CHAPTER I

INTRODUCTION

1.1 Background

The dental industry is experiencing rapid growth, with an increasing number of individuals seeking dental services as awareness regarding dental health rises as a result of various government school and community health programs (Revianti et al., 2023). According to Bajaal (2023), Indonesia's dental services market was valued at USD 200.250 million at 2022 and is expected to have a compound annual growth rate of 5.73%.

The majority of dental clinics in Indonesia provide fundamental dental services, such as dental filling, tooth extraction, scaling, root-canal treatment, dental aesthetics, and orthodontic services (Pindobilowo et al., 2023). Dental clinics in Indonesia have various price ranges, which are mostly based on region, urban or rural, and also specific market segments. Moreover, cultural and socio-economic factors significantly influence the dental care-seeking behavior of Indonesian patients, where urban populations with a higher socio-economic status and education are more likely to seek dental care (Ni Made Yuliana et al., 2023).

Hence, dental clinics are alot more concentrated in urban cities such as Jakarta, where the demand for dental care are higher compared to rural regions of Indonesia (Santoso et al., 2020). As a result, the private dental sectors in urban areas are highly competitive. In rural areas, there are heavy fluctuations of patient's supply and demand, where low demand decreases revenue and high demand strains the resources of rural dental clinics (Febrian et al., 2020). Thus, dental clinics in

both rural and urban areas are facing challenges that may negatively impact their financial situation. Hence the necessity to enhance service quality, improving patient satisfaction, which will consequently augment patient revisit intention and electronic word of mouth (eWOM).

Patient satisfaction is of utmost importance in dental clinics, as satisfied patients are more likely to return to the same clinic, which is vital for a sustainable dental clinic (Sagay et al., 2023). Also, it acts as a key performance indicator which is beneficial for the continuous improvement of dental clinics. A strong eWOM can help build a clinic's reputation, building trust and reliability (Suprayogi, Hurriyati, Dirgantari, et al., 2022). eWOM also acts as free advertising where satisfied patients can share their positive experiences online, potentially increasing the volume of new patients. Moreover, through online reviews, dental clinics may receive valuable feedback to further improve their services.

While the focus on patient satisfaction as a mediator is well-supported, it is essential to consider other factors such as brand equity and social media, which also play significant roles in influencing revisit intentions and word of mouth. These elements can enhance the overall patient experience and satisfaction, thereby strengthening the relationship between healthcare providers and patients (Ilham Arief et al., 2024). Favorable eWOM, which is often a result of positive patient satisfaction, thus influencing the revisit intention (Siripipatthanakul, 2021). Hence, patient satisfaction, eWOM, and revisit intention are interrelated.

Moreover, trust and satisfaction from previous medical visits are important, as positive experiences often result in a strong intention to revisit, thus developing

patients' loyalty. Revisit intention is crucial for hospitals and dental clinics as it enhances its credibility and competitiveness. Repeat patients indicate trust and satisfaction with the provided medical services, setting the clinic apart from competitors. Moreover, high throughput of revisit intention will often lead to increased revenue, which is vital for clinics and hospitals' financial health (Sharka et al., 2024).

The investigation of patient satisfaction as a mediator in revisit intention and electronic word of mouth in dental clinics in Indonesia is of utmost importance because of the substantial impact of patient happiness on these results. Patient satisfaction is a crucial factor that influences both the intention to revisit and spread of positive electronic word-of-mouth (eWOM). It represents the patients' subjective assessment of their healthcare experience in relation to their initial expectations. (Trisnawati et al., 2022) Within dental clinics, service quality factors such as empathy, dependability, and assurance have a substantial effect on patient satisfaction, which subsequently affects their inclination to return and engage in good word-of-mouth dissemination (Siripipatthanakul, 2021).

This relationship is especially crucial in the healthcare industry, as patient decisions are significantly influenced by trust and personal experiences. Empirical research has demonstrated that patient satisfaction mediates the connection between service quality and revisit intention, underscoring its significance in guaranteeing patient loyalty and advocacy (Sianita et al., 2024; Wandebori et al., 2017). Moreover, comprehending this mediation phenomenon can assist dental clinics in Indonesia in enhancing their service quality, thereby boosting patient happiness and

promoting favorable word-of-mouth, which is a crucial acquisition channel in the medical industry (Sianita et al., 2024).

Furthermore, the study emphasizes the need of directing attention towards particular aspects of service quality, such as empathy and assurance, which have been shown to greatly influence patient satisfaction and future intentions to return. (Wandebori et al., 2017). Through the analysis of these dynamics, dental clinics can establish more effective strategies to enhance patient experiences, resulting in higher patient revisit and favourable referrals, which are crucial for maintaining a competitive edge in the healthcare industry. This research is especially pertinent in Indonesia, where the healthcare sector is undergoing fast transformation and patient expectations are increasing, requiring a more profound comprehension of the forces that influence patient happiness and loyalty.

Prior research has recognized service quality, cost-effectiveness, and personnel-related characteristics as significant drivers of patient satisfaction and intentions to return. Nevertheless, there is insufficient data regarding the mediating function of patient satisfaction in the correlation between these characteristics and the intention to revisit. A study by (Sharka et al., 2024) indicates that the intention to revisit dental services is significantly influenced by service quality, particularly staff-related factors and responsiveness, which are recognized as the key features of SERVQUAL. Moreover, a study by (Siripipatthanakul, 2021) indicated that service quality significantly impacted revisit intention. Nevertheless, the study determined that empathy was the predominant influence relative to the other

qualities. Furthermore, patient satisfaction significantly influences electronic word-of-mouth, as contented patients serve as informal advocates for the dental clinic.

This study seeks to address this knowledge gap by investigating the mediating role of patient satisfaction in the interaction among service quality, cost-effectiveness, staff-related characteristics, electronic word-of-mouth, and revisit intention. This study aims to enhance dental clinics' comprehension of the determinants affecting patient satisfaction and the intention to return. By discerning the principal elements influencing patient happiness, electronic word-of-mouth, and intention to return, dental clinics can enhance service quality and expand their patient demographic.

Conducting research on patient satisfaction as a mediator in the relationship between revisit intention and electronic word of mouth in dental clinics in Indonesia is essential for comprehending and improving patient satisfaction. This, in turn, can result in higher patient retention rates and successful referrals. This study has special significance within the healthcare services sector, as patient satisfaction has a substantial impact on both the probability of patients returning and their inclination to endorse the service to others. The subsequent sections go into the fundamental elements of this research field.

Service quality was assessed using an extended SERVQUAL model to understand its impact on patients' revisit intentions to dental clinic several cities in Indonesia.

1.2   Research Question

According to the variables used and analyzed in this research model, the following research questions are formed.

1)   What is the effect of SERVQUAL on electronic Word of Mouth (eWOM) in dental clinics?

2)   What is the effect of SERVQUAL on the intention to return to dental clinics?

3)   What is the influence of additional factors, such as cost effectiveness and staff related aspects, on electronic Word of Mouth (eWOM) in dental clinics?

4)   What is the influence of cost effectiveness and staff related factors on the intention to revisit dental clinics?

5)   What is the function of patient satisfaction as an intermediary between SERVQUAL and electronic Word of Mouth (eWOM) in dental clinics?

6)   What is the function of patient satisfaction as an intermediary between SERVQUAL and the intention to revisit dental clinics?

7)   What is the function of patient satisfaction as an intermediary between additional factors (cost effectiveness and staff related) and electronic Word of Mouth (eWOM) in dental clinics?

8)   What is the function of patient satisfaction as an intermediary between additional factors (cost effectiveness and staff related) and the intention to revisit dental clinics?

1.3 Research objective

Based on the problem formulation, the objectives of this research are as follows:

1) To evaluate and examine the impact of SERVQUAL on electronic Word of Mouth (eWOM) in dental clinics.

2) To evaluate and examine the impact of SERVQUAL on the intention to revisit dental clinics.

3) To evaluate and examine the influence of additional factors, including cost effectiveness and staff related aspects, on electronic Word of Mouth (eWOM) in dental clinics.

4) To evaluate and analyze the influence of additional factors, such as cost effectiveness and staff related, on Revisit Intention in dental clinics.

5) To examine and evaluate the role of patient satisfaction as a mediator between SERVQUAL and electronic Word of Mouth (eWOM) in dental clinics.

6) To analyze and assess the function of patient satisfaction as a mediator between SERVQUAL and the intention to revisit dental clinics.

7) To investigate and assess the function of patient satisfaction as a mediator between additional factors (cost effectiveness and staff related) and electronic Word of Mouth (eWOM) in dental clinics.

8) To investigate and assess the function of patient satisfaction as a mediator between addtional factors (cost effectiveness and staff related) and the intention to return to dental clinics.

1.4   Benefits of Research

This research is expected to produce benefits that can be categorized into academic aspects, particularly in management courses, and practical management elements in healthcare settings. The main aim is to enhance the current understanding of the relationship between SERVQUAL and additional factors (cost effectiveness and staff related) on electronic word of mouth (eWOM) and revisit intention in dental clinics, with patient satisfaction acting as the mediating variable. This model will provide the foundation for future study in the healthcare service sector through empirical evaluation among dentists. The study seeks to provide healthcare administration with insights to identify and enhance sustainable healthcare workflow characteristics. Analyzing the fundamental elements of SERVQUAL, vital for guaranteeing patient care and satisfaction, these insights may serve as a resource for enhancing patient loyalty and contentment through the utilization of internal competencies.

1.4.1 Theoretical and Academic Benefits

This study aims to fill the literature gap and improve the theoretical understanding of how SERVQUAL and additional factors (cost effectiveness and staff related) influence electronic word of mouth (eWOM) and revisit intention, mediated by patient satisfaction. This research is vital to academics because to the scarcity of papers investigating the correlation with SERVQUAL. Thus, the findings of this research will augment current knowledge and rectify deficiencies in the literature, providing more insights to previous studies in this field. Thus, the

results and suggestions will be conveyed to the designated decision-makers and medical professionals as required.

1.4.2 Practical Benefits

The analysis of SERVQUAL and additional factors, such as cost effectiveness and staff related aspects, on electronic word of mouth (eWOM) and revisit intention, mediated by patient satisfaction, holds substantial significance for the dental sector. Comprehending the impact of these characteristics on patient behaviors and clinic efficacy necessitates an examination of their contribution to fostering happy patient experiences. SERVQUAL, a significant framework for evaluating healthcare services, identifies critical dimensions—specifically empathy, reliability, and assurance—that substantially influence patient satisfaction. The cost effectiveness and quality of staff interactions augment patients' perceived value, hence elevating the probability of positive ratings and repeat visits for subsequent treatments.

The correlation between patient happiness and these ancillary criteria substantially impacts a clinic's reputation and growth. Patients who express satisfaction exhibit a higher propensity to return and act as champions for the clinic through electronic word-of-mouth communication. Promotional activities are crucial in the dentistry sector, as trust and referrals greatly influence patient choices. Identifying critical elements that elevate happiness allows dental clinics to bolster patient loyalty and amplify word-of-mouth referrals, thereby promoting enduring competition.

The interplay between staff response, cost effectiveness, and overall service quality is crucial for enhancing the patient experience. Efficient and empathetic staff interactions, coupled with cost-effective services, augment a clinic's perceived reliability and professionalism. By focusing on these factors, clinics can cultivate a more supportive patient atmosphere, hence increasing satisfaction levels and promoting enhanced patient retention and favorable referrals. The improvement of patient acquisition and continuous revenue growth underscores the need to refine these components to uphold high care standards and competitiveness in the evolving healthcare landscape.

1.5 Research Systematic

Chapter 1: Introduction

This chapter examines the essential motivations driving the current study, pinpointing issues or phenomena that emerge, therefore providing advantages for academia and institutions.

Chapter 2: Literature Review

This chapter elucidates the terminology and concepts related to the constructs or variables under investigation in this study, specifically psychological empowerment, psychological capital, work engagement, emotional commitment, and organizational citizenship behavior.

Chapter 3: Research Methodology

This chapter will delineate the research location, units of analysis, research type, operational definitions of variables, research population and sample, sample size determination, sampling methods, research framework, data collection

methods, and data analysis methods, encompassing both descriptive and inferential statistical techniques, analysis of the outer and inner models, and instrument validation.

Chapter 4: Results and Discussion

This chapter will elucidate the study findings, first with respondent characteristics, followed by a descriptive analysis of each research variable, inferential analysis via outer and inner models, Importance Performance Map Analysis (IPMA), mediation analysis, and concluding with a discussion.

Chapter 5: Conclusion

This chapter will provide a summary of results and managerial implications derived from the outcomes of this research. It also addresses the constraints of the existing research and offers recommendations and proposals for future investigators.