

## Original Research Article

# The Role of Corporate Image as Mediating the Marketing Mix for Treatment Decisions in Private Hospitals, Indonesia

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**Abstract:** The hospital is a place to obtain services that depend on the level of patient visits. The indicator for improving hospital services is determined by the utilization of health services through increasing the number of patient visits in selecting health services at the hospital. A good corporate image has an important role for the continuity of a business organization. A good corporate image will shape a decision to buy a product or service. Currently, there is not many certain study on marketing mix and the treatment decision as an marketing strategy for healthcare management system. The study to determine the relationship between the marketing mix and the treatment decision through corporate image by the researcher as a preliminary study that could open the horizons for future studies. This type of research used is quantitative research. The sample used was outpatients at a private hospital that met the inclusion criteria. The research instrument uses a questionnaire that will be distributed to patients or families of patients who have undergone examination and treatment at the hospital. This study conducted sampling outpatient polyclinic at Private Hospital with a total of 154 samples. The results were measured using a Likert scale. Data on marketing mix and the treatment decision through corporate image were analyzed by descriptive and linier regression statistics. According to the data analysis, the results show that all of marketing mix elements have a significant impact influences outpatient treatment decisions through corporate image ( $p$  value for all marketing mix elements is less than  $\alpha = .05$ ). There is a significant relationship between the marketing mix and the outpatient treatment decision through corporate image.

**Keywords:** Marketing mix, corporate image, treatment decisions.

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## INTRODUCTION

Globalization competition implies that the market mechanism is increasingly dominated by business organizations that are able to provide services, produce superior products and have high competitiveness and are able to take advantage of market opportunities. Although health outcomes have improved in low-income and middle-income countries (LMICs) in the past several decades, a new reality is at hand. Changing health needs, growing public expectations, and ambitious new health goals are raising the bar for health systems to produce better health outcomes and greater social value [1]. This situation also affected the hospital industry. In this competition, the decision-making behavior for treatment is one of the important things for the health service industry marketing system. The hospital is a place to obtain services that depend on the level of patient visits.

Indicators for improving hospital services are determined by the utilization of health services through increasing the number of patient visits in selecting health services at the hospital.

Recently, consumers are getting smarter and more selective in choosing what products to buy. In this case, the company must be sensitive to the times and be dynamic, in the sense that the company must be willing to make the necessary innovations. The growth and development of private hospitals in recent years has certainly had a positive impact on people who need good quality and international health services. One of the important aspects to ensure the attention of the customers is to provide the best and the most favorable products at this competing market. If a customer's satisfaction is earned, then it is sure that customer loyalty will also come along with it. Moreover, in the

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absence of the customer, a business organization would not exist. In order to increase the number of the customers, development of customer's satisfaction is very important. In terms of achieving business goals, these two terms are very important. Hence, the relation of customers and the business organization or market is, therefore, the most important one [2].

Corporate image relates to the physical and attributes associated with the company such as name, building, product or service, to influence the quality communicated by everyone so that they are attracted to the company. The image or image describes the overall impression made by the public about the company and its products.

According to Khosravizadeh's, it shows that hospital image creates positive perceptions for patients in determining treatment decisions at health care centers [3]. Patients who decide to seek treatment at a health care center must know the image of the hospital chosen according to their individual characteristics and needs. The importance of corporate image in the health service industry, in this case the hospital, is very important in selecting patient treatment decisions [4].

In relationship of the marketing mix to patient satisfaction in hospitals, it shows that all marketing mix variables, namely product, price, people, place, promotion, process, and physical evidence have a significant effect on decisions for medical treatment [5]. Other studies have found that not all marketing mix variables have a significant effect on patient treatment decisions [6].

Applying marketing mix in the hospitals is necessary for their success. It is also important to optimize the price, developing services, increasing health literacy, and improving financial resources. Experts and patients may have different views about the factors that influence the decision for choosing a hospital [7].

Currently, there is not many certain study on marketing mix and the treatment decision as an marketing strategy for healthcare management system. The study to determine the relationship between the marketing mix and the treatment decision through

corporate image by the researcher as a preliminary study that could open the horizons for future studies.

## RESEARCH METHODS

This type of research used is quantitative research. The sample used was outpatients at a private hospital that met the inclusion criteria. The research instrument uses a questionnaire that will be distributed to patients or families of patients who have undergone examination and treatment at the hospital.

In this study there are independent and dependent variables. The independent variable is the marketing mix (X). the dependent variable, namely the decision to seek treatment (Y<sub>2</sub>) and the mediation variable corporate image (Y<sub>1</sub>) were tested using path analysis techniques. This technique can test the hypothesis which states that there is a partial and simultaneous influence between the marketing mix independent variable (X) on the treatment decision variable (Y<sub>2</sub>) through the corporate image mediation variable (Y<sub>1</sub>).

This study conducted sampling outpatient clinic in the Private Hospital in Malang Indonesia with a total of 154 samples. The results were measured using a Likert scale. Data on marketing mix and the treatment decision through corporate image were analyzed by descriptive and linier regression statistics. Data analysis using SPSS software version 20.00.

### Research Procedure

A hypothesized model was drawn from previous literature and a questionnaire with 24 items was developed. Exploratory and confirmatory factor analysis and structural equation modelling were conducted to the model.

## RESULT

Data on marketing mix and the treatment decision through corporate image were analyzed by descriptive and linier regression statistics. Descriptive analysis is intended to know the general description of the research variables. To know the description for each variable can be seen in the following table.

**Table 1: Description of Respondents by Gender**

No	Gender	Numbers (n)	Percentage (%)
1	Male	51	33,1
2	Female	103	66,9
<b>Total</b>		154	100

Based on table 1 it can be explained that the majority of respondents were female, 103 respondents (66.9%) more than male, 51 respondents (33.1%). This

shows that outpatient visits are more dominated by female patients than male patients.

**Table 2: Description of Respondents by Age**

No	Age (years)	Numbers (n)	Percentage (%)
1	20 – 30	38	24,6
2	31 – 50	86	55,8
3	> 50	30	19,6
<b>Total</b>		154	100

Based on table 2 it can be explained that the majority of respondents were aged 31-50 years with a total of 86 respondents (55.8%), then aged 20-30 years were 38 respondents (24.6%), and aged 50 years and over were 30 respondents (19.6%). The age range of

31-50 years is more dominant which means that many patients are in the productive age group. The group of elderly over the age of 50 years is a group with a small number due to age and activity limitations.

**Table 3: Validity Test Results**

Variable	Item	Correlation coefficient	r table	Prop	Result
Marketing Mix (X)	X1.1.1	0,694	0,1567	0,000	Valid
	X1.1.2	0,760	0,1567	0,000	Valid
	X1.2.1	0,802	0,1567	0,000	Valid
	X1.2.2	0,757	0,1567	0,000	Valid
	X1.3.1	0,654	0,1567	0,000	Valid
	X1.3.2	0,678	0,1567	0,000	Valid
	X1.4.1	0,744	0,1567	0,000	Valid
	X1.4.2	0,713	0,1567	0,000	Valid
	X1.5.1	0,795	0,1567	0,000	Valid
	X1.5.2	0,808	0,1567	0,000	Valid
	X1.6.1	0,767	0,1567	0,000	Valid
	X1.6.2	0,762	0,1567	0,000	Valid
	X1.7.1	0,720	0,1567	0,000	Valid
	X1.7.2	0,689	0,1567	0,000	Valid
Corporate Image (Y <sub>1</sub> )	Y1.1.1	0,768	0,1567	0,000	Valid
	Y1.1.2	0,780	0,1567	0,000	Valid
	Y1.2.1	0,891	0,1567	0,000	Valid
	Y1.2.2	0,932	0,1567	0,000	Valid
Treatment Decision (Y <sub>2</sub> )	Y2.1.1	0,837	0,1567	0,000	Valid
	Y2.1.2	0,817	0,1567	0,000	Valid
	Y2.2.1	0,850	0,1567	0,000	Valid
	Y2.2.2	0,851	0,1567	0,000	Valid
	Y2.3.1	0,773	0,1567	0,000	Valid
	Y2.3.2	0,756	0,1567	0,000	Valid

Validity was assessed by comparing the correlation value of each statement item with the table correlation value (r table). The product moment r table value at  $\alpha = 0.05$  and  $n = 154$  is 0.1567. Based on data processing, it can be seen from table 3 that the 24

statement items tested, all statement items have a positive correlation coefficient and are greater than r table, and the probability is less than  $\alpha = 5\%$ , meaning that there is a significant relationship between the score of each statement item and the total score.

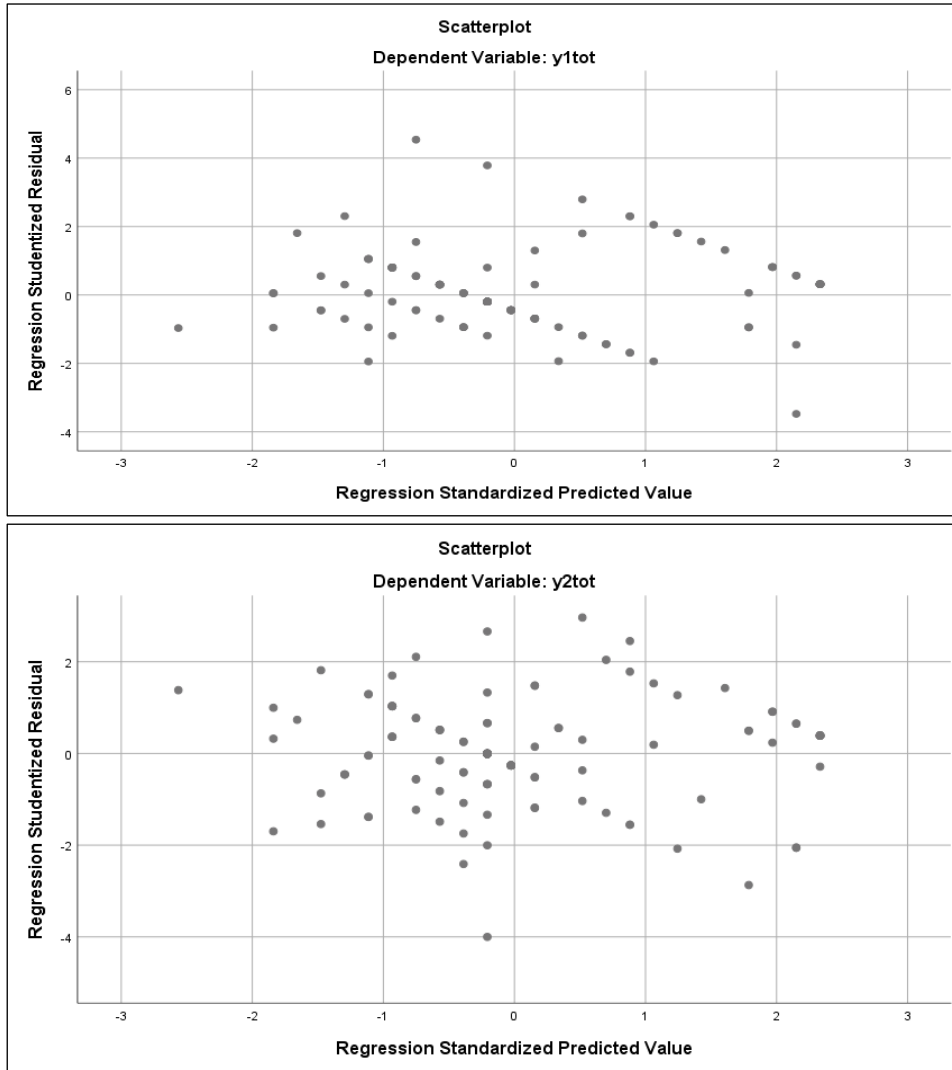
**Table 4: Reliability Test Results**

Variable	Reliability Coefficient	Result
Marketing Mix (X)	0,933	Reliable
Corporate Image (Y <sub>1</sub> )	0,906	Reliable
Treatment Decision (Y <sub>2</sub> )	0,894	Reliable

Based on Table 4, it can be seen that all variables have a reliability coefficient value greater than 0.60, so that based on the reliability test results, the

instrument being tested is appropriate for further processing.

**Table 5: Heteroscedasticity test**



Based on Table 5, it appears that the points are distributed randomly, do not form a clear specific pattern, and are scattered below and above the zero

value on the Y axis. This means that there is no heteroscedasticity in the regression model.

**Table 6: Normality test**

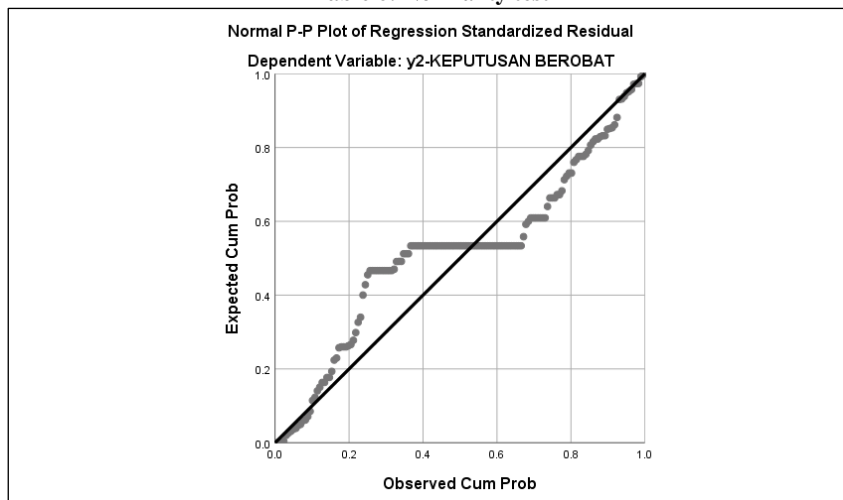


Table 6 shows the pattern of the distribution of points around the diagonal line and approaching the diagonal line. This indicates that the variables studied

include the marketing mix, corporate image and treatment decisions are normally distributed.

**Table 7: Autocorrelation Test**

Variable	Du	Durbin Watson	4-Du	Result
Substructure 1	1,763	1,893	2,237	no autocorrelation

Based on Table 7 it can be seen that the Durbin Watson value in substructure 1 is greater than Du and

smaller than 4-Du. This means that it can be concluded that there is no autocorrelation in the regression model.

**Table 8: Multicollinearity Test**

Variable	Tolerance	VIF
1 Marketing Mix	0,348	2,876
2 Corporate Image	0,348	2,876

Based on the table 8, it can be seen that the marketing mix and corporate image variables have a VIF value smaller than number 5, thus it can be interpreted that the regression model has no multicollinearity problem.

$$= 1 - (0,575 \cdot 0,589 \cdot 0,597)$$

$$= 1 - 0,202$$

$$= 0,797 \rightarrow 79,7\%$$

Based on the calculation results above, the total determination coefficient value is 0.797 indicating that the data variation that can be explained in the research model is 79.7% or in other words the available information is representative.

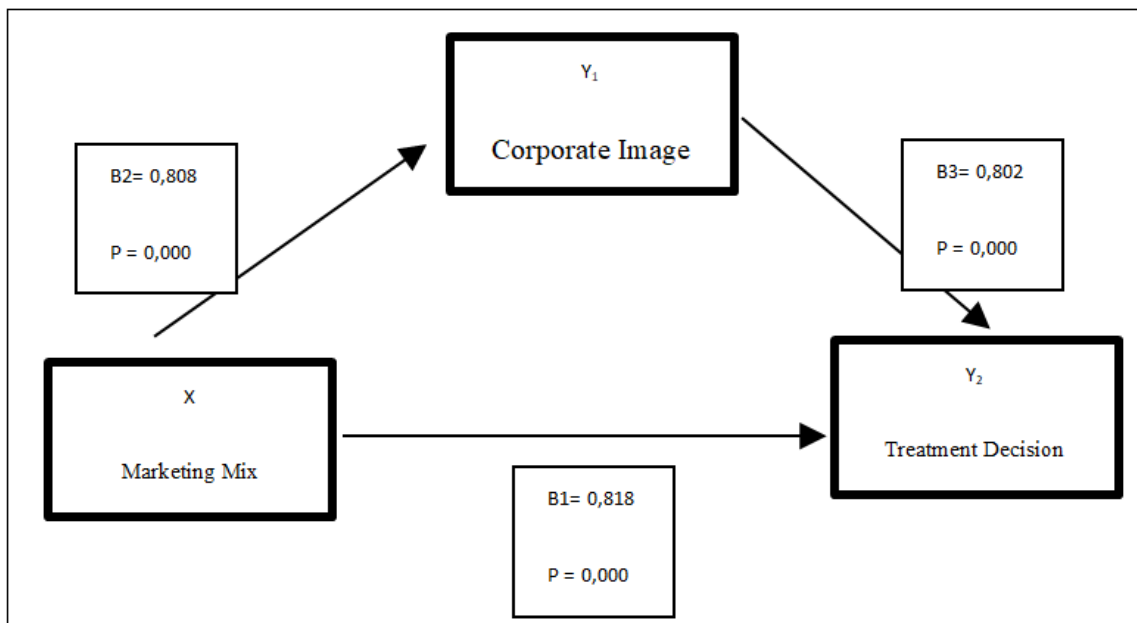
**Structural Equation Model Test**

$$R \text{ Model} = 1 - (\sqrt{1 - R_1^2} \cdot \sqrt{1 - R_2^2} \cdot \sqrt{1 - R_3^2})$$

$$= 1 - (\sqrt{1 - 0,669} \cdot \sqrt{1 - 0,652} \cdot \sqrt{1 - 0,643})$$

$$= 1 - (\sqrt{0,331} \cdot \sqrt{0,348} \cdot \sqrt{0,357})$$

**Path Analysis Results**



There are three regression coefficients in the structural equation model above. The marketing mix shows a greater direct effect on the decision to seek treatment, compared to the marketing mix through the company's image on the decision to seek treatment.

**DISCUSSION**

The marketing mix influences the decision to seek treatment through the image of a company, namely the hospital. In this study the decision to treat patients through corporate image has not been effective enough to be part of the marketing mix strategy in order to realize the level of patient treatment decisions. The components of the marketing mix, namely products

with the provision of good service care, have a strong direct effect on purchasing decisions on the facility component, namely the completeness of services owned by service companies or hospitals.

The marketing mix at the Hospital will form a corporate image, namely reliable services to make treatment decisions for patients by increasing the provision of good services and service facilities such as handling customer complaints, providing extra services to patients and so on. The process of framing the company's image in the community will make the hospital more recognizable, easy to remember and trusted. This will affect the patient's treatment decisions in determining health services and make the Hospital as the patient preference.

## CONCLUSION

In conclusion, there is a significant relationship between the marketing mix and the treatment decision through corporate image.

## RECOMMENDATIONS

Some recommendations for future research are that a larger number of samples should be involved, the research materials can be selected according to the criteria, and the samples' age distribution should be as homogeneous as possible. Further research is needed on healthcare management system as a reference for marketing company strategy.

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