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## **EFFECT OF SERVICE QUALITY WORD OF MOUTH WITH MEDIATION PATIENT SATISFACTION AND MODERATED PRICE**

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### **ABSTRACT:**

*This study examines the relationship between service quality, pricing, satisfaction and word of mouth (WOM) patients in the house of beauty and healthy Women Hauraa. The more specific objectives of this study is: determine the effect of service quality on patient satisfaction, determine the effect of price on patient satisfaction, determine the effect of patient satisfaction with word of mouth: determine the effect of service quality to WOM. Respondents in this study were 170 respondents with criteria have at least high school education, aged between 17-60 years old and female. Sample determination using purposive sampling method. This study uses analysis Structural Equation Modelling with application software version 8.8 lisrel. The results showed that: Quality of service, significant effect on patient satisfaction, The price does not have a significant influence on patient satisfaction, patient satisfaction significant effect on word of mouth and Quality of service does not have a significant influence on WOM. The results provide a practical contribution that the management house of beauty and healthy Women Hauraa should be emphasized that reliability, responsiveness, tangibles, assurance and empathy is maintained, because five dimensions have considerable influence on the satisfaction of patients that will create WOM. WOM plays a role important enough in terms of marketing house of beauty and healthy Women Hauraa. Contributions from the results of this study can be used as a reference by the management to improve service quality performance.*

**Keywords:** *service quality, patient satisfaction, price, word of mouth, a beauty clinic.*

### **INTRODUCTION**

Service quality is a form consumer ratings of level service received by the level of service expected. The quality of service has an influence on customer satisfaction (Cronin dan Taylor, dalam Prabowo 2002). The positive impact of good service will increase customer satisfaction and loyalty and willingness to repurchase, which would increase the revenues received from products that have been sold. To be able compete, survive, and thrive, then the company is required to meet the needs and desires of customers. One way is to provide the best service and quality. Thus customers will be satisfied and respected, so they are happy and willing to become a regular customer. Price is the only element in the marketing mix that produces revenue. Price is also one of the most flexible element of the marketing mix. In terms of pricing strategy, price is one element that affects the activities within the company that serves creating a competitive advantage for the company. However, it is often hampered by pricing

policy. Pricing by the company must be adapted to the environmental situation and the changes that occur especially during the increasingly fierce competition and the development of limited demand.

Customers who acquire products or services which meet or beyond expectation, are likely to give a positive response to the company. One of them is to give word of mouth to his colleagues. Word of Mouth (WOM) is one effective way to build a positive image for the clinic, besides that WOM can also increase amount of purchases and sales. A decision process does not just end with the purchase, but followed by a stage after purchasing behavior. The main problem is a beauty clinic if patients are not satisfied with services provided. Therefore, Rumah Cantik & Sehat Wanita 'Hauraa' are required to always maintain consumer trust by improving quality of service and set a price relatively cheaper than competitors to create increase customer satisfaction, so that will make a recommendation or known as WOM toward beauty and slimming treatments which they get to friends or family. Therefore, this study aims to find out whether quality of services and prices given by Rumah Cantik & Sehat Wanita 'Hauraa' can provide satisfaction for the patients, so that patients recommend to colleagues and have an impact on profit improvement.

## **THEORITICAL FRAMEWORK AND HYPOTHESIS RESEARCH**

### **Service quality.**

Service quality is an important component in the perception of consumers, it is also very important in their influence on customer satisfaction. According to Kotler (2005), definition of service is any action or activity that can be offered by one party to another, which is essentially intangible and does not result in any ownership. According Tjiptono (2004), service quality is the expected level of excellence and control over the level of excellence to meet customer desires. Research conducted by Parasuraman et al. (1988) in Kotler and Keller (2007) and in Lovelock and Wright (2007) on ten dimensions of service quality generated from previous studies discovered essence quality of service merged into five dimensions of service quality called SERVQUAL, is: (1) reliability; (2) responsiveness; (3) assurance; (4) empathy; (5) tangible.

### **Price.**

According to Kotler and Keller (2007), price is the amount of money that must be paid by customers for a product, whereas Dharmesta (2005) states that prices is the amount of money needed for a some combinations from items and their ministry. As one element of the marketing mix, price needs careful consideration, in connection with the strategic dimension of price (Chandra, 2002), that is: (1) The price is a statement of the value of a product; (2) price an aspect that seems obvious to the buyer; (3) price is a major determinant of demand; (4) price is directly related to revenue and profits; (5) prices are flexible, meaning that can be adjusted quickly; (6) price affect the image and positioning strategy; (7) the price is a dynamic aspect. From the above, it can be concluded that prices is the monetary unit or other measure that includes goods and services that are exchanged in order to obtain the right of ownership or use of goods or services, which is also the only element from marketing mix elements are provide income or revenue for the company compared to the other elements of the marketing mix, such as product, promotion, and distribution channels.

### **Customer satisfaction.**

According to Kotler and Keller (2007), consumer satisfaction is the level of one's feelings as a result from a comparison between reality and expectations received from a product or service. While Parasuraman (1988) defines consumer satisfaction is a consumer perception to one type of service experience. According to Giese and Cote (2000), although there are many definitions of customer satisfaction, but generally remains consistent with the three main components, that is: (1) In response, consumer satisfaction is the emotional response and cognitive; (2) focus on the performance of the object; (3) the response time.

Based on the opinion of Wilkie (2004), There are four elements in customer satisfaction, that is: (1) expectations; (2) performance; (3) comparison; (4) confirmation and disconfirmation, whereas Sumarwan (2003) states that it is formed from disconfirmation of expectations, that is explains the satisfaction or customer dissatisfaction is a result from a comparison between the customer's expectations before the actual purchase of the acquired customers from the product or service. In general it can be interpreted that customer satisfaction is the result received by the customer, should be at least equal to consumer expectations. Consumers experience the satisfaction or dissatisfaction after experiencing each of these services in accordance with the extent to which expectations are met or exceeded.

### **Word of mouth.**

Opinion Harrison-Walker in Brown, Barry, Dacin, and Gunst (2005) states that WOM is the an informal communication between a speaker who is not commercially by the person who receives information about a brand, product, company or service. Davidow (2003) stated that in fact stated that the exact relationship from the U-shaped mouth, which if a satisfied then it will spread negative word of mouth. According to WOMMA (word of mouth association) which is the official body WOM (Sumardy, 2001) defines that word of mouth marketing is an organization attempts to influence how customers create and distribute marketing information are relevant for the of consumers. Based on the opinion of Tjiptono (2002) WOM is a statement in a personal or non-personal delivered by someone other than the customer's organization. WOM acquired customers through those are believe such experts, friends, families tend to be more quickly accepted. In addition WOM can also be used as a reference for customer service is usually difficult to evaluate the services that have not been purchased or not for themselves.

It can be concluded that WOM can not be invented or created. Because WOM made by consumers voluntarily or without getting a reward. Trying to make up WOM highly unethical and could damage the brand image and reputation of the company. The relationship between service quality and customer satisfaction is extensively documented in the literature marketing, the relationship is theoretically and empirically is positive as determined by Wijayanto (2008). Theoretically when the service provided is able to meet or exceed the expectations or the expectations of the customer, then the customer is satisfied (Parasuraman, 1988). Empirically lot of background research with different samples have proved that service quality has a positive impact on customer satisfaction. As disclosed Akbar and Parvez (2009) also expressed the same thing namely service quality visits of the five dimensions, that is: (1) tangible; (2)

responsiveness; (3) assurance; (4) empathy; (5) reliable. From the description above, the proposed hypothesis is as follows:

H1a: Service quality influence on patient satisfaction.

Price is an important factor in determining customer satisfaction, because whenever of consumers evaluate the value from a product or service are acquired, they generally think about the price. Natalisa (2004) states that the price of conformity with the service received a significant impact on customer satisfaction. Satisfaction and reasonableness price from a product or service associated with the product or service itself. Previous research on the satisfaction of showing that prices has an effect on the satisfaction. Price emphasized as an important factor affecting consumer satisfaction. This is because when of consumers evaluate the value of services acquired, consumers are also thinking about price from the services acquired (Bei, 2001). From the description above, the proposed hypothesis is as follows:

H1b: Price moderate the relationship between service quality and patient satisfaction.

Customer satisfaction is important for service providers, as customers would spread a sense of satisfaction to potential customers, so will raise the reputation of the company. So if the customer is satisfied, he will create WOM to colleagues and their families. When customers are satisfied, then the positive WOM will be created and they prefer to provide recommendations to other people purchase (Swan and Oliver, 1989). In a study conducted by Wirtz and Chew (2002) also supports these results that is satisfaction significantly affect WOM and desire to make a purchase recommendation. Therefore, customer satisfaction encourage the creation of WOM communication (Thurau, 2003). Babin (2005) states that customer satisfaction has positive influence on interest in WOM. Customer satisfaction is strongly correlated positively with WOM (Brown et al, 2005). From the above it can be put forward hypotheses as follows:

H2: Patient satisfaction effect on WOM.

Service quality can be measured with the dimensions of service quality are used as guidelines to assess the results of the work in the form of consumer behavior. The higher the perceived of consumers satisfaction will lead to the tendency of consumer behavior that will benefit the company, conversely the lower the perceived of consumers satisfaction will lead to the tendency of consumer behavior are would hurt the company. If consumers feel the service quality as expected, it will create satisfaction are finally seen in consumer behavior by saying positive things about the other service providers to consumers, remain loyal to the service providers buy their stuff again, spend more time with them, and pay a premium price. Service quality can influence or interests refer WOM communication. Therefore, service quality to encourage the creation of communication WOM (Brown et al., 2005). Positive effect on Service quality and the associated strong interest in WOM positively to WOM. From the above description then obtained the following hypotheses:

H3: Patient satisfaction mediates the relationship between service quality and WOM.

## **METHOD RESEARCH**

This study was a type of causal research that is to identify the cause and effect relationship between variables and researchers are looking for the real type from facts to help understand and predict relationships. This research was conducted by means of a cross-sectional, where are some samples of population, and information from each

sample is only drawn one (Malhotra, 2007). From the research models that have been developed, is expected to explain the cause and effect relationships among variables and be able to make a useful managerial implications in accordance with the study variables. In this study, to analyze and determine significant levels of connectivity and variable analysis method of Structural Equation Model (SEM). With this method can be seen the influence and relationship between exogenous and endogenous variables related to the problems examined.

Service quality can be measured with the dimensions of service quality are used as guidelines to assess the results of the work in the form of consumer behavior. Akbar and Parvez (2009) expressed the same thing namely service quality visits of the five dimensions, that is: tangible, reliability, responsiveness, assurance, empathy has a positive impact on customer satisfaction. Price as an important factor of consumer satisfaction, because whenever of consumers evaluate the value from a product or service are acquired, they generally think about the price. Satisfaction and fairness from a product or service associated with the product or service itself. Previous research on customer satisfaction shows that the perception from fairness for example equity price have a major influence on satisfaction. WOM will be formed if consumer satisfied and would recommend to others to make a purchase (Ruswanti, 2013). While consumers are not satisfied, they will prevent other people from making purchases.

## **ANALYSIS AND DISCUSSION**

### **Discussion of Research Results**

Hypothesis test results visible from printed output syntax process results in an equation are processed researcher and also in the path diagram. Significant relationships will be indicated with a t-value black on a path diagram with values  $\geq 1,96$ . While no significant relationship was marked with a red t-value on a path diagram with values below 1.96. The resulting path diagram gives an overview of the relationship between the variables of service quality to client satisfaction, variable of service quality and price to patient satisfaction, patient satisfaction with WOM variable and variable quality of service to WOM. In the study there were four hypotheses. Analysis of hypothesis testing was done with a significance level of 5% resulting in a value-t is  $\pm 1.96$ . The hypothesis is accepted if the value of t obtained  $\geq 1.96$ , while the hypothesis is accepted if the t-value obtained  $\leq 1.96$ .

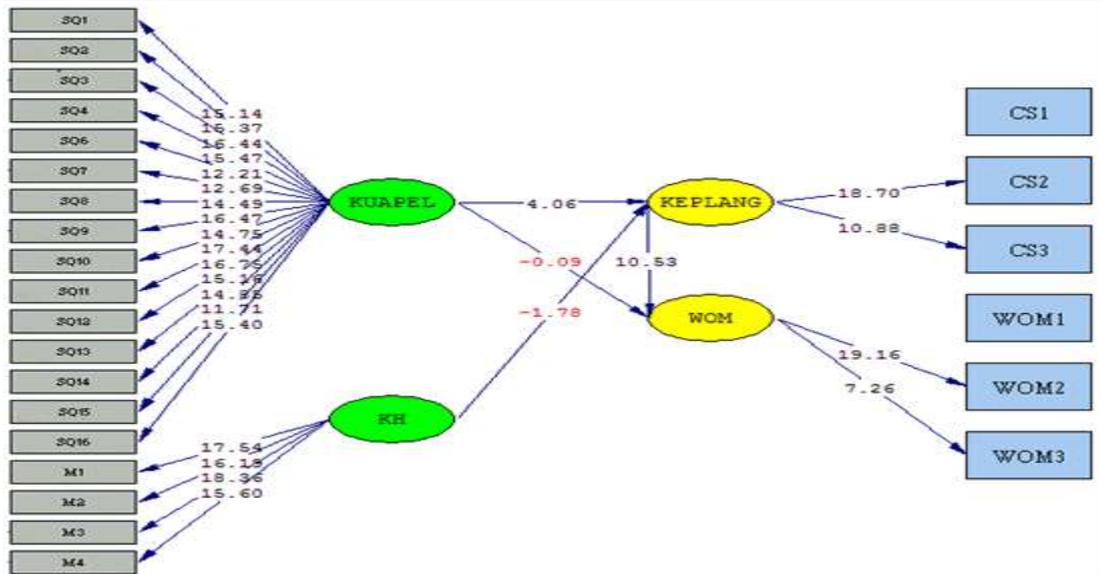


Figure 1. Path Diagram – t-value result

Table 1. Hypthesis Result Test

Hypothesis	Statement of Hypothesis	t-value	Information
H1a	Service quality has an influence on patient satisfaction	4,06	Accepted
H1b	Price moderate the relationship between service quality and patient satisfaction	1,78	Rejected
H2	Patient satisfaction have influence on word of mouth.	10,53	Accepted
H3	Patient satisfaction mediates the relationship between service quality and word of mouth	0,09	Rejected

Here is a summary of a hypothesis test to see if the proposed model is received by the data:

1. Service quality has a significant influence on patient satisfaction.

Based on the results of the output data, value-t produced for H1a hypothesis from this study was 4.06. This suggests that significant results, which will be proposed hypothesis can be accepted. This means that quality of service which consists of tangible, responsiveness, reliability, assurance and empathy, had a significant effect on patient satisfaction. This is similar research of Mirah Ayu Putri Triarintya (2011) which states that a significant difference between the service quality and patient satisfaction.

Quality generally describe the characteristics of a product such as the performance from services a beauty clinic, is easily in usage or service procedures offered in other words the customer feel comfortable in the engagement process of the services offered and so forth. From the results obtained, the quality of the research object produce good ratings in the eyes of consumers. Translation of more details as follows: (1) the quality of the clinic include efforts in meeting consumer demand in accordance with customer expectations; (2) quality are includes products offered and

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used in the clinic, a whole series of services involved during the servicing processes and environment in the clinic have caused satisfaction for consumers.

2. Price did not have a significant effect on patient satisfaction.

Based on the results of the output data, value-t produced for H1b of this study was 1.78. The figure shows that the results are not significant, the hypothesis which can not be accepted. That is, prices are not having a significant effect on patient satisfaction. This is according to research conducted by Ni Putu Atmaja Dharmadewi Cempaka (2011), where the result suggests that prices have no significant effect on patient satisfaction.

3. Patient satisfaction has a significant influence on word of mouth.

Based on the results of the output data, value-t produced for H2 of this study was 10.53. The figure shows that significant results, wherein the hypothesis can be accepted. That is, the satisfaction of patients had a significant effect on WOM. When customers are satisfied, then the positive WOM will be formed and they prefer to provide recommendations to other people purchase (Wirtz and Chew, 2002). In addition, the results of research Mirah Ayu Putri Triarintya (2011) also states that there is a significant relationship between customer satisfaction and WOM.

4. Service quality does not have a significant effect on WOM.

Based on the results of the output data, value-t produced for third hypothesis of this study was 0.09. This suggests that the results are not significant, which will put forward the hypothesis that can not be accepted. It means service quality that is mediated by patient satisfaction has no significant influence on word of mouth. This is not in line with research conducted by Sudiasa (2011) and Palmer (2011) where the research results stated that service quality significantly influence word of mouth through customer satisfaction.

## **CONCLUSION**

Based on the results of the study, it could be concluded as follows:

1. Service quality has a significant influence on patient satisfaction. That is, if service quality better, it will increase patient satisfaction to Rumah Cantik & Sehat Wanita 'Hauraa'.
2. The price does not significantly influence patient satisfaction. That is, the reasonableness of prices measured by the price according to the quality of service, reference level, admission price is set and the reasonableness of the price set does not affect the patient's satisfaction.
3. Patient satisfaction has a significant influence on word of mouth. In theory to form word of mouth must be through satisfaction, satisfaction can be achieved by providing a real service in accordance with customer expectations. The highest average scores that can give patients feel is through the provision of physical facilities. Continuous perceived satisfaction may result in a desire to re-purchase and would gladly recommend it to others.
4. Service quality through patient satisfaction has no significant influence on WOM. That is, the patient's Rumah Cantik & Sehat Wanita 'Hauraa' remains

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would recommend this clinic to anyone, even if they are not satisfied with the services provided.

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