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## The Predictors of Indonesia' Patient's Loyalty A Literature Review

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### **ABSTRACT**

The purpose of this study is to determine the factors that predict Indonesia's patient's loyalty. The methodology of this research is conceptual paper that review several literatures from past studies regarding the factors that determine patient's loyalty. After reviewing the literature extensively, it found that healthcare service quality, hospital reputation, and patient's confidence are included as the predictor of Indonesia's patients Loyalty. It is highly recommended for Indonesia's healthcare providers to deliver adequate healthcare service quality to boost hospital reputation and patients' confidence to build patient loyalty. At the end, the researcher extensively discussed the findings, implications, and the limitations of the study, and equally made recommendations for future research to broaden the scope of the research in terms of the variables, population, and methodology

**Keywords:** Loyalty; Healthcare Quality, Reputation, Confidence

### **INTRODUCTION**

Patient's loyalty always be a serious topic to be discussed throughout decades. As most of hospitals are relied on their patient's recommendation for their long-term performance in stiff competitive healthcare industry environment (Heath, 2018), therefore, improving patient's positive perception is a must to established patient's loyalty. In this respect, it is an urgency of the health care provider to always evaluate their quality service to meet patients' expectations and needs. Therefore, the healthcare providers need to deliver high standard healthcare service to boost patient's experiences, positively (Rahman,2019).

Whittaker (2017) reported that due to the low perception of quality healthcare services had made about one million

Indonesians' patient's looking for medical treatment in other countries. According to Malaysia Health Traveler Council (2018) about eight hundred and forty thousand (840,000) patients from Indonesia seek medical treatment in Malaysia. Patients from Indonesia out passed the numbers of other international patients. Hence, there is crucial to determine the factors that predict Indonesia patient loyalty to their home country hospitals.

Quality is the most important factor for healthcare organizations to meet future competitive challenges (Guimaraes,Caccia-Bava,& Geist, 2020; Unthacai, 2013). As Taylor (2017) reported for CNN Indonesia that the low hospital quality, skill and reputation of the physicians, medical equipment, also

included as the factor can decrease patients' confidence. In addition, Whittaker et al. (2017) also found that the low level of patient's confidence and hospital reputations are included as the push factors that lead Indonesia's patients sought medical treatment in Malaysia.

For instance, patients from Indonesia donated S\$ 632 million out of S\$ 994 to Singapore Medical Tourism revenue, due to the decrease level of patients' confidence on hospital's quality (Jakarta Post, 2016).

### **Customer Loyalty and Patient's Loyalty**

Attitude and behavior are two components that build customer loyalty (Oliver, 1997). Dick and Basu (1994) mentioned that attitudinal loyalty relate to the customer's favorable level of tendency to some value related to the provider (Dick & Basu, 1994; Han & Back, 2008). In this sense, attitudinal loyalty closely links with human psychological (Cossio-Silva et al., 2016). Therefore, in attitudinal loyalty, customer will spread positive word of mouth and give recommendation about the valuable product or services to other, even though buying is not always occurred (Cossio-Silva et al., 2016).

On the other hand, behavioral loyalty relates to the habitual of human being toward a product or services, it indicates by customer re-purchase the same product or services over time because of customers satisfaction (De Leaniz & del Bosque Rodriquez, 2016). Therefore, customer who are loyal will highly consider doing and maintain the business with the provider. Besides, they will recommend and refer others to visit, use, and buy the product or services from the provider (Bell et al., 2017). In this manner, loyal customers are hardly switch to other provider even though

many efforts offered by the competitors (Sheth, Jain, & Ambika, 2020).

In term of patient's loyalty, it is undeniable, hospitals have high expectation from the patients to recommend the hospital services to others. 44% of the patients who visit the hospital because of recommendation (Heath, 2018; Stephan & MacCracken, 2016). The willingness of a patient to recommend to family and friends to patronize a hospital or to use the hospital service (Zeithaml & Berry, 1996), and to patronize and re patronize the same hospitals for any kind of treatments. This covers behavioral and attitudinal loyalty (See-to & Ho, 2014)

### **Healthcare Quality**

To response the intense competition in healthcare industry, and the increase patient's awareness on having good quality healthcare, providers are racing in increasing their quality of healthcare services (Chang et al., 2013, Fatima, Malik, & Shabbir, 2018). In the light of this, the quality of healthcare service must have a set of standards that could give a positive experience to the patients and other the hospital stakeholders (De Jager & Du Plooy, 2015). However, it is not easy to measure healthcare quality service due the high credence of service nature (Anabila, Kumi, & Anome, 2020), such as intangibility, heterogeneity, simultaneously produced and consumed. (Mosadeghrad, 2013). Hence, the argument about healthcare service quality measurement is still debatable (Pai & Chary, 2016). Many scholars had modified the service quality model as the measurement of healthcare service quality (Lee & Kim, 2017).

The evidence drawn from the past studies showed that high-quality helathcare services influence customer to come back, recommend and spread positive word of mouth about the hospital

services to others (Abd.Manaf et al., 2015; Giovanis et al., 2018).

### **Hospital Reputation**

Hospital reputation is one of the important reasons of why the patients decide to visit, re-visit, and recommend healthcare service to others (Ziemba et al., 2018; Johnson, 2014; Hibbard et al., 2005; Sheetz, Nathan, & Dimick, 2019).

Reputation represents hospital quality and credibility, including safety, medical outcome, advance technology, and medical equipment (Ziemba, Arenberg · Reustle, Allaf & Haldeman, 2019) Most of all, the important thing is reputation is the subjective evaluation of the stakeholders that relate with their expectation (Fombrun & VanRiel, 1997).

Fombrun and Van Riel (1997), highlighted that there are six approaches of corporate reputation concepts such as accountancy, strategy, and sociology, economics, marketing, organizational behavior, and sociology.

It has been proven that reputation is one of the strong predictors of customer loyalty (Faroudi, Jin, Gupta, Melewar, & Faroud, 2016; Fombrun, 1996; Gul, 2014; Ozkan, Suer, Keser, & Kocakok, 2019). De Leaniz and del Rodriguez (2016), utilized SEM in evaluating corporate reputation proved that reputation has significant influence on customer loyalty.

### **Patient's Confidence**

Gaur et al. (2011) emphasized that the good relationship between patients and healthcare providers develop patient's security feeling and trust toward the healthcare provider. service process and interaction with the healthcare providers became the evaluation of the quality of healthcare service which is determine patient's confidence. In this respect, patients' confidence is built through the positive experience that patients gain

throughout the good establishment of the relationship with the healthcare provider. The above discussion showed that, patients' confidence influence patients' loyalty (Press Ganey, 2014), Crocker et al. (2015) believed that confidence also refers to reliability, trust, assurance, and

### **RESEARCH METHODS**

The research method of this study is a conceptual paper, where the author extensively review the previous studies that relate to the predictors of patient's loyalty in Indonesia.

### **RESULTS AND DISCUSSION**

Previous studies proved that healthcare service quality is a competitive strategy and a critical factor that determine patient's loyalty (Meesala & Paul, 2018; Mohebifar et al., 2016). However, healthcare quality service is not easy to measure due to the characteristics of service itself such as, intangibility, heterogeneity, simultaneously produced and consumed. (Mosadeghrad, 2013). This condition, encourage scholars to do research on healthcare service quality measurement (Pai & Chary, 2016).

In addition to healthcare service quality, hospital reputation also serves as one of the factors that give the effect to patient's loyalty (Tiara, Mokhtar, & Gbadebo, 2017). Patients prefer to choose, re-visit, refer and recommend healthcare service to others when the hospital has a positive reputation (Ziemba et al., 2018; Johnson, 2014; Hibbard et al., 2005; Sheetz, Nathan, & Dimick, 2019). Hospital reputation represents the quality of the healthcare service, safety, satisfactory medical outcome, update medical equipment, and technology (Ziemba, Arenberg, Reustle, Allaf & Haldeman, 2019).

Beside healthcare service quality and reputation, patients' confidence is also

included as one of the important roles in giving the influence on patients' decisions making process to visit, utilize, and continue to use the healthcare service from the hospital (Press Ganey, 2014). Therefore, patients will switch to other hospital if they lose the confidence on their doctor and healthcare provider. For instance, patients from Indonesia donated S\$ 632 million out of S\$ 994 to Singapore Medical Tourism revenue, due to the decrease level of patients' confidence on hospital's quality (Jakarta Post, 2016).

Patient who has high confidence with their healthcare provider will feel comfortable and safe. Consequently, this comfortable feeling will influence patient's involvement (Gaur et al., 2011).

In term of the concept, confidence can be found under relational benefits (Meldrum & Kaczynski, 2007), and as one of the reasons under the umbrella of switching barrier (Colgate et al., 2007).

## CONCLUSION

In this study, health care service quality, reputation, and confidence are treated as the patient's perception as the result of the patient's evaluation of the service encounter by the healthcare providers. These three factors are included as the predictors of Indonesia patient's loyalty toward the home country's hospitals.

## Implication And Future Research

Accordingly, there are some implications of this study in terms of practical and theory. Practically, this study highly recommends that Indonesia's healthcare providers to build and set the right strategies and policies that can be applied as marketing strategy to shape patients' loyalty. This study will assist the healthcare provider to closely look at the factors that contribute to patient's loyalty.

Also, this study gives a valuable contribution to academicians by finding the link between patients' loyalty and its

predictors. Additionally, this study provides the opportunity to the scholars to theoretically connect healthcare service quality, hospital reputation, and patient's confidence on patients' loyalty

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