

EFFECT OF SERVICE MARKETING MIX ON HOSPITAL SELECTION MEDIATED WITH BRAND IMAGE ON HOSPITAL'S OUTPATIENTS

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Abstract: *This study aimed to analyze and empirically test the influence of products, prices, locations, promotions, people, processes, physical evidence against the selection of brand-mediated hospitals in new outpatients of Sumberglagah Hospital, Mojokerto, East Java. This research was quantitative with the type of causality and population research was new patient outpatient Sumberglagah Hospital, about 5,087. Samples were 100 people with purposive sampling. Its analysis technique applied path analysis. Therefore, the hypothetical test resulted that product, price, location, promotion, person, process, and physical evidence positively and significantly affected the brand image. Products, prices, locations, promotions, people, processes, and physical evidence positively and significantly affected hospital selection. The brand image had a positive and significant influence on the selection of hospitals. Moreover, the brand image could mediate product relationships, prices, locations, promotions, people, processes, and physical evidence against hospitals' selection through brand image.*

Keywords: *product, price, location, promotion, people, process, physical evidence, brand image, and purchasing decision.*

1. Introduction

Marketing in hospitals is a basic activity of an organization to run its business and to maintain its continuity. The role of marketing in hospitals is very important in determining the selection of hospitals. The people's purchasing decision assist the hospital in achieving its goals, developing hospital activities, surviving in the midst of strong competition from other health care organizations to increase market shares. Therefore, each hospital should know all causes for low selection of hospitals that can be interpreted in the theory of marketing purchasing decisions of new patients.

In this study, Sumberglagah Hospital is described as a hospital under the health District of East Java Province It provides a variety of services, such as: outpatient services that include outpatient public and specialist, outpatient services and polyclinics on pharmacy, medical record, laboratory, radiology, and medical rehabilitation. The outpatients' decision in

selecting a hospital is derived from the action of patients or families to use outpatient service products, as the public already knows as its quality, price, and products.

Brand image is also considered as a strategy that can influence new patients' decisions on hospital selection. Thus, the hospitals should build more prominent images than competitors by making consumers loyal in having their services or being satisfied with their services periodically. So maintaining market share is by building a positive image of consumers. Manampiring and Trang (2016) argue that brand image is how a brand affects the perception, public, or consumer view of its products. Brand image makes consumers know a product, evaluates its quality and can lead to healthcare selection decisions. The products available in outpatient services at Sumberglagah Hospital have provided quality services as they need to impact new outpatients in the hospitals. Amriza and Susanto (2017) argue that the product variable has a dominant variable in re-visit interest. According to Rawung et al. (2015), product quality does not affect purchasing decisions. Rares and Jorie (2015) find that price affects purchasing decisions, while Manampiring and Trang's (2016) research does not significantly affect purchasing decisions. Puspitasari et al. (2018) prove that location and promotion positively and significantly affect purchasing decisions. Rares and Jorie (2015) show that location does not have a significant effect on purchasing decisions. Suratman et al. (2015) state that the process does not significantly influence the decision to visit. The physical hospital assessment can be seen from medical, non-medical, and supporting equipment facilities owned by the hospital.

2. Literature Review

A company requires a marketing strategy to survive, determine an effective marketing strategy, and mix elements. The latest is a comprehensive plan, integrated and integrated with marketing, which guides achieving marketing objectives. The marketing mix is a series of goals and objectives, policies, and rules that give direction to the company's marketing efforts from time to time, at each level and indifferent and location, especially in response to the company against an ever-changing environment and competitive circumstances (Assauri, 2013: 168). The marketing mix elements involve marketing 4P: product, place, price, and promotion. While marketing services have several additional marketing tools such as participants (people), physical evidence (physical evidence), and process (process). Moreover, the marketing mix of services includes 7P: product, price, place, promotion, people, physical evidence, and process.

Products are anything that can be offered to the market to get attention, buy, use, or consume to satisfy the relevant market's wants or needs (Hanifah et al. 2019). Product is a crucial element in a marketing offer. From the product element, companies must make products that meet their customers' needs and desires, including product variety, quality, design, features, and brand name (Cahyono, 2014). In planning a product, marketers must think of five levels of the product: a) core benefits, b) primary product, c) expected product, d) augmented products, and e) potential products. The product will be successful if it has components in the marketing mix (Kotler and Keller, 2016: 47). As the consumers' expectation, the indicators on product variables may include product quality and product variety.

Price is the value of a product in the form of money that must be sacrificed or spent by consumers to get the desired product. Andhini and Tresnati (2019) state that price is the amount of money charged for something goods/services or the amount of money that consumers exchange for the benefits of owning or using these products and services. Irmalisa et al. (2016) define that price is the amount of money that the customer has to pay for the product. The price can generate income for the producers or traders. There are four types of prices: affordability, price compatibility with product quality, price compatibility with benefits, and price competitiveness (Riyono and Budiharjo (2016).

Place is where the company is headquartered and carried out its operations or activities. According to Latief (2018), the place is the distribution location for easy access to potential customers' services. Location is where a company makes its operations and handles staff. Factors for considering place selection are access, visibility, traffic, large and safe parking location, expansion, environment, competition, and government regulation (Puspitasari et al. 2018).

Promotion is an activity carried out by companies to communicate product benefits and as a tool to influence consumers in purchasing and using services according to their needs. One way for companies to communicate with consumers is to convey information about the products offered. Sihabudin (2015) defines promotion as the concern on service marketing to people who are service providers. There are four criteria for influencing consumers: contractor, modifiers, influencers, and isolated ones (Noaraina, 2016:22).

Processes are all actual procedures, mechanisms, and activity flow to deliver services. This processing element refers to the company carrying out its activities to meet its customers' needs and wants. For service companies, cooperation between marketers and operations is essential in this process, especially in serving all customer needs and desires. From the customer's perspective, its quality is seen from producing its function. In this study, the marketing mix's process indicators include service processes based on SOP and inspection timeline (Mayasari, 2015). Therefore, this study intended to test the research statements based on the actual situation to understand the effect of the product, price, location, promotion, people, process, physical evidence on the hospital's selection mediated by the brand image in new patients of Sumberglagah Hospital. Following are the results of previous research:

Tabel 1
Previous Researches

No	Researchers	Findings
1	Saraswati and Rahyuda (2017)	Product quality and price respectively had a significant positive effect on brand image.
2	Leksono and Herwin (2017)	The hypothesis analysis indicated that price affected brand image.
3	Deisy, et al. (2018)	Brand image and price variables do not have a significant effect.
4.	Maryati et al. (2018)	There was no significant relationship between professional and hospital image. There was a significant relationship between ease of access and hospital image
5	Sihabudin (2015)	There was a robust relationship between product quality and promotion, and there is a partial and

No	Researchers	Findings
		simultaneous influence between product quality and promotion on brand image.
6	Rembet, et al.(2017)	There was a significant relationship between the nurse's response time and the patient's family trust level
7	Amriza and Susanto (2017)	The product variable had a dominant influence on the importance of re-visit
8	Rawung, et al. (2015)	Product quality did not affect purchasing decisions
9	Rares and Jorie (2015)	Price affected purchasing decisions
10	Manampiring and Trang (2016)	Promotion and brand image had no significant effect on purchasing decisions.
11	Puspitasari,et al. (2018)	Price had no significant effect on purchases.
12	Bahri (2018)	Promotion, People, Process do not have a significant effect on purchasing decisions.
13	Suhaily and Darmoyo, (2017)	Product quality the price had a significant and positive influence on purchasing decisions,
14	Erlitna and Soesanto.(2018)	Price affects purchasing decisions on a product, which is mediated by brand image
15	Rahman and Santoso (2015)	Promotion variables indicated that product design had a positive and significant effect on brand image. In contrast, brand image had a significant and significant effect on purchasing stability decisions.
16	Putri and Sukaatmadja (2018)	The brand image had a significant positive effect on purchase intention. The brand image had a significant positive effect on trust.
17.	Adi and Wicaksono (2019)	Product variables and the physical evidence had a positive influence on purchasing decisions.

The following is the research framework on the effect of the product, price, location, promotion, people, process, physical evidence on hospital selection mediated by the brand image in new outpatients of Sumberglagah Hospital:

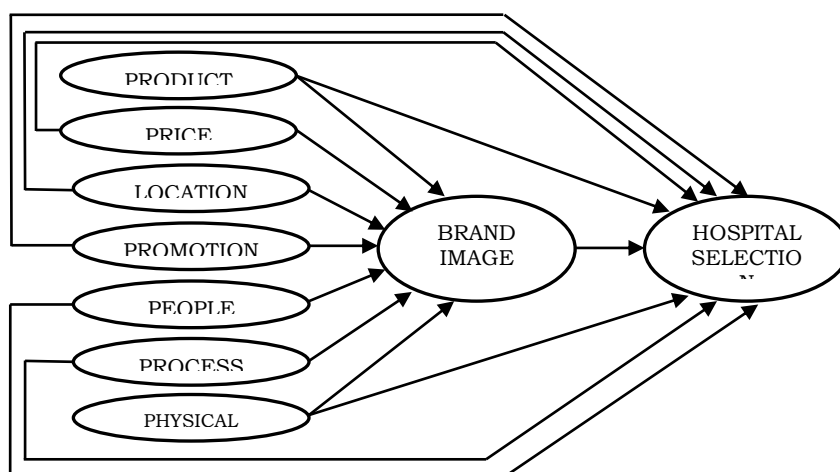


Figure 1. Conceptual Framework

3. Research Method

This study was quantitative research, and its type was causality. The population in this study were new outpatients at Sumberglagah Hospital, Mojokerto, about 5.087 people. According to the Slovin formula, the samples of this study were 100 respondents. The characteristics of the respondents who were sampled were new outpatients at Sumberglagah Hospital, Mojokerto, with a purposive sampling sample selection. Data collection techniques using a questionnaire. Data analysis in this study used Path analysis.

4. Results and Discussion

In this study, 42% of respondents were female, and 58% of respondents were males. The numbers of respondents were in the age range >49 years (44%), age 38 to 48 years (29%), 27 to 37 years (19%), and 16 to 26 years (8%). The characteristics of respondents based on work were entrepreneurs (9%), private officers (64%), civil servants (14%), and others (13%).

Based on the validity and reliability test results, the product variables, price, location, promotion, people, process, physical evidence, brand image, and hospital selection included 28 statement items that were valid and reliable to be used in this research. Therefore, path analysis was used to test the effect of mediating variables, and the regression analysis was used to estimate the causal relationship (cause and effect) between variables. In this path analysis, test results were used to compare which effect was more significant between the direct and indirect effects. The total effect was the sum of the direct effect and the indirect effect as in table 2

Table 2
The direct and indirect effect of the service marketing mix and brand image on choosing a hospital

Variables	Path Coefficient		
	Direct	Indirect	Total
Pr → CM	1,015		
Hg → CM	1,368		
Lk → CM	0,284		
Pm → CM	0,496		
Or → CM	0,385		
Ps → CM	1,250		
Bf → CM	1,249		
Pr → PRS	0,918		
Hg → PRS	1,526		
Lk → PRS	0,285		
Pm → PRS	0,344		
Or → PRS	0,594		

Variables	Path Coefficient		
	Direct	Indirect	Total
Ps → PRS	1,033		
Bf → PRS	1,418		
CM → PRS	1,112		
Pr → CM → PRS	1,015 <	1,128	2,143
Hg → CM → PRS	1,368 <	1,521	2,889
Lk → CM → PRS	0,284 <	0,315	0,512
Pm → CM → PRS	0,496 <	0,551	1,047
Or → CM → PRS	0,385 <	0,428	0,813
Ps → CM → PRS	1,250 <	1,562	2,812
Bf → CM → PRS	1,249 <	1,388	2,637

5. Discussion

In this study, the test showed that the product, price, location, promotion, people, process, and physical evidence affected the brand image and hospital selection. Likewise, the brand image positively and significantly affected hospital selection in Sumberglagah Hospital. Other impacts were derived from the qualified healthcare services with a specialist doctor, the availability of drugs as prescribed by the doctor, the availability of medical support facilities, and the infrastructure of laboratory and radiology for further observation. Higher quality of services was essential for diagnosed products and types that lead to a good impact on the outpatient image of Sumberglagah Hospital. Its right image also makes the hospital's name easy to remember. The results are in line with researches by Saraswati and Rahyuda (2017), Sihabudin (2015) that the product has a significant positive effect on brand image. The patient or customer knows the product quality and type or variety of services. In turn, they are willing to choose the service or the product.

Service rates at Sumberglagah hospital were competitive according to the patient's ability. The finding was evidenced by respondents' character occupation, which had the largest percentage of private parties, including farmers, traders, company employees, hand honorary staff. The rates could accommodate the purchasing power of the surrounding community. Regarding promotion, the Sumberglagah hospital conducted PKRS activities while distributing brochures/leaflets and putting up banners, events, WOM, and unique services to develop the hospital image. In terms of patient care, the hospital had compliance with Standard Operating Procedures, so the patient waiting time was appropriately managed to improve its image.

6. Conclusion

Based on the research results, this study concluded that the product, price, location, promotion, people, process, and physical evidence could directly influence the brand image and outpatients selection at Sumberglagah Hospital. Likewise, the brand image had a direct effect on hospital selection. This study also determined that brand image could mediate the effect of the product, price, location, promotion, people, process, and physical evidence on hospital selection. In brief, the better the hospital's image leads the community to choose Sumberglagah hospital to do outpatient care. For further researchers, it is perceived that they

can examine out of variables under this study, for example, cultural factors, social, personal, psychological, environmental factors.

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