ANALYSIS OF THE EFFECT OF RELATIONSHIP MARKETING AND PATIENTS' SATISFACTION ON PATIENTS' LOYALTY
(A case in X Hospital)

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A R T I C L E I N F O

Abstract: *This study aims to examine whether there is a positive relationship between relationship marketing and patient's satisfaction on patients' loyalty. There were 100 inpatients of VIP class and class 1 of X Hospital involved as the respondents chosen through a convenience sampling method. The instrument used to collect the data was a questionnaire which was also tested for its validity and reliability and analysed using PLS-SEM of Smart PLS 3.0 program. The results revealed that relationship marketing has a positive effect on loyalty and satisfaction and satisfaction has a positive effect on loyalty.*

Abstrak: Penelitian ini bertujuan untuk menguji apakah ada hubungan positif antara pemasaran hubungan dan kepuasan pasien terhadap loyalitas pasien. Ada 100 pasien rawat inap kelas VIP dan kelas 1 Rumah Sakit X yang terlibat sebagai responden yang dipilih melalui metode convenience sampling. Instrumen yang digunakan untuk mengumpulkan data adalah kuesioner yang juga diuji validitas dan reliabilitasnya dan dianalisis menggunakan PLS-SEM dari program Smart PLS 3.0. Hasil penelitian menunjukkan bahwa hubungan pemasaran memiliki efek positif pada kesetiaan dan kepuasan dan kepuasan memiliki efek positif pada kesetiaan.

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INTRODUCTION

Hospital industry in Indonesia is currently quite promising. In 2015, the total population of Indonesia reached 255,461,700 people and in 2020, it will reach 271,066,400 people (Badan Pusat Statistik, 2013). Therefore, hospital is one of the needs needed to maintain and improve the quality of public health. The increasing number of patients and the need for excellent quality health services are one of the reasons why the hospital industry in Indonesia will continue to grow.

The growth of the hospital industry will lead to an increasingly competitive industry, making consumers have a variety of choices for hospitals to seek treatment. This results to the health service providers, especially hospitals, both government and private, face two choices: joining the competition by making changes and improvements or leaving the competition. This is done so as to maintain the continuity of the hospital business in the midst of increasingly competitive competition. The business environment requires hospitals to improve the quality of services to survive and remain successful at operational, managerial and strategic levels. Hospital, as a health business, gains its profit from the number of visits of patients who seek treatment. Patients who continue to seek treatment in the same hospital indicate that they have a sense of trust and obtain the value of health services at the hospital.

Patient satisfaction reflects the results the patients receive which are at least the same or exceed their expectations. It will improve emotional and psychological relationships with hospitals or service providers (Kotler, 2007). The relationship established will determined the patients' loyalty to the hospital. The loyalty referred is a process in which consumers use the same service or hospital to meet their needs (Tarus and Rabach, 2013). The patients' or consumer loyalty is formed from the patients' experiences on the services that they had previously. Loyalty is the last stage of consumer behavior. When consumers are loyal to a product / service, it will be difficult for them to look for other providers for a service or goods. A challenge faced by companies or the hospitals is to maintain the patients' satisfaction and the quality of services offered among many competitors. A continuous evaluation is needed to monitor and assess the services to maintain the patients' satisfaction so that they remain loyal to the hospital.

To make the patients loyal, a hospital must provide satisfactory services. The ease of access and marketing is also an important element in the operation of a hospital. A good marketing supported by the ease of access and information will make people recognize the value of the hospital. This study aims to examine whether there is a positive relationship between relationship marketing and patient's satisfaction on patients' loyalty. If an indication of a decrease in the level of loyalty of patients seeking treatment at X Hospital is found, it is necessary to evaluate the loyalty factors related to the patients' satisfaction and relationship marketing to provide input for improvement for the quality of the X Hospital services.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Loyalty
Health industry is one of the industries that is rapidly changing and developing. To keep up with dynamic changes and developments, companies are competing to provide the best service. Considering that the market of this industry is quite extensive, researches on customer loyalty are needed to understand the direction of the consumers' desires of the health products or services, resulting to the patients' loyalty. Customer loyalty, according to Dick and Basu (1994), is a condition in which repeated purchases of a product or service occur in which case there is a psychological bond related to the benefits derived from the purchase. In the health business, customer loyalty is an important element in the process of developing an organization.

The core of a good medical service is the involvement of a positive relationship of physical and psychological services between providers and users of health services. If a relationship has been established, the patients will get a value. If the value is in accordance with their expectations, they will have the desire

to use these services again later on. Loyalty will be formed in the hearts of consumers to remain loyal to the hospitals that can provide excellent service and their trust in health care will also increase.

Customer loyalty is a form of customer trust in a product or service. It indicates that the customers assume the service providers will always provide the best choice of product or service they need. Providing a good quality service can help increase the customer loyalty. It will result to a continuous mutual relationship between a customer and an organization. The loyal customers will make repeated purchases because they feel they obtain a value that is in accordance with or exceeds their expectations (Tarus and Rabach, 2013). Each company or organization is certainly interested in understanding their strengths as the basis of their customers to keep using the products or services they offer. Consumer loyalty is one of the important factors for companies to have a high competitiveness to maintain the continuity of the business. By understanding the factors which make the consumers loyal to a product or service, the provider can make predictions about the organization's future performance (Szczepanska & Gawron, 2011)

Relationship Marketing and Loyalty

Relationship marketing is an effort to create, maintain and improve strong relationships with customers and other shareholders. It is long-term oriented, aiming to provide a long-termed value to customers (Kotler and Armstrong, 2001). According to Tjiptono (2014), loyalty is a commitment of customers to stores, brands or service and good providers based on a positive attitude reflected in the form of consistent repeated purchases.

Several previous researchers had studied the relationship between relationship marketing and customers' loyalty. Tabibi and Riahi (2015); Widyastuti and Wahyuati (2014); Alrubaiee and Al-Nazer (2010); Astuti and Nagase (2014) found that there was a positive relationship between relationship marketing and customers' loyalty. Therefore, the first hypothesis that can be proposed is as follows:

H₁: There is a positive relationship between relationship marketing and patients' loyalty.

Relationship Marketing and Patient Satisfaction

Customer satisfaction refers to a feeling experienced by service users, either it is happy or disappointed, as a result of a service received (Kotler, 2007). Efforts to maintain a good relationship with customers are needed as one of the factors to maintain or increase the patients' satisfaction. Satisfied patients will provide recommendations of services to others which can be supported by a relationship marketing to customers where they get updated information from the hospital and can spread them to others. A research by Dimyati (2016) shows that there was a positive relationship between the relationship marketing and patients' satisfaction at Islamic hospital in Banyuwangi district.

Sefesiyani, Fauzi and Arifin (2015) conducted a research in a bank in Malang and the results show that there was a positive relationship between the relationship marketing and patients' satisfaction. In addition, Putri, Suharyono and Abdillah (2014) who also conducted a study in a bank in Pasuruan also confirmed that there was a positive relationship between the relationship marketing and patients' satisfaction. Therefore, the second hypothesis that can be proposed is as follows:

H₂: There is a positive relationship between the relationship marketing and patients' satisfaction.

Patient Satisfaction and Loyalty

A research conducted by Umah and Wati (2014) at the hospital in Gresik shows that the patients' satisfaction and loyalty were positively related. An excellent quality of service will make patients satisfied. In addition, Jamaluddin and Ruswanti (2017) also confirmed that there was a positive relationship between the patients' satisfaction and loyalty. Furthermore, Qomariah (2016) who conducted a study at a hospital in Jember and

Shamsudin, Razali, Abu Hashim (2015) at hospitals in Malaysia revealed the same results. Therefore, the third hypothesis that can be proposed is as follows:

H3: There is a positive relationship between the patients' satisfaction and loyalty.

RESEARCH METHODS

This study aims to examine whether there is a positive relationship between relationship marketing and patient's satisfaction on patients' loyalty at X Hospital in North Jakarta. In this study, the independent variable was patients' satisfaction, the dependent variable was patients' loyalty and the intervening variable was relationship marketing. The subjects of this study were inpatients in the VIP class and class 1 of X Hospital. They were chosen because X Hospital was one of the middle-class private hospitals in Jakarta and the researchers were doctors at this hospital, therefore the data could be obtained easily.

In this study, the unit of analysis used was individual, referring to the caregiver's family or inpatients in the VIP class and class 1. It was because the questions asked implied the opinions or experiences of each individual. This study was done in a quantitative manner. Therefore, a questionnaire was used to collect the data. A descriptive research design was also used. The population of this study was all X Hospital inpatients. The number of samples taken was 100 respondents. A convenience sampling method was used where the respondents were asked for their willingness. After the respondents confirmed that they were willing to participate, they were given a questionnaire to fill. The respondents participated were those who could have a two-way communication and could answer questions properly. The inpatients in the VIP class and in class 1 were chosen due to their classes' similarity of characteristics, so that they could provide similar information about the hospital services. SmartPls was used as an analysis tool.

RESULTS AND DISCUSSION

Respondents' Profile

There were 100 respondents involved in this study, consisting of 54% male (54) and 46% female respondents. They were VIP and class 1 inpatients, ranged from young to elderly ages who could have 2-way communications. Their age groups varied between 15-25 years old (22% or 22 respondents), 26-35 years old (36% or 36 respondents), 36-45 years old (16% or 16 respondents), 46-55 years old (13% or 13 respondents), 56-65 years old (8% or 8 respondents), and more than 66 years old (5% or 5 respondents).

Their education level also varied, starting from elementary school (3% or 3 respondents), junior high school (4% or 4 respondents), high school (56% or 56 respondents), bachelor degree (35% or 35 respondents), to master degree (2% or 2 respondents). Their income was also various, starting from less than IDR 5 million/month (5% or 5 respondents), IDR 5-10 million/month (62% or 62 respondents), IDR 10-25 million/month (26% or 26 respondents), IDR 25-50 million/month (5% or 5 respondents), to more than IDR 50 million/month (1% or 1 respondent)

Outer Model

Reliability test was performed to examine the instruments' accuracy and consistency in measuring the model. In an analysis using PLS-SEM, SmartPLS 3.0 software was used to examine a construct's reliability by considering the Cronbach alpha value or its Composite Reliability (CR) (Hair, Hult, Ringle and Sarstedt, 2014). The rule of thumb used for the measurement was that the CR value should be more than 0.7 (Hair et al., 2014). The results of reliability test can be seen in the following table:

Table 1. Results of Reliability Test

Indicator	Composite Reliability	Conclusion
Relationship Marketing	0.807	Reliable

| Satisfaction | 0.834 | Reliable |
| Loyalty | 0.770 | Reliable |

Source: Data processing results.

Based on Table 1. above, it can be seen that all variables are reliable because the composite reliability value or each variable is more than 0.7.

The next measurement was done by performing a convergent validity test. Its reflective indicators in SmartPLS 3.0 program could be seen from the loading factor value. Its rule of thumb was that the value should be more than 0.7 for a confirmatory research, and between 0.6-0.7 for an exploratory research. Its Average Variance Extracted (EVA) value should also be more than 0.5 (Hair et al., 2014). Below is a table presenting the loading factor value of each construct:

Table 2. Results of Convergent Validity Test

Variable	Indicator	Loading Factor
Relationship Marketing	I entrust X Hospital as my medical solution.	0.823
	Employees of X Hospital communicate well with me.	0.667
	Nurses communicate well to me.	0.794
Satisfaction	The service I receive at the X Hospital is in line with my expectations.	0.804
	I will recommend X Hospital to others.	0.842
	Medical personnel of X Hospital are responsive in responding to patient needs.	0.726
Loyalty	I will respond positively to the hospital if there are any negative comments.	0.471
	I will follow the recommended treatment at X Hospital.	0.786
	I will be hospitalized in X Hospital if I need any inpatient treatment.	0.886

Source: Data processing results.

Based on Table 2., it can be seen that the loading factors are greater than 0.7. Therefore, the requirements had been met.

After the loading factor and AVE measurements were completed, a discriminant validity test was performed and the value should be more than 0.70. Another way that can be used to test discriminant validity was by comparing the square root with AVE for each construct with the correlation value between constructs in the model (Hair et al., 2014). The recommended AVE value must be greater than 0.50 which means that 50% or more variants of the indicator could be explained. The following table presents the AVE value for each variable:

Table 3. Results of Discriminant Validity Test

	Relationship Marketing	Satisfaction	Loyalty
Relationship Marketing	**0.764**		
Satisfaction	0.734	**0.792**	
Loyalty	0.518	0.546	**0.736**

Source: Data processing results.

Based on Table 3., it can be concluded that the square root value of AVE of each variable is greater than the correlation between constructs.

Inner Model
In starting a structural model with PLS, the R-square value for each endogenous latent variable explained the predictive value of the structural model. It can be used to explain the effect of certain exogenous latent variables on whether the endogenous latent variables had substantive effects (Hair et al., 2014). The R-square value of each variable can be seen in a table below:

Table 4. R-Square Value of Each Variable

	R – Square
Satisfaction	0.539
Loyalty	0.328

Source: Data processing results.

Table 4. shows that the R-square value of loyalty is 0.328, and satisfaction is 0.539. It indicated that loyalty is influenced by 32.8% of relationship marketing and loyalty is influenced by 53.9% of satisfaction and the rest 13.3% is explained by other variables not included in the research model. To examine the significance of the correlation coefficient between the independent and the dependent variable, a t-test was performed. The minimum value of t-statistics in this study was 1.65 with a significance of 0.05 (one-tailed test). Table 5. below shows the hypotheses testing whether it was significant or not.

Tabel 5. Results of Hypotheses testing.

Hypothesis	Standardized Coefficient	t–statistic	Conclusion
Relationship marketing positively influences loyalty	0.255	12.046	Supported
Relationship marketing positively influences satisfaction	0.734	2.183	Supported
Satisfaction positively influences loyalty	0.359	3.466	Supported

Source: Data processing results. 2019

DISCUSSION

This study aims to examine whether there is a positive relationship between relationship marketing and patient's satisfaction on patients' loyalty. This study examines three hypotheses where the results are significant. This indicates that the three hypotheses tested are empirically supported.

Relationship marketing was one of marketing strategies done by companies to attract new customers and to retain old customers. It was done by establishing good relationships with consumers or getting to know consumers closer so that consumers assumed that they were part of the company, thereby establishing a relationship between consumers and companies (Dimyati, 2016).

For this reason, marketing activities must begin with the effort to recognize the needs and satisfaction of customers to to create loyalty. Having loyal patients was certainly a sign of the success of a marketing

strategy, but it needed to be maintained so that they did not move to another hospital. The X Hospital was able to communicate and convey information clearly to patients. It was supported through the openness of the X Hospital's attitude in conveying information to patients, doctor's explanation, ease of contacting the hospital, and good administrative services. These factors made the patients felt satisfied. This would foster the patients' intention to recommend other people to use the hospital's services.

The influence between the relationship marketing and patient loyalty could be seen in Table 5 above by assessing the results of the t-statistics. The t-statistic value of the first hypothesis is 12.046 which is greater than the determined t-statistic value of 1.65. These results indicated a significant value, so it was found that there was a positive correlation between the relationship marketing and loyalty. This result is consistent with the theory of put forward by Kotler (2007). It explains that relationship marketing is important in increasing the patients' loyalty, and it helps establishing a long-term good relationship between the hospital and the patients. Relationship marketing strategy reflected in good communication between service providers and users, the existence of mutual trust, and a good commitment to realize long-term good relations between them would encourage the creation of customer loyalty to the company.

The second hypothesis which states that there is a positive relationship between relationship marketing and patients' satisfaction, obtains a t-statistic value of 2.18 which is greater than the determined t-statistic value of 1.65. This result indicates a significant value, making the second hypothesis to be confirmed. This means that if relationship marketing increased, the patients' satisfaction would also increase. In a competitive hospital business, the relationship marketing must strive to establish potential relationships with patients. The relationship between the patients and the service provider could last for a long time when the hospital focused on the patients' satisfaction as one of the goals. According to Kotler and Armstrong (2012), customer satisfaction is the ability of companies to create expectations for satisfaction with their customers by describing the values that will be obtained by consumers when buying a product or service, which is also followed by efforts to meet expectations that have been caused by it. Therefore, service providers must be able to convey information honestly or not excessively which would have an impact on the emergence of excessive expectations that automatically impact on customers' satisfaction, trust, and loyalty.

The third hypothesis which states that there is a positive relationship between patients' satisfaction and loyalty obtains a t-statistic value of 3.466 which is greater than the determined t-statistic value of 1.65. This result indicated a significant value, making the third hypothesis to be confirmed. This means that if the patients' satisfaction increased, the patients' loyalty would also increase. Hospitals must be able to provide good quality services which would also increase the patients' satisfaction on the hospital. Kotler (2007) stated that customer satisfaction is the level of one's feelings after comparing performance compared to expectations. Therefore, it was a condition where the desires, hopes and needs of customers could be met. If the patients were satisfied with the quality of service they received, then harmonious interpersonal relationships would be established (Solikhah, 2008). A good interpersonal relationship between the patient and the hospital would encourage the patient to reuse the hospital services, so that it would indirectly increase the level of patients' loyalty to the hospital (Estiningsih & Hariyanti, 2013).

CONCLUSION

Based on the results and the discussion, it can be concluded that:
1) Relationship marketing has a positive effect on patients' loyalty at X Hospital.
2) Relationship marketing has a positive effect on patients' satisfaction at X Hospital.
3) Satisfaction has a positive effect on patients' loyalty at X Hospital.

LIMITATIONS AND SUGGESTIONS

Disclosure of limitations is useful for future and similar studies which are expected to obtain better and in-depth results. By understanding the limitations encountered in this research, a critical mindset will be created

to understand all stages of this research process from beginning to end and can be a source of ideas for future research. Several limitations include the number of samples where there were 100 respondents. This number is considered minimum because of the limited time by the researchers in completing this study as there were other activities such as completing follow-up and rounds in other wards that hold up, as well as follow-up of inpatients which were the researchers' daily routines in the hospital.

On the other hand, there was a change in the trend of the number of populations of the target sample which tended to decrease at the end and beginning of the year. With a limited number of samples, there were several obstacles in finding a significant relationship from the data where it usually required a larger sample size to increase the representativeness of the target sample of a population. Administrative background, for example inpatients using insurance or personal fund, could also be distinguished for future research to add data variations and see patterns of consumers. Larger sample targets for subsequent research is highly suggested to obtain a more accurate result.

The next limitation is the target sample's condition. Considering the fact that they were inpatients who certainly could not always provide time to fill a questionnaire and conduct interviews, the researchers must choose the right time whether they were healthy and strong enough to participate. In general, the questionnaire was given before the patient left the hospital whereas their condition had improved, only needed insignificant treatment and they had experienced several services during their stay. An intrapersonal or personal approach was also important in the data collection process. If the questionnaire was given when the patients were about to be discharged, they tended to fill out the questionnaire by default. The researchers had a preliminary discussion about the general health condition before the patients went home and the limited time and energy to do so, considering the number of patients going home could be more than 1 and there were different classes of care. The researchers usually examined (followed-up) of the patients first in the class they were in charge of. It was not possible for the researchers to examine all patients where the target sample was too many. Then, a lack of time was also one of the obstacles when the patient planned to go home directly only when the permission was given in the morning.   Future   researchers   are suggested to pay attention to the time of the patient's discharge plan so that the questionnaire can be distributed on the previous day with the assistance of several assistants who already understand the process and purpose of filling the questionnaire.

The target sample which only included inpatients in the VIP class and in class 1 also becomes a limitation in this study. It is expected that in the future, a broader sample is highly suggested to represent the entire hospital population where patients ranging from outpatient to inpatient could be considered. The subjects of this study were the VIP and class 1 inpatients who could communicate actively in two-way communication, ranging from the kids to adults. Future studies are suggested to have a wider population to provide a better solution of the problems faced by X Hospital.

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