in the level of trust of the customers; and accumulative satisfaction, the overall valuation is based on total consumption purchases of goods and services in a given period.

Based on the results of testing data and theoretical analysis, it can be concluded that there is an influence of service quality on consumer loyalty. But quality is not a decisive / dominant variable in determining consumer loyalty. And in building relationships with customers, producers not only rely on quality but also by paying attention to customers, providing protection to their customers, and accumulative satisfaction that ultimately customers will become loyal. Based on the analysis described, it is known that the significance value of the price variable (X2) is greater than the specified significance value which is equal to  $0.378 > 0.05$ . So from these calculations it can be concluded that there is no significant effect between price and loyalty. Value B for variable X2 is equal to 0.107 indicating a negative influence between price and loyalty.

The results of this study contradict the research conducted by Murwani (2004) who examined the same variables with the conclusions of the influence of service quality directly and indirectly on consumer loyalty with customer satisfaction as an intervention variable and the effect



of price and service quality on consumer loyalty with customer satisfaction as an intervention variable. In another study conducted which examined the influence between service quality, service quality, satisfaction with consumer loyalty by using 100 respondents to draw conclusions There was a positive influence between variables, because the results obtained were positively marked while the service variables and puffs had no effect significant positive for product loyalty. Based on the theory of Mosadeghard's theory (2016: 112) states six principles about customer loyalty, and one of them loyalty is not solely the result of competitive prices. Based on this, it can be said that price is not the only factor that can shape consumer loyalty. And even consumers are said to have loyalty if they want to make repeat purchases even if they are required to pay more. Given that basically the indication of loyalty includes the willingness to pay more, the existence of repeat purchases, have a commitment and a high sense of ownership of the product. But according to the results of a satisfied consumer research is not necessarily loyal. This can be influenced by the strength built by competitors, by offering more price advantages with excessive total bonuses even for a long period of time. The results of this study support the research conducted by Moore (2015: 58) who examined the same variables with the conclusions of the influence of service quality directly and indirectly on customer loyalty with customer satisfaction as an intervention variable and the effect of price and service quality on customer loyalty with customer satisfaction as an intervention variable. In another study conducted which examined the influence between service quality, service quality, satisfaction with consumer loyalty by using 100 respondents to draw conclusions There was a positive influence between variables, because the results obtained were positively marked while the service variables and puffs had no effect significant positive for product loyalty.

Based on the theory of Kotler (2013: 49) which states that customer satisfaction will cause repurchase thus creating high growth and profit. Based on this, loyalty leads more to behavior that is indicated by repeated or consistent purchases based on decision-making units. In addition, Robinette (2013: 125) state customer loyalty is an endogenous variable caused by a combination of satisfaction so loyalty is a function from satisfaction. If the relationship between satisfaction and customer loyalty is positive, then high satisfaction will increase customer loyalty.

## CONCLUSION

The price variable and service quality have a significant influence on the satisfaction of inpatients at the East Java Community Eye Hospital (RSMM) Surabaya. The price and quality of services offered by the Community Eye Hospital (RSMM) in East Java Surabaya are considered very good so that patient satisfaction is also achieved well.

Based on the t-test that the price variable is the most dominant variable on patient satisfaction, this indicates that the price offered by the Community Hospital of Hospital (RSMM) East Java Surabaya is in accordance with the services provided so as to create a patient satisfaction. Based on the Determination Coefficient it is known that the variable price and quality service significantly influence patient satisfaction.

### Implications

Based on the results of the study, there are several things that can be suggested to some parties to complete and refine the results of the study, namely: in determining the choice of consumer products to be more thorough, this is due to the many advertisements offered by East Java Community Eye Hospital Surabaya with terms and conditions that apply but consumers are less thorough; should establish positive communication. Future research can be carried out continuously at certain time intervals (for example every 6 months or once a year). With this longitudinal study, it can be observed whether there is an increase in customer satisfaction as a result of efforts to improve / improve the performance of prices and service quality that have an impact on customer loyalty.

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