



## **THE MEDIATING ROLE OF PATIENT SATISFACTION IN THE EFFECT OF CORPORATE REPUTATION ON PATIENT LOYALTY**

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### **Abstract**

**Aim** Ensuring patient loyalty is among the priority issues for all health institutions in ensuring sustainability and gaining competitive advantage. In order to contribute to the literature in ensuring patient loyalty, the effect of hospital reputation on patient loyalty and the mediating role of patient satisfaction in this effect were tried to be determined.

**Methods:**200 patients were reached using easy sample management. In addition to demographic characteristics, patient loyalty, patient satisfaction, and corporate reputation scales were used in the study. The research analysis Regression and correlation analyzes were performed in the Smart Pls program.

**Findings:** According to research findings, corporate reputation positively affects patient loyalty, and patient satisfaction plays a positive increasing role in this effect.

**Conclusion:** As a result of the research, it can be stated that hospitals should prioritize reputation and patient satisfaction to ensure patient loyalty. These variables play an essential role in ensuring patient loyalty.

**Keywords:** Corporate Reputation, Patient Satisfaction, Patient Loyalty

## Introduction

One of the issues that private health institutions have focused on in recent times has been patient loyalty (Rashid et al., 2022; Akob et al., 2021). Among the main reasons for this is the opening of private and city hospitals, which have increased rapidly in recent years (MoH, 2021). In the last twenty years, private hospitals have increased by 111%. The number of new private hospital establishments in the market increases every year. The increase in competitors creates a more competitive environment for institutions. In order to ensure their sustainability, it is essential in this respect that private hospitals first ensure the loyalty of their existing patients (Hoşgör and Hoşgör, 2017). With the pandemic, individuals prefer hospitals less than in previous periods (Amarat, 2021). Both the increase in competitors and the shrinkage of the market in this sense increase the pressure on hospitals to provide patient loyalty. In the literature, patient loyalty is defined as a willingness to re-purchase the same product and service from institutions that they have experienced before instead of purchasing them from other institutions. Re-service of patients occurs at the end of the psychological processes. Personality factors, along with habits, curiosity, culture, hospital experiences, and interactions with other customers, can be influential in these psychological processes (Derin and Demirel, 2011). In the literature, different perspectives are encountered in studies on loyalty. These perspectives are shaped on loyalty, behavioral loyalty, attitudinal loyalty, and mixed approaches covering both approaches. Behavioral loyalty creates repetitive buying behavior, while attitudinal loyalty mostly includes making positive conversations about the company that he bought before and making recommendations to those around him, even if the purchasing behavior does not continue. The mixed approach, on the other hand, covers both dimensions together. Consumers both prefer the same institution again and recommend the institution to their environment (Huang and Zhang, 2008). Hospitals that have achieved a high level of patient loyalty will be able to gain strategic advantages in a partially shrinking market and

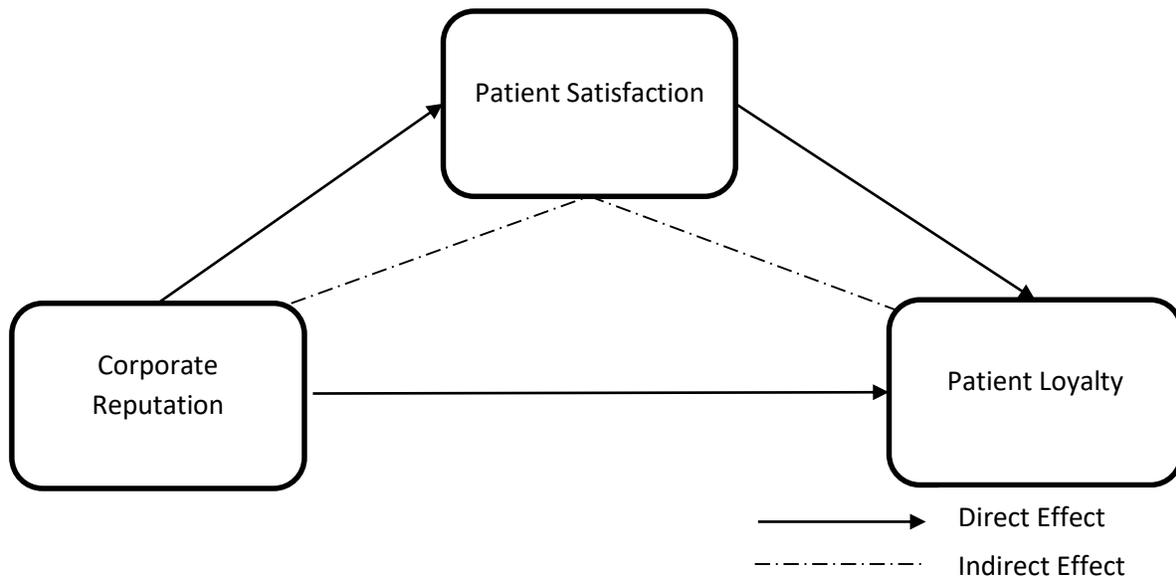
in an increasingly competitive environment. At the same time, it plays a vital role in recruiting new patients and reducing patient complaints about hospitals with high patient loyalty. It is stated that adherence among patients provides advantages in several aspects. The first of these advantages have been identified as the desire to know the institution and service providers in diagnosis and treatment, to comply with the treatment, and to continue the treatment (Torres et al ., 2009). In the literature on patient loyalty, patient satisfaction, perceived price appropriateness (Hoşgör et al ., 2017), relationship marketing (Nakip and Özçiftçi, 2015), hospital image ( Ramli, 2019), service quality ( Aladwan et al., 2021), patient-physician communication (Unal et al.,2018), lean hospital management approach (Yalman et al.,2019), patient complaints (Zhou et al., 2017), doctor reputation, trust, satisfaction (Torres et al., 2009). essential factors are known to be effective. Corporate reputation has a more important position on patient loyalty among these essential factors.

Corporate reputation is one of the concepts that there is no consensus in the literature and that finds itself a multidisciplinary field of study. This may be due to the lack of sufficient empirical evidence in the antecedents and conclusions of the concept. In addition, while there is a general definition of the concept, that is, a general evaluation of the stakeholder groups about the institution, in the recent discussions, some researchers argue that the concept, namely reputation, can vary and differ for each stakeholder group ( Fombrun, 2012; Taskirmaz, 2015). Regardless of the definitions and discussions, this study will only consider the evaluation of patients within the stakeholder group of the hospital in determining corporate reputation. Thus, it will be possible to obtain information about the previous behaviors of the hospital (social responsibility, service quality, etc.) and how the signals it sends are perceived by the patients. Considering the competitive conditions in which these hospitals are located, it shows how they will position themselves and how they are. In this respect, hospitals need to protect and develop their corporate reputations. In addition, hospitals with a high corporate reputation increase the possibility of attracting potential patients and ensuring that they have preferred again (Unal, 2022). It is known that many different factors affect corporate reputation. However, in this study, rather than the factors affecting corporate reputation, the effects of corporate reputation and especially its relationship with patient loyalty will be emphasized.

Patient satisfaction has been another critical issue that has been emphasized recently. Among the reasons for this can be shown in the TUIK life satisfaction survey results. It can be

shown that the satisfaction rate of private hospitals between 2012 and 2020 did not exceed the 70% threshold (TUIK, 2022). Patient satisfaction is defined as the feeling that a patient's experience of the health service they receive meets their expectations (Simorangkir et al., 2021). Satisfaction of patients is effective in choosing a hospital (Ataman and Yarımoğlu, 2018), patient loyalty (Kessler and Mylod, 2011), being more likely to comply with the treatment offered to them (Agosta, 2009), and suing for malpractices (Stelfox et al., 2005). Also, satisfied patients tended to recommend their healthcare provider to others (Akbolat et al., 2021). These results related to patient satisfaction can provide a competitive advantage in the competitive situation of hospitals. The factors affecting patient satisfaction can be examined in three groups. These factors can be related to the patient (age, socio-economic status, etc.), service providers (courtesy of the servers, communication, etc.), and related to the institution (physical facilities, policies, etc.) (Özer and Cakıl, 2007).

In light of this information, in our research, the effect of hospital reputation, which plays an essential role in hospitals' sustainability and competitive advantage, on patient loyalty and how patient satisfaction plays a role in this effect are investigated. For this purpose, a research model (Figure 1) was created.



## 2. METHOD

### 2.1. Sample

The population of the research consists of individuals over the age of 18 who have received service from health institutions operating in Sakarya, Turkey at least once in the last year.

Since the research universe has not been determined precisely, it has been determined as all individuals who have completed the age of 18 in 2020 in Sakarya province. Accordingly, 837.504 people constitute the research population. However, the next condition for participation in the research is to have received health care within the last year. For this reason, the research population cannot be calculated precisely. It is aimed to reach the maximum number that can be reached between 01/05/2020 and 30/05/2020 on a voluntary basis. Although a total of 278 people were interviewed, the participants who met the conditions were determined as 200 people.

### 2.2. Scales

The questionnaire method was used to collect data. The form used in the questionnaire consists of four parts:

- (1) It consists of questions about the patients' age, gender, marital status, educational status, income, and the type of hospital they last used.
- (2) Patient satisfaction, the scale developed by Erdem et al., (2008), was developed to measure patients' satisfaction with health services. The scale consists of four sub-dimensions: satisfaction with medical services, interest and courtesy, satisfaction with administrative services, and general satisfaction, and includes a total of fifteen statements. In this study, the sub-dimensions of the scale were not taken into account, and the whole scale was used.
- (3) Corporate Reputation, Torres et al. (2009) consists of three statements and measures the overall reputation assessment of the institution. Original version Cronbach's alpha was 0.830.
- (4) Patient Loyalty, Torres et al. (2009) Loyalty Scale was used. The scale consists of 4 items and measures patient loyalty.

The study used a five-point Likert-type scale, and the participants were asked to mark the most appropriate option ranging from 1 = strongly disagree to 5 = strongly agree.

### 2.3. Research Practice and Statistical Analysis Method

The questionnaires were collected from the participants in May 2020 by the researchers. The participants were given sufficient time to complete the questionnaire anonymously. Questionnaire forms were collected in sealed envelopes to ensure the confidentiality and anonymity of the participants. In addition, during the application of the questionnaire forms, the researchers followed the ethical rules by the Declaration of Helsinki at all stages of this study. Data were analyzed using SPSS version 22.0 and Smart PLS version 3. SPSS version 22.0 was used for descriptive statistical analysis and validity and reliability analysis. Smart PLS version 3 was used for structural equation modeling (SEM). This is because PLS is more suitable than alternative statistical analyses for data from non-normal or unknown distributions (Falk and Miller, 1992). PLS estimates the model parameters using the original sample and applies the resampling method to determine the confidence interval. Resampling is a method of validation using random subsets of data, such as bootstrapping. Statistical inferences are among the more robust alternatives when the preloaded data do not show the correct distribution (Aibinu et al., 2011; Mooney and Duval, 1993).

### 2.4. Validity and Reliability

First of all, reliability analyses were made in the research. The Cronbach Alpha value for patient satisfaction was 0.927, the Cronbach Alpha value for corporate reputation was 0.848, and the Cronbach Alpha value for patient loyalty was 0.887.

Table 1 shows the SEM analysis results. Accordingly, the average explained variance (AVE) for each construct in the model was calculated in the range of 0.508 - 0.767, and the combined reliability values (CR) were calculated in the range of 0.908 - 0.937. Considering this result, it can be stated that the model established within the scope of the research supports the reliability and structural validity.

**Table 1. Mean Explained Variance (AVE) and Combined Reliability (CR) Values of the Scales**

Variables	CR $\geq$ 0.700	AVE $\geq$ 0.500
Corporate reputation	0.908	0.767
Patient Satisfaction	0.937	0.508
Patient Loyalty	0.922	0.749

In order to increase the validity of the model, discriminant validity was used. In order to ensure this validity, the black root of the average explained variance values calculated for each variable should be greater than the correlation values of that variable with other variables ( Cengiz & Ozkara, 2016). In Table 2, the square root of the mean explained variance values of the variables, and the correlation values are presented. Accordingly, each variable used in the model has a moderate positive correlation with each other, and these values are not more significant than the square root of the mean explained variance values of the relevant variables. As a result of these findings, it can be stated that the factors in the study have sufficient discriminant validity.

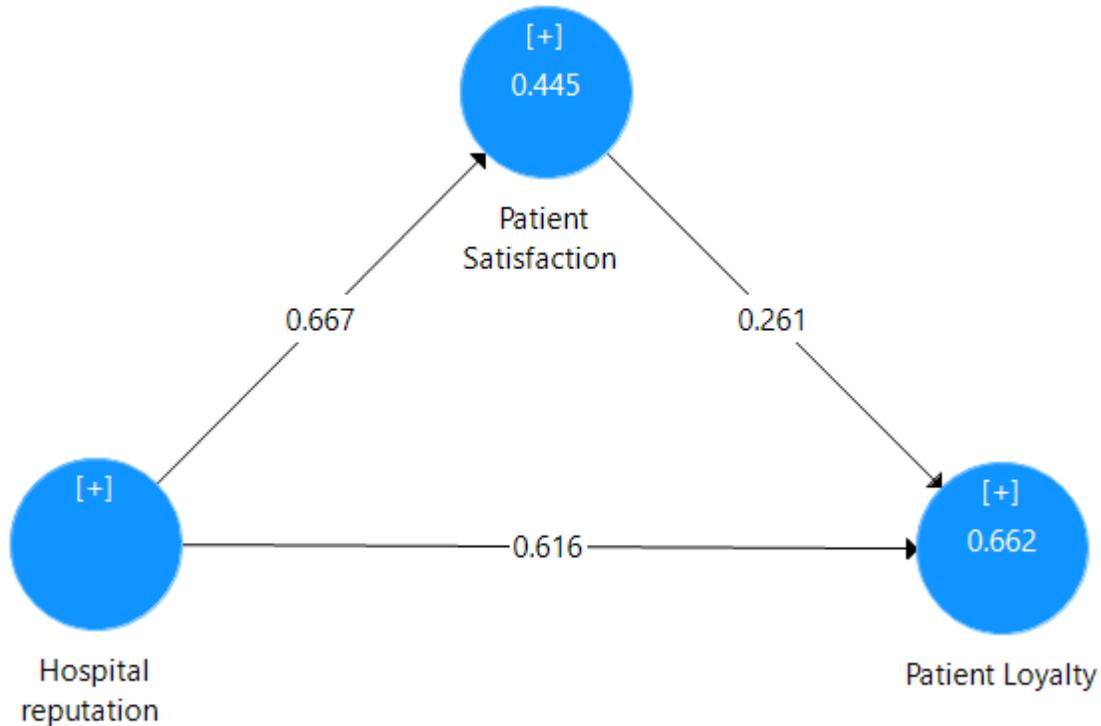
**Table 2. Differential Validity and Correlation Analysis Findings**

Variables	Patient Loyalty	Corporate reputation	Patient Satisfaction
$\sqrt{\text{AVE}}$	0.865	0.875	0.712
Patient Loyalty	1		
Corporate reputation	,726	1	
Patient Satisfaction	,581	,655	1

### 3. FINDINGS

After the validity and reliability results, the distribution data of the participants were examined first. Accordingly, 60.5% of the participants were women, 76% were singles, 55.5% were undergraduates, the average age was 29.70, and the standard deviation was 9.155. The average income was determined as 5808. The average of the corporate reputation scale was 3.44 +- 0.88; the mean of the patient loyalty scale was 3.19 +-0.77; the average of patient satisfaction was determined as 3.41+-0.74. In line with the participants' answers, the average corporate reputation was 3.44 +-0.88, patient satisfaction 3.41+-0.74, and patient loyalty 3.19+-0.77. Then, path analysis was performed by the research hypotheses.

The results of the structural equation model applied to reveal the effect of corporate reputation on patient loyalty and the mediating role of patient satisfaction are shown in Figure 2. Institutional reputation positively affects patient loyalty ( $\beta = 0.616$ ) and patient satisfaction ( $\beta = 0.667$ ). Patient satisfaction also positively affects patient loyalty ( $\beta = 0.261$ ). In addition, patient satisfaction plays a mediating role in the effect of corporate reputation on patient loyalty ( $\beta = 0.174$ ), and this effect becomes stronger ( $\beta = 0.790$ ).



**Figure 2.** Path Analysis

#### 4. CONCLUSION AND DISCUSSION

Patient loyalty is one of the critical factors in ensuring the sustainability of hospitals and gaining a competitive advantage in the changing health sector in Turkey. As patients' loyalty increases, they can be more resistant to the strategies of competing companies, and they can be more successful in attracting potential patients to their institutions. For this reason, in this research, the answer to the effect of hospital reputation on patient loyalty and how patient satisfaction plays a role in this effect is sought.

The averages of the scales used to answer the research question are included in the findings section. According to this, it is seen that the values of all three variables are at a medium-high level. However, the patient loyalty scale has a lower mean value than other variables. As a result of the research findings, corporate reputation positively affects patient loyalty. This finding is similar to both studies conducted in Turkey (Bicer, 2020; Saygin et al ., 2020) and international studies (Ramli,2019; Ondang and Syah,2018). Although the degree of effect obtained in the studies differs from each other, it is seen that hospital reputation directly and positively affects patient loyalty in all studies.

Another research finding is the positive effect between corporate reputation and patient satisfaction. When the results in the literature (Choi, 2020; Ramli, 2019) are examined, it is possible to come across similar results. The high reputation of the hospital will positively affect the satisfaction perceptions of the patients. The lowest accepted degree of impact in the research findings is patient satisfaction and patient loyalty. Although the degree of impact varies in other studies, similar findings are found ( Sip and Ali, 2019; Hosgor et al ., 2017). Statistically, although researchers say that the loyalty of satisfied patients will increase, very few researchers in the literature have focused on whether this effect occurs ( Kessler and Mylod, 2011). For this reason, it is not known to what extent the results obtained turn into a behavior. It is recommended that more research be done on the subject.

The last finding of the study is about how patient satisfaction plays a role in the effect of hospital reputation on patient loyalty. Research findings indicate that the mediating effect of patient satisfaction increases positively. In summary, it plays a role in increasing the impact of hospital reputation on patient loyalty. Since there is no similar finding in the literature, it can be stated that the research results have a unique value in this sense.

As a result of all the findings, it is recommended that the hospitals that want to increase their sustainability or gain a competitive advantage should first measure the current status of the hospital's reputation and make the necessary changes. Although hospital reputation has a multidimensional and variable structure, it is defined as transforming patients' experiences and sensations into a holistic perception. This perception's low, medium, and low levels will negatively affect patient loyalty. In addition, at this point, patient satisfaction should be increased. Patient satisfaction is directly related to both hospital reputation and patient loyalty. In this direction, it is

recommended that hospital managers take on roles that will strengthen the hospital's reputation with continuous improvements and measurements.

**Conflict of Interest:** The authors have no conflicts of interest to declare.

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