

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Everyone's life revolves around their physical and mental health. Every aspect of human life depends on their ability to maintain health. A condition of complete physical, mental, social, and spiritual well-being is considered to be healthy. It involves preserving the body to the greatest extent possible by sticking to daily guidelines and implementing preventive measures to reduce the probability of having illnesses. However, from the past until now, all kinds of diseases have been around us and spread worldwide. All sorts of diseases emerge as a result of a variety of circumstances, some of which are caused by changes in land use for agricultural activities, changes in human demography, such as the increases in population, urbanization, high levels of pollution, changing lifestyles, and others which are caused by environmental variables.

Diseases are not entirely avoidable and cannot be wholly predicted by humans. This can be shown by the COVID-19 pandemic that is occurring right now. Therefore, humans can implement prevention getting the disease because so many of these diseases may be avoided or effectively treated when diagnosed early. This is increasing public awareness of the importance of health. Thus, people need health services, especially hospitals, to meet their health needs. Hospitals are becoming vital in people's lives nowadays. This is caused as a result of a more significant number of people becoming ill and needing sufficient medical treatment. One of

the most fundamental cornerstones of every civilization is the institution of hospitals. Hospitals are vital because they provide treatment for a wide range of diseases, ailments, and problems of human function that are both minor and severe. Apart from that, the hospital also contributes to health promotion by disseminating information on disease prevention and offering curative treatments.

As the consumption of hospitals service is likely to continue to grow in the long term and have a steady growth over the past decade, hospital gains popularity, encouraging many entrepreneurs to establish hospital-related enterprises or even extend their existing businesses into hospitals. This situation causes the competition to become even more intense. The increasing public awareness of health's importance is also one reason why the demand for a hospital is rising. However, this will cause people to be more selective in selecting the finest hospital providers based on what they want and need. Increased competition and other dynamic developments in hospitals require hospital strategy to attract patients. Thus, hospital strategies cannot be seen lightly, and hospitals must differentiate their service to gain competitive advantages where every hospital must meet their customers' needs and wants in order to reach customer satisfaction. According to Richard Oliver, as cited in Tampanguma (2022), customer satisfaction is the customer's response to a product or service that satisfies their needs and expectations.

One of the ways in which hospitals must ensure that customers are satisfied is through the services provided. As a result of this, it is essential for each and every hospital to be capable of meeting to the needs of its customers by emphasizing the delivery of high-quality service. Service quality has a significant influence on the

growth and expansion of an organization. Furthermore, high service quality contributes to hospitals' revenue growth if customer satisfaction is reached. According to Parasuraman, as cited in Prayitno et al. (2021), service quality refers to the degree to which customers' expectations differ from the actuality of the services they get or acquire. The quality of services delivered by hospitals is determined by evaluations of all its customers received. Therefore, the quality of services of the hospital emphasizes on the overall service quality of the hospital, which eventually influences the success of the hospital.

Not only the service quality, but hospitals also need to focus more and pay more close attention to the price of their services, which must be priced appropriately and in line with the needs of the targeted consumers. Even though a social security program is now being implemented in the health sector, namely BPJS, not all diseases or treatments are covered by BPJS since some individuals have BPJS cards but continue to pay medical bills. Along with service quality and price. Also, the higher fee that customers pay for the service, the more expectation they have of the hospital. Thus, hospitals must be able to give the best possible price according to the service quality that the hospital offers so that customer satisfaction can be achieved. Another factor that also must be addressed for the hospital to perform services effectively is the presence of supporting facilities for health services. The presence of suitable and safe facilities will ensure that consumers are comfortable during the treatment procedure, which eventually will increase customer satisfaction.

Vita Insani Hospital is a private hospital with a Class B accreditation located in Pematangsiantar, North Sumatra. It was founded on August 14, 1982, under the supervision of PT Vita Insani Sentra Medika. Vita Insani Hospital is located at Jalan Merdeka Number 329 Pematangsiantar, where this location is the main road in Pematangsiantar City and a densely populated area. As a result of its central location, Vita Insani Hospital has a massive potential to expand and attract a large number of patients. This is a benefit since people can conveniently get treatment here, and emergencies can be handled swiftly. However, base on data on the number of hospital patients Vita Insani, there is some of data fluctuation which can be shown in the table below.

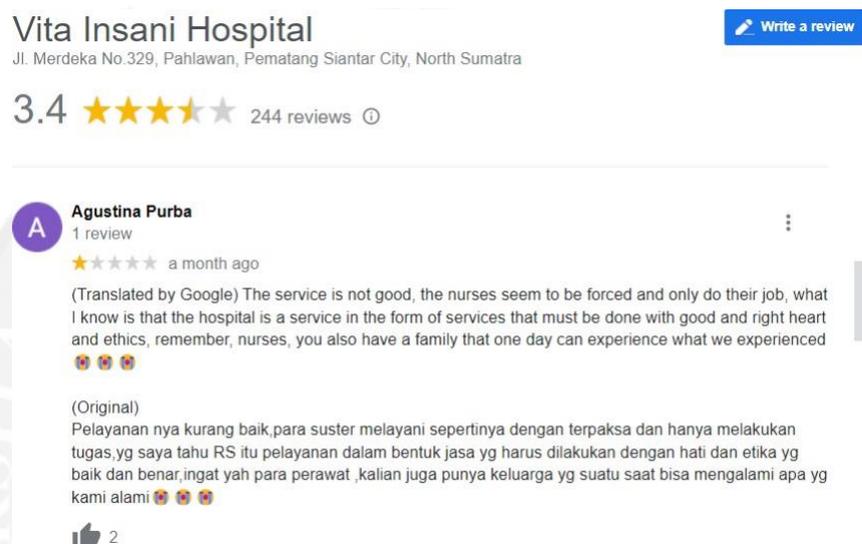
**Table 1. 1 Data Table For The Number Of Patients At The Vita Insani Hospital 2022**

Months	Number of Patients		
	New patient	Old patient	Total
<b>January</b>	3.283	8.385	11.668
<b>February</b>	2.998	8.934	11.932
<b>March</b>	2.909	8.475	11.384
<b>April</b>	2.895	8.252	11.147
<b>May</b>	2.390	7.998	10.388
<b>June</b>	2.298	7.876	10.174
<b>Total</b>	16.773	49.920	66.693

Source: Prepared by writer (2022)

According to the information shown above, it is possible to conclude that the number of patients treated at Vita Insani Hospital had both an increase and a drop from the month of January through the month of June. According to the table, January has the highest number of patients compared to the other months. However, from April to June, the number of patients treated at Vita Insani Hospital is decrease significantly, both in terms of new patients and existing ones. The month with the highest number of patients is January, with 11.668, and this number continue to fall until it reaches 10.174 in June. Since the number of patients at Vita Insani Hospital

does not indicate a consistent growth, it can be concluded that there must be a problem with Vita Insani Hospital. In addition, to collect additional information on the issue at Vita Insani Hospital. According to Google Review, it seems that there are certain issues with Vita Insani Hospital's service quality, pricing, and facilities.



**Figure 1. 1 Customer's Review of Vita Insani Hospital Service Quality**

Source: Google Review (2022)

**Vita Insani Hospital**  
 Jl. Merdeka No.329, Pahlawan, Pematang Siantar City, North Sumatra

3.4 ★★★★★ 244 reviews

administrasi yang mahal

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**Nathalya Silalahi**  
 1 review  
 a year ago

(Translated by Google) The service is not good, before being treated is not checked for Covid infection or not (positive / negative). Nurse work is also very slow, not fast serving, doctors are difficult to contact, as well as doctors on duty are difficult to contact during an emergency. Very not recommended. At first entry ER, no one helps patients to enter the emergency room ... service is clearly very bad

(Original)  
 Pelayanan nya tidak bagus,sebelum dirawat tidak di cek terinfeksi covid atau tidak (positif/negatif) .kerja perawat juga sangat lambat,tidak cepat melayani,dokter susah dihubungi,begitu juga dokter jaga sulit dihubungi saat darurat.sangat tidak direkomendasikan saat pertama masuk IGD,tidak ada yg membantu pasien untuk masuk ruang IGD .pelayanan jelas sangat buruk

4

**Figure 1. 2 Customer’s Review of Vita Insani Hospital Service Quality**

Source: Google Review (2022)

**Vita Insani Hospital**  
 Jl. Merdeka No.329, Pahlawan, Pematang Siantar City, North Sumatra

3.4 ★★★★★ 244 reviews

**Tiwey Loudchouw**  
 3 reviews  
 a year ago

(Translated by Google) Bad !!  
 Very bad service ..  
 The results of the doctor's explanation are difficult to understand / don't make sense ...  
 The nurse "is rude towards the patient / patient's family ..

The nurse and doctor are not clear !!!

(Original)  
 Buruk !!  
 Pelayanan yg sangat buruk..  
 Hasil penjelasan dokter susah untuk di pahami/tidak masuk di akal...  
 Suster" nya bersikap kasar terhadap pasien/keluarga pasien..

Suster dan dokter nya ngkk jelaass!!!

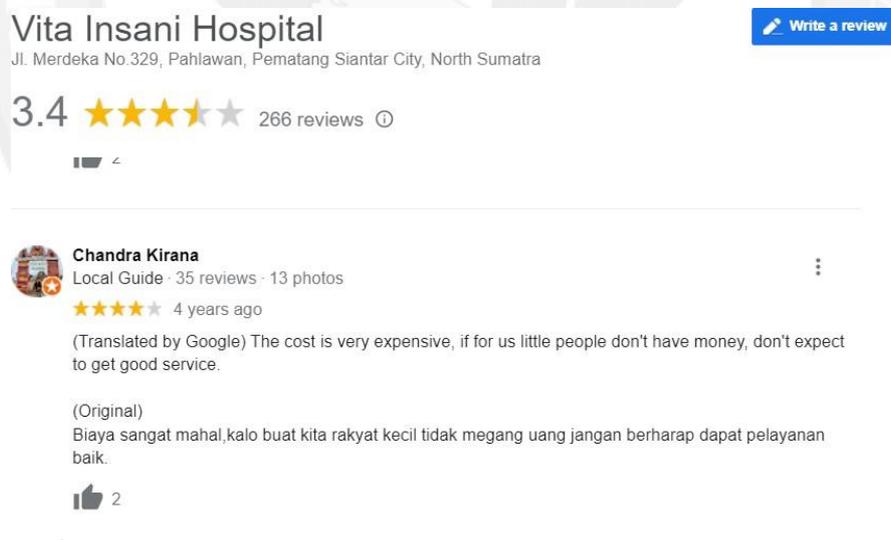
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**Figure 1. 3 Customer’s Review of Vita Insani Hospital Service Quality**

Source: Google Review (2022)

According to the figures presented above, it appears that Vita Insani Hospital has received a significant number of complaints regarding the quality of its services, where customers expressed their dissatisfaction and disappointment by

giving a one-star rating on Google Review. This is shown by the fact that most consumers have filed complaints about this issue. It can be seen that most customers are complaining about the nurses' behaviour. It is clear that the majority of customers are dissatisfied with the manner in which nurses interact with them, indicating that the nurses lack fundamental skills such as empathy, dependability, ethics, and so on. Health care's importance of high-quality service and satisfied patients cannot be overstated. Patients' perceptions about the quality of the services provided by a hospital have a significant impact on the image of the hospital itself. It cannot be denied and ignored that the quality of the service offered is viewed as a crucial component in guaranteeing the overall contentment of patients and their continued loyalty to the hospitals in which they have been served.



**Figure 1. 4 Customer's review of Vita Insani Hospital Price**

Source: Google Review (2022)

**Table 1. 2 The Price Comparison between Several Hospitals in Pematangsiantar**

No.	Room Type	Price		
		Vita Insani Hospital	Harapan Hospital	Horas Insani Hospital
1	VIP	Rp. 735.000,00	Rp. 700.000,00	Rp. 460.000,00
2	KELAS I	Rp. 450.000,00	Rp. 450.000,00	Rp. 250.000,00
3	KELAS II	Rp. 262.500,00	Rp. 300.000,00	Rp. 150.000,00
4	KELAS III	Rp. 157.500,00	Rp. 150.000,00	Rp. 110.000,00

Source: Sinarmas (2022)

According to figure 1.5 above, it can be seen that the price offered by Vita Insani Hospital is still reaping complaints from its consumers, which indicates that the hospital has not yet succeeded in satisfying its customers in terms of its price. In addition, by comparing the prices of several hospitals in the city of Pematangsiantar, shows that Vita Insani Hospital has prices that are higher compared to other hospitals. The greater the cost of the service, the higher the level of service that patients anticipate receiving from the hospital as consumers often believe that higher prices indicate higher quality. Because of this, Vita Insani Hospital should prove that the price that they offer for their customers is equal or even beyond the customer expectation in order to achieve customer satisfaction. In order to achieve it, Vita Insani Hospital should strive to provide the highest level of service possible to the customer because a dissatisfied customer may have a negative long-term impact on the hospital's image, which can result in a decrease in sales and profits.



**Figure 1. 5 Ventilation Fan in Patient Room**

Source: Picture taken by the writer (2022)



**Figure 1. 6 Ceiling and Lighting in Patient Room**

Source: Picture taken by the writer (2022)



**Figure 1. 7 Toilet in Patient Room**

Source: Picture taken by the writer (2022)

It is clear from the figure shown above that not all of the facilities that are part of the Vita Insani Hospital give off a very positive indication. It is essential to have facilities that are well managed in order to provide an environment that is not just secure but also pleasant for employees and consumers. This issue cannot be handled lightly since the performance of the hospital as a healthcare provider is highly dependent on the satisfaction of its patients. The healthcare industry's primary aim is to provide the finest possible treatment while also ensuring patient safety and cleanliness. The purpose of facilities is to make it possible to provide care in any and all of its forms at the greatest possible level. Facilitate a safe atmosphere with minimum cross-exposure, and other duties similar to these are also performed by healthcare institutions. Ensure that the patient's privacy, comfort, and ease of access are maintained during their stay. Customers who are unhappy with the product or service are detrimental to the business since they no longer trust it.

Taking into account the fact that factors such as price, service quality, and facilities all contribute to overall consumer satisfaction. Hence, the writer is interested in conducting research entitled **“The Influence of Service Quality, Price, and Facility on Satisfaction of patients at Vita Insani Hospital, Pematangsiantar.”**

### **1.2 Problem Limitation**

Customer satisfaction may be influenced by a variety of factors, including service quality, price, facilities, promotion, service differentiation, and brand image. However, in this research, the researcher limits the problems in order to narrow the problem so that it is not too wide and distorted, making it easier for the writer to do research. As a result, since there is a time constraint, the writer will concentrate primarily on three independent variables, including service quality, price, and facility, as well as the dependent variable, which is the satisfaction of patients.

### **1.3 Problem Formulation**

According to the research background information that has been presented above, the primary issues that will be the main focus of this research are as follows:

- a. Does the service quality have an influence on the satisfaction of patients at Vita Insani Hospital, Pematangsiantar?
- b. Does the price have an influence on the satisfaction of patients at Vita Insani Hospital, Pematangsiantar?

- c. Does the facility have an influence on the satisfaction of patients at Vita Insani Hospital, Pematangsiantar?
- d. Do service quality, price, and facility have an influence on the satisfaction of patients at Vita Insani Hospital, Pematangsiantar?

#### **1.4 Objective of the Research**

The following are the objectives that will be examined in further depth as part of this research, as follow:

- a. To find out whether service quality influence the satisfaction of patients in Vita Insani Hospital, Pematangsiantar.
- b. To analyze whether the price influence the satisfaction of patients in Vita Insani Hospital, Pematangsiantar.
- c. To determine whether the facility influence the satisfaction of patients in Vita Insani Hospital, Pematangsiantar.
- d. To examine whether service quality, price, and facility have a simultaneous influence on the satisfaction of patients at Vita Insani Hospital, Pematangsiantar.

#### **1.5 Benefit of the Research**

It is hoped that the findings of this research will result in two different types of advantages which may be received from the research, such as:

### **1.5.1 Theoretical Benefit**

Some of the theoretical benefits that can be gained from this research are that the findings of this research may be used as a model for further research by other researchers and can be used to enhance more information and knowledge so that it can be beneficial for the parties involved, and can be used as a source of suggestions for the operation of the company in the future.

### **1.5.2 Practical Benefit**

The following is a list of the practical benefits that may be obtained are, such as:

a. For the writer

By conducting this research, the writer gained experience in conducting in-depth research and insight into the variables discussed, such as service quality, price, facilities, and the satisfaction of patients in Vita Insani Hospital.

b. For the company

The results of the research that has been researched can be used as input for the company in order to improve services, price, and procurement of facilities to maintain customer satisfaction. Moreover, it can also be used as a reference to develop services and determinants for marketing strategic plans and improve the company's quality.

c. For other researchers

This research may serve as a reference and point of consideration for other researchers who are interested in doing research that is similar to this.