THE INFLUENCE OF PATIENT-PERCEIVED SERVICE QUALITY AND BRAND TRUST ON WORD OF MOUTH

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ABSTRACT

The health care service providers such as the hospitals are facing the challenges of gaining customer loyalty. Health care service is a high involvement and high risk service. Therefore, brand trust can play an important role in influencing customer loyalty and word of mouth. This empirical research was conducted to find out the influence of service quality on brand trust and word of mouth in a private hospital. The data were collected using a six-item Likert scale with closed questions. The dimensions of service quality are reliability, assurance, tangibility, empathy, and responsiveness. Questionnaires were distributed using stratified random sampling to 215 respondents who have had in-patient care in a private hospital in Jakarta, St. Carolus Hospital. They were chosen because they would have a more intensive interaction with the service provider and the facility during their treatment. The sampling technique used is stratified random sampling method. The data were analyzed using the Structural Equation Modeling (LISREL). The result showed that brand trust mediated the influence of service quality on word of mouth. The ability of a hospital to build trust among its customers can influence its future performance through positive word of mouth.

Keywords: Service quality; word of mouth; brand trust; health care.

INTRODUCTION

Many hospitals face challenges in building the customer loyalty. When using health care services, patients are highly involved since health is something vital to their life. Patients are generally quite meticulous and have high demand of the quality of health services they receive. Further, even though patients want to find hospitals in which they can trust or be loyal to, their demand for hospital services is a negative demand – i.e., they usually go to the hospital only when they are sick, not because they want to. In this respect, hospitals need to develop services oriented toward other dimensions of healthcare, such as prevention of disease.
Hospitals also face the challenge of getting patients or customers who will talk positively about them. This positive word of mouth is important as it can contribute significantly to the patients’ willingness to use their services (Voyer & Ranaweera, 2015).

Specifically, many hospitals in Indonesia face the problem of unreliable quality and thus, get low trust from the patients. Therefore, many Indonesians choose to get their medical treatment abroad. Some 483,738 Indonesian patients went to Malaysia and Singapore in 2007 for medical reasons (Awofeso, Rammohan & Asmaripa, 2013). As such, the hospitals need to raise their level of service quality to gain the trust and create good relationship with their customers.

Superior service quality can strengthen the brand trust of a service provider (Kemp, Fillapalli & Becerra, 2014). Brand trust arises because of the commitment generated among the patients who have been satisfied with services provided by a service provider. Strong brand trust will also be expected to generate positive word of mouth to the community (Kemp, Fillapalli & Becerra, 2014; Sichtmann, 2007), which can attract potential patients (Voyer & Ranaweera, 2015; Lu, Ye & Law, 2014). Positive word of mouth is one of the free promotional tools which will save the cost of promotion. Word of mouth is very important for a hospital because the perception of good service can increase the level of confidence for the prospective patients to the hospital. The path of service quality – brand trust – positive word of mouth has been tested in hospital service (Kemp, Fillapalli & Becerra, 2014). However, to the authors’ knowledge, it has not been tested in a developing country. Therefore, another study is needed to test the same path.

This empirical research aims to find out the influence of service quality on the word of mouth with brand trust as a mediator for hospital services in a developing country. Specifically, this study intends to clarify the importance of brand trust in influencing word of mouth.

**LITERATURE REVIEW**

Providing good service to customers can be important and useful, especially in building good customer relationship. The shifts from transactional to relationship marketing is imminent (Webster, 1992), as marketers seek higher return from their business activities (Jones, Reynolds, Arnold, Gabler, Gillison & Landers, 2015). Transactional marketing lacks the vision of instilling consumer loyalty. Relationship has become an important creator of sustainable competitive advantage (O’Malley & Prothero, 2004). On the other side, consumers are also inclined to limit their choices by engaging in an on-going relationship with certain service providers (Sheth & Parvatiyar, 1995). That is, they ignore other brands or service providers
that serve the same need. Therefore, the conscious measures taken by marketers to make bonds with their customers are natural ways of doing business.

Building customer relationship becomes more important in the service sector such as health care, in which service failures may lead to serious consequences (Sheth & Parvatiyar, 1995). People will opt for health care providers which can provide them with peace of mind. In fact, they seek for the ones that they can place trust. Further, Rashid and Jusoff (2009) argue that patients are incapable of assessing the technical aspect of health service. As a result, other non-technical aspects, such as physical environment, communication style, as well as credential of the health provider will become more important.

**Service Quality**

Service quality is the customers’ evaluation of the superiority or performance of a service or activity. It is not an objective type of evaluation, but rather a subjective evaluation, or an evaluation as perceived by the customers (Llosa, Chandon & Orsingher, 1998). Service quality is one of the most debated and researched topics in services marketing literature (Brady & Cronin, 2001), as it encompasses a vast aspect of service performance in fulfilling the customers’ needs and expectations.

Service researchers formulated the assessment of service quality into five dimensions (e.g. Parasuraman, Zeithamal & Berry, 1988; Zeithaml, Bitner & Grembler (2011)), namely:

i) **Reliability** (the ability to deliver promised services accurately and convincingly. Companies must be able to fulfill their promises as to what characteristics of services will be provided to consumers because consumers want a company that can deliver its promises);

ii) **Responsiveness** (the willingness to help and provide services quickly or responsively, and properly to consumers. This is related to how to ensure the consumers are kept informed, for example, how long consumers have to wait, willing to answer any customers’ questions, and readiness in responding to consumers’ demand);

iii) **Assurance** (the employees must have the knowledge and ability to serve customers in order to gain the consumers’ confidence of the service company);

iv) **Empathy** (the giving of individual’s attention to each customer by showing concern for the needs or desires of the consumer. Each customer is unique and different, so they have different needs. Thus, the company should provide a personal attention to each individual according to his or her needs); and

v) **Tangible** (include all physical facilities, equipment, employees, and communication materials that support the service. Attractive physical facilities, modern equipment and neatly dressed employees describe how the quality of these services is)
Brand Trust

Brand trust is about the ‘willingness of an average consumer to rely on the brand to perform its stated function’ (Chauduri & Holbrook, 2001). It is seen as an important factor in marketing because of its influence on brand extension acceptance, brand equity, customer loyalty, and in developing relationship marketing (Reast, 2005). It also has an impact in keeping current customers, as well as in gaining new customers (Sichtmann, 2007). In the healthcare service, brand trust is an important factor in customer relationship management (Vinodhini & Kumar, 2010) and customer based brand equity (Das & Mukherjee, 2016).

There are two dimensions of trust (Delgado-Ballestar & Munuera-Aleman, 2001), namely:

i) Reliability. This dimension is characterized by the technical aspect in which brand trust includes the perception that the brand can meet or satisfy the needs of the consumers and is able to fulfill the promise in product operation. In this dimension, there is an ability to predict that the brand consistently satisfies the needs of consumers in a positive way.

ii) Intention. This dimension reflects a sense of security that makes people feel there is a guarantee that the brand will be responsible for and pay attention to consumers, despite changes in the situation and environment of product consumption. Confidence in these traits leads to the belief that what happens in the future will be resolved by the brand correctly. Thus, this dimension also explains that the brand does not take advantage of the weakness of the consumers.

Word of Mouth

The customers’ behaviours need to be understood and managed accordingly for healthcare service excellence. Their behaviours included intentions to revisit and recommend. The word of mouth (WOM) refers to the interpersonal influence through communication, let’s say, from person A to B, whereby B’s attitude can be altered, either positively or negatively (Sweeney, Soutar & Mazzarol, 2007). Customers trust their fellow customers better than the firm (Zeithaml & Bitner, 1996), therefore WOM is highly effective. WOM is more important in services which are mainly experience or credence based. In the experiential service, a potential customer cannot judge the quality of a service before experiencing the consumption process. In the credence service, even if a customer has consumed the service; he/ she still finds it difficult to judge the quality. Therefore, the opinion of others is important in these services (Kinard & Capella, 2006).
The influence of WOM applies both ways. Positive WOM from a customer encourages others to make a purchase, while negative WOM induces others to avoid making a purchase (Ennew, Banerjee & Li, 2000). On the other hand, a customer suggesting a purchase is more likely to be converted into a loyal customer himself/herself (Gremler & Brown, 1996). Wangenheim (2005) argued that WOM influences the existing customer through reducing cognitive dissonance. Moreover, the behavior of giving recommendation could resonate positively into one’s own product or brand belief.

**Relationships among these Variables and the Proposed Hypotheses**

As a central subject of study in service marketing literature, service quality can influence many variables as perceived by customers. Sa’adah, Rohman and Rofiaty (2011) found that service quality influences brand trust. In the healthcare context, a study has also confirmed the same influence among hospital users (Kemp, Fillapalli & Becerra, 2014), and international medical tourists (Lertwannawit & Guild, 2011).

H₁: There is an influence of Service Quality on Brand Trust.

Some experts suggest that trust can become a better predictor of customer loyalty (including positive word of mouth) rather than customer satisfaction (Hart & Johnson, 1999; Morgan & Hunt, 1994). Trust is a much deeper rooted feeling than satisfaction (Kassim & Abdullah, 2010). In the healthcare context, the importance of trust is even more essential (Kemp, Fillapalli & Becerra, 2014). Kemp, Fillapalli and Becerra (2014) confirmed the influence of brand trust on brand advocacy. Another study by Sichtmann (2007) also confirmed the influence of brand trust on WOM among consumers, but not for non-consumers of a service.

H₂: There is an influence of Brand Trust on Word of Mouth.

Some researchers have conducted research on the influence of service quality on WOM. Macintosh (2007) confirmed the direct influence of relationship quality (with contact person) on satisfaction, loyalty and WOM. In a similar vein, Chaniotakis and Lymeropoulos (2009) found the influence of empathy on WOM in maternity service, but not in other dimensions of service quality. Empathy is a dimension of service quality that strongly portrays relationship performance of a service provider. On the other hand, Ferguson, Paulin and Bergeron (2010) confirmed that all aspects of total service experience are associated with positive WOM among surgical patients. The current study will test the influence service quality as a whole on positive WOM.

H₃: There is an influence of Service Quality on Word of Mouth.
Along with the direct relationship between the variables, the authors also propose an indirect impact of service quality on positive word of mouth through the mediation of brand trust (See the research model below). The current mediation has been tested by Kemp, Fillapalli and Becerra (2014) in the context of a developed country (U.S.A.) and Lertwannawit and Guild (2011) in a developing country (Thailand). However, the authors believe that it needs to be replicated in the context of a developing country (Indonesia), in which the trust for local hospitals is low.

As a hospital runs by Catholic based foundation, St. Carolus Hospital adopts the values of integrity, compassion, assurance, responsibility, and embrace innovation (hospital website). These values implied that St. Carolus Hospital is committed to delivering good service quality and building brand trust among its customers. Eventually, positive WOM would be created by satisfaction with service quality and trust to the hospital.

\[ H_4 \]: There is an influence of Service Quality on Word of Mouth through Brand Trust.

\[ \text{Brand Trust} \rightarrow \text{Positive WOM} \]

\[ \text{Service Quality} \rightarrow \text{Brand Trust} \]

\[ \text{Tangibility} \rightarrow \text{Service Quality} \]

\[ \text{Reliability} \rightarrow \text{Service Quality} \]

\[ \text{Responsiveness} \rightarrow \text{Service Quality} \]

\[ \text{Assurance} \rightarrow \text{Service Quality} \]

\[ \text{Empathy} \rightarrow \text{Service Quality} \]

\[ \text{H}_1 \]

\[ \text{H}_2 \]

\[ \text{H}_3 \]

\[ \text{H}_4 \]

\[ \text{Figure 1: Research Model} \]
METHODOLOGY

A questionnaire survey was conducted using multi-item measures and the rating was using six-item Likert scale to gather the data. The survey was conducted in in-patient rooms of St. Carolus Hospital, Jakarta. St. Carolus was chosen because, unlike other hospitals, it is a hospital which is accepted by a broader spectrum of customers in Jakarta. Both the lower and higher income customers come to this hospital. The population in this study involved all the people who were doing in-patient treatment in St. Carolus Hospital.

The sampling technique used was stratified random sampling, which takes sample with regards to strata (levels) in the population. This technique was chosen to gather a more representative sample since patients from different social-economic background could choose between different classes of service (room). The strata used was four classes of in-patient rooms, which are VIP, first, second, and third class. The population of the research was taken from the average number of patients in the last four months, which was 1,216. A total of 215 patients was sampled proportionately to the number of in-patient beds in each class.

A questionnaire for the variables of service quality, trust, and positive word of mouth with 29 items was developed. Twenty items for service quality, with each dimension having 4 items were referred to Chaniotakis and Lymperopoulos (2009) and Parasuraman, Berry and Zeithaml (1990). Four items for brand trust were referred to Sa’adah, Rohman and Rofiaty (2011). And, five items for positive word of mouth were referred to Carroll and Ahuvia (2006). The authors distributed 215 questionnaires to respondents. The questionnaire was first tested for validity and composite reliability. After that, the model fitness test was conducted, followed by the data analysis. The analysis used was the structural equation modeling (SEM) with LISREL 8.8. SEM was chosen because of its ability to deal with multiple relationships simultaneously and to assess the relationship comprehensively (Hair, Anderson, Tatham & Black, 1995). It allows the assessment of unobservable ‘latent’ variable.

RESULTS AND DISCUSSIONS

More female respondents were gathered (56.7%). Most of the respondents were employees (42.3%) and housewives (24.2%). They came mainly from 3 age groups; above 50 years old, 36 to 50, and 26 to 35 (84.6%).

Before the data were processed and analyzed, the test used was validated using confirmatory factor analysis. It was done by evaluating the value of standard loading factor for each indicator or dimension. Validity test revealed that all 29 indicators were valid.
After that, the construct reliability test was carried out, in which the cut-off level for composite reliability is 0.6. The result shows that all the dimensions and variables in this study had good reliability because of their construct reliability values > 0.6.

After both the validity and reliability tests were done, the authors tested the fitness of the model or the goodness of fit to examine the fitness of the model. The results of the goodness of fit test are shown in Table 1.

<table>
<thead>
<tr>
<th>Fit Measures</th>
<th>Good Fit</th>
<th>Results of Study</th>
<th>Level of Fitness</th>
</tr>
</thead>
<tbody>
<tr>
<td>$x^2$/df</td>
<td>$0 \leq x^2 / df \leq 2$</td>
<td>2.813</td>
<td>Acceptable Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>$0 \leq \text{RMSEA} \leq .05$</td>
<td>0.096</td>
<td>Mediocre Fit</td>
</tr>
<tr>
<td>SRMR</td>
<td>$0 \leq \text{SRMR} \leq .05$</td>
<td>0.054</td>
<td>Acceptable Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>$.95 \leq \text{NFI} \leq 1.00^a$</td>
<td>0.959</td>
<td>Good Fit</td>
</tr>
<tr>
<td>NNFI</td>
<td>$.97 \leq \text{NNFI} \leq 1.00^b$</td>
<td>0.970</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>$.97 \leq \text{CFI} \leq 1.00$</td>
<td>0.973</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CAIC</td>
<td>model &lt; independence, model &lt; saturated</td>
<td>$1515.29&lt;25290, 1515.29&lt;2771.23$</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

The results of model fit assessment suggested that there are seven fit measures ($x^2$/ df, SRMR, NFI, NNFI, CFI, and CAIC). There are two indicators that have met the criteria of acceptable fit, which are $x^2$/ df and SRMR. Four other indicators which are categorized as good fit are NFI, NNFI, CFI, and CAIC, while RMSEA falls into the category of mediocre fit. These results suggest that the overall model has a good fit. The results in Table 1 suggest that the data can fit the model and the model is feasible for further analysis. Structural test was done to see whether each of the variables in this study has an effect on other variables.

The results indicate that service quality has a significant effect on brand trust ($\beta = 0.81, p < 0.01$) and positive word of mouth ($\beta = 0.45, p < 0.01$). Brand trust has an effect on positive word of mouth ($\beta = 0.44, p < 0.01$). Service quality has an effect on positive word of mouth through the mediation of brand trust ($\beta = 0.36, p < 0.01$). The results of the hypothesis tests are presented in Table 2.
Table 2: Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized Estimation</th>
<th>T-values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: There is an influence of Service Quality on Brand Trust.</td>
<td>0.81</td>
<td>12.8**</td>
<td>Significant influence</td>
</tr>
<tr>
<td>H₂: There is an influence of Brand Trust on Positive Word of Mouth.</td>
<td>0.44</td>
<td>5.38**</td>
<td>Significant influence</td>
</tr>
<tr>
<td>H₃: There is an influence of Service Quality on Positive Word of Mouth.</td>
<td>0.45</td>
<td>5.35**</td>
<td>Significant influence</td>
</tr>
<tr>
<td>H₄: There is an influence of Service Quality on Positive Word of Mouth through Brand Trust.</td>
<td>0.36</td>
<td>5.10**</td>
<td>Significant influence</td>
</tr>
</tbody>
</table>

Note: **p < 0.01

The results indicate that the service quality delivered has an influence on trust of the brand organized by a Catholic-based foundation, which has a social mission. In turn, brand trust will influence the customers to speak positively about the brand. Alternatively, service quality has a direct influence on positive word of mouth. Thus, when the customers are satisfied with the service provided, they are willing to speak positively about the hospital. The same effect may not apply for other hospitals sponsored by the private entity.

The results of the analysis which confirmed the influence of service quality on brand trust is supported by Sa’adah, Rohman and Rofiaty (2011). The influence of brand trust on positive word of mouth is in line with the research by Kassim and Abdullah (2010) and Kemp, Fillapalli and Becerra (2014). The indirect effect of service quality on positive word of mouth mediated by brand trust does support the argument that the importance of the latter in predicting positive word of mouth in the healthcare context.

The type of mediation found in the current research is complemented mediation (Zhao, Lynch & Chen, 2010), in which there are indirect as well as direct influences of service quality on positive word of mouth, and both influences are of the same sign (direction). Complemented influence does imply that there is a mediator that may likely be added to build a complete research model (Zhao, Lynch Jr. & Chen, 2010).

CONCLUSION AND RECOMMENDATION

It can be concluded that the influence of service quality on positive word of mouth was mediated by brand trust. The direct influence of service quality on positive
word of mouth was also found. The complemented mediation found implies that another variable may be omitted in the current model. Future research may attempt to find the variable which can improve the model.

The model of brand trust mediation was tested in the context of health care service, which is characterized by high risk as well as high involvement. The study has confirmed the ‘SERVQUAL-Brand trust_Positive WOM’ relationship among in-patients who are surrendering their physical and emotional wellness to the service provider. Thus, it adds to our understanding of service management in terms of the importance of brand trust in generating positive WOM in high involvement and credential service. In such context, the WOM generated is important since health care service is difficult to be evaluated and therefore others’ opinion can become a reference for the new customers in making their decision. Therefore, hospitals need to focus on creating brand trust to induce that customers spread the positive of WOM.

The relation mentioned above also confirms the importance of relationship marketing in the context of high involvement service. Service providers should be oriented toward creating customer commitment and even recommendations. To achieve them, aside from delivering good service quality, service providers need to invest in building brand trust.

There are three things that a hospital management can do to improve customer trust and thus relationship marketing. Firstly, the skill and attitude of the doctors and other staff need to be improved. If all the employees can deliver high standard of quality, customer trust can also be improved. Secondly, customer orientation can become a good source to develop customer trust. If customers feel that their health concern is put on the highest priority, they will feel more relaxed and be willing to cooperate better during the course of treatment. In turn, customers will have a better chance of getting cured. For example, Mayo Clinic, a renowned hospital brand in U.S., which embraces the value of ‘the needs of patient come first’ in its operations (Berry & Seltman, 2008).

Lastly, conduct marketing communication and public relation to increase trust and goodwill towards the brand. Hospital management can organise events which can create customer engagement, such as health seminars and public service activities.

The limitation of the current study lies in the data that were collected from one brand of hospital, which might limit the generability of the findings. However, the broad spectrum of the patients in the hospital makes the problem of representativeness becomes less severe.
For future research, other variables may be further tested as the mediators to word of mouth. For instance, Kemp, Fillapalli and Becerra (2014) added the variables of affective commitment and self-brand connection as the mediators between brand trust and brand advocacy. Future research should also replicate the current study for other service providers to improve the generability of the findings.

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