

REPUTATION AS MEDIATION TO THE INFLUENCE OF BRAND EQUITY ON REVISIT INTENTION

Sunarta¹, Eti Rochaeti², Budi Permana Yusuf³

¹²³Universitas Muhammadiyah Prof DR HAMKA

Corresponding author: ¹sunarta@uhamka.ac.id

Article Info: Received: January 07, 2020; Revised: February 20, 2020; Accepted: February 30, 2020

Abstract: The purpose of this study was to analyze the influence of brand equity on revisit intention mediated by reputation. This research is a descriptive study with a quantitative approach. The data source used is primary data. Primary data are the results of interviews with outpatient at Islamic hospitals in Jakarta and processed using regression analysis. The results of this study show that the hospital's excellent reputation is highly significant for the value of hospital brand image and its patients revisit intention in the near future. This study was conducted using a series of surveys supported with instruments that have been tested and approved to collect accurate data about brand equity and hospital's reputation as related to the patient's revisit intention in the Islamic Hospitals in D.K.I. Jakarta. It is expected that this study could give a contribution to the improvement of medical policy in general and especially on the development of medical tourism in D.K.I. Jakarta.

Keywords: brand equity, patients revisit intention, Islamic Hospital's reputation

Abstrak: Tujuan penelitian ini adalah untuk menganalisis pengaruh ekuitas merek terhadap niat mengunjungi kembali yang dimediasi oleh reputasi. Penelitian ini adalah penelitian deskriptif dengan pendekatan kuantitatif. Sumber data yang digunakan adalah data primer. Data primer adalah hasil wawancara dengan outpantiest di rumah sakit Islam di Jakarta. dan diproses menggunakan analisis regresi. Hasil penelitian ini menunjukkan bahwa reputasi rumah sakit yang baik sangat signifikan untuk nilai citra merek rumah sakit dan pasiennya mengunjungi kembali niat dalam waktu dekat. Penelitian ini dilakukan dengan menggunakan serangkaian survei yang didukung dengan instrumen yang telah diuji dan disetujui untuk mengumpulkan data akurat tentang ekuitas merek dan reputasi rumah sakit terkait dengan niat mengunjungi kembali pasien di Rumah Sakit Islam di DKI Jakarta. Diharapkan penelitian ini dapat memberikan kontribusi pada peningkatan kebijakan medis secara umum dan terutama pada pengembangan pariwisata medis di DKI Jakarta.

Kata kunci: ekuitas merek, niat mengunjungi kembali pasien, reputasi Rumah Sakit Islam

INTRODUCTION

The Indonesian government admits that there has been an increase in the number of Indonesia citizens who opt to seek health care services in foreign countries. It is primarily influenced by the stigma of Indonesia's health care services quality, which is considered lower than in other countries, such as Singapore and Malaysia. (Agustina, et.al, 2019). This phenomenon certainly impacts the country's income. According to the National Health Care Group International Business Development Unit (NHG-IBDU) Singapore, 50 percent of the total number of patients registered in hospitals across Singapore as Indonesian citizens. (Freytag, & Thurik, 2007). Meanwhile, there are approximately 12.000 patients seek medical help in Malaysia hospitals annually. For two years, these data are regarded as the main consideration to strengthen Indonesia's health care service quality. As more Indonesians put more trust in hospitals overseas, local hospitals are challenged to upgrade their service quality. The competence of employees, infrastructure, and quality of care must be given more attention to meet the international standards of health care system. (Agustina, et al, 2019).

Besides, as it is proven that the high number of Indonesian citizens could lead to lower national income, which is preventable only if this country has better health care facilities, then local hospitals must be prepared to enhance their human resources, collect as much information as possible about the international health care accreditation standards, and conduct self-assessment also identify weaknesses in the system. Meanwhile, the accreditation standards have been implemented in the hospitals, including medical records, as it is one of the main points examined in the Joint Commission International (J.C.I.) accreditation standards. (Peluso, 2001).

In total, there are 14 accredited hospitals, clinics, and laboratories located across Indonesia. However, compared to Indonesia, Malaysia's hospitals have more specialists who are graduated from universities in the U.S., U.K. and Australia. Also, they speak English fluently. Yet, Malaysia has less accredited health care facilities compared to Indonesia. (Smith, et.l, 2009).

Therefore, judging from the potentials local hospitals have, Indonesia could offer their health care facilities to be considered as a medical tourism destination. A medical tourism destination should provide not only facility quality, but also some other factors, including hospital billing and tour services. (Herman & Renz, 2004). Indonesia's hospital billing currently could not compete with those in neighboring countries. Among Asian countries,

Malaysia and India are two countries with a more affordable medical cost. The tax rate charged on medical supplies is regarded as the main reason why hospital billing in Indonesia is considerably expensive. Local hospitals that have been given international accreditation must begin to develop positive brand image and reputation, to change customers' perception and mindset, and actualize Indonesia's goal to become a medical tourism destination. The positive reputation of a hospital influences customers' retention. Good organizations would likely be given a high satisfaction rate by external stakeholders who impact to the high number of revisit intention (Riordan, 1997 dan Gillies, 2010). A positive reputation also increases an organization's brand image, which enables it to use its brand equity to launch new products or enter new markets (Riordan 1997 dan Gilles, 2010).

THEORETICAL REVIEW

Brand Equity

According to Aaker (1996), brand equity is a set of brand assets and liabilities linked to a brand name and symbol, which add to or subtract from the value provided by a product or service. The dimensions of brand equity, according to Aaker (1996), are a brand association, brand awareness, perceived quality, and brand loyalty.

Reputation

Doney and Cannon (1997) claimed that a company's reputation is linked to the company's history, which is connected to other stakeholders. History would reveal important information about high-quality partnerships. Positive information allows customers to put more trust in the company. Moreover, customers are encouraged to buy the company's products offered to them. Andreasen (1994) said that company reputation could stimulate repeat purchases. In the service industry, brand image is even more valued than the product itself (Selnes, 1993). According to Herbig et al. (1994), company reputation can be rated based on the company's competence and uniqueness compared to its competitors.

This study employed four dimensions of company reputation, as suggested by Fombrun (1996), which are reliability, credibility, trustworthiness, and responsibility.

Revisit Intention

Revisit intention reflects a part of consumer loyalty, which, according to Oliver (2006), is consumer's commitment to subscribe and make repeated purchases to the products inconsistent manner, regardless of the effects of current situation and marketing trends on the customer

behavior. Revisit intention uses some indicators by Griffin (1995), which are: paying regular visits, purchasing particular products at the same place, recommending products to other customers, and refusing to shift to other products or brands.

Research Hypotheses

1) The Influence of Brand Equity on Revisit Intention

The study conducted by Dharmayana & Rahanatha (2017) implied that brand equity significantly contributed to the number of repeat purchases for Luwak White Koffee in Denpasar, Bali. Brand equity reflects product positioning as perceived by consumers. The equity of a brand is determined by the brand's power to influence consumer behavior on keeping up with the brand to lead repeat purchases in the future (Osselaer dan Alba, 2000). Kazemi A. et al. (2013), Gomez and Perez (2018), Showrav (2018) also suggested that customer-based brand equity or brand equity significantly influences revisit intention. Therefore, it can be hypothesized that:

H1: Brand equity positively influences revisit intention

2) The Impact of Reputation on Revisit Intention

Gorondutse et al. (2014) on his study concluded that company reputation has a significant impact on revisit intention in the food industry in Nigeria. In addition, Heinberg et al. (2017), Seo & Park (2017), Kurcova (2018) agreed that company reputation enormously influences revisit intention. Therefore, the hypothesis is:

H2: Company reputation significantly influences revisit intention

3) The Impact of Brand Equity on Reputation

Yonggui (2018), Edin et al. (2017), and Khayer (2017) concluded that brand equity offers an important impact on company reputation. Therefore, it is hypothesized that:

H3: Brand equity vastly contributes to company reputation

4) The Impact of Brand Equity on Revisit Intention mediated by reputation

Mubushar et al. (2013); Gomez (2018) on their studies implied that company reputation mediates the influence of brand equity on revisit intention. Therefore, the hypothesis is:

H4: Reputation mediates the influence of brand equity on revisit intention

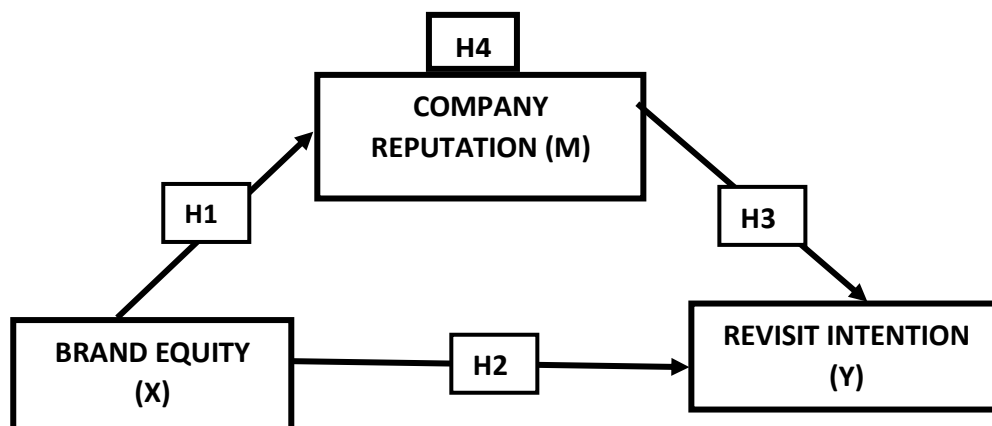


Figure 1. Research Model

METHOD

This study used a verifiable survey to examine the correlation among variables, also to observe the influence of brand equity on revisit intention, brand equity on reputation, reputation on revisit intention, and even brand equity on revisit intention mediated by reputation. The population was 27.388 outpatients at 4 Islamic Hospitals in D.K.I. Jakarta, with 100 among them taken as the samples using Slovin's formula. Moreover, the data was collected using questionnaires that had passed validity and reliability tests. The information was then assessed using S.P.S.S. 23 and the Sobel test to examine the mediation effects.

The hypothesis testing was undergone using regression analysis to analyze the direct connection between the predictor variable and the dependent variable. The test of mediation effect in linear regression can be carried out in several steps using the approach developed by Baron and Kenny (1986) and implemented by Preacher and Hayes (2004). According to Baron and Kenny (1986), the three steps in testing mediation effect are:

a) Testing the primary effect of variable X to Y (the relationship between independent variable and dependent variable), which is set at $P < 0.05$.

b) Testing the influence of variable X on M (the relationship of independent variable and mediation variable), which is set as $P < 0.05$.

c) Simultaneously testing the influence of the primary effect and mediation on dependent variable set at $P < 0.05$. In the last step of testing, it is expected that the influence of independent variable (X) on (Y) is insignificant while the influence of mediation variable (M) on dependent variable (Y) must be significant at $P < 0.05$.

Then the equation is:

$$RI = \alpha + \beta_1 BE + \beta_2 R + \epsilon$$

$$R = \alpha + \beta_1 BE + \epsilon$$

Where :

- A = Constant or *Intercept*
- β = Coefficient
- BE = *Brand Equity*
- R = *Reputation*
- RI = *Revisit Intention*

RESULTS AND DISCUSSION

a) Respondent Characteristics

Table 1
Respondent Demographic Characteristics

Demographics	Label	Frequency	Percentage (%)
Age	≤ 20 years old	2	2.00
	21 – 30 years old	9	9.00
	31 – 40 years old	17	17.00
	41 – 50 years old	25	25.00
	51 – 60 years old	29	29.00
	≥ 61 years old	8	8.00
Sex	Male	35	35.00
	Female	65	65.00
Religion	Islam	87	87.00
	Christian	10	10.00
	Catholic	3	3.00
	Buddhism	-	-
	Hinduism	-	-
Marital status	Single	29	29.00
	Married	71	71.00

Education	Elementary	-	0.00
	Junior High	4	4.00
	Senior High	18	18.00
	Diploma	24	24.00
	Bachelor	42	42.00
	Master	10	10.00
	Doctoral	2	2.00
Occupation	Students	3	3.00
	Civil servants	8	8.00
	Military	16	16.00
	Private workers	60	60.00
	Entrepreneurs	13	13.00
Income	≤ 5 million	17	2.00
	11 – 20 million	32	32.00
	21 – 30 million	27	27.00
	31 – 40 million	14	14.00
	41 – 50 million	8	8.00
	≥ 51 million	2	2.00

Source: primary data, 2018

b) Hypothesis testing

Results of hypothesis testing step 1

Based on the results of data assessment which have been presented earlier, double linear regression model step 1 can be formulated into this equation:

$$RI = 20.764 + 0.412 BE + 0.430 R$$

The coefficient of determination of 0.567 proves that the impact of brand equity on revisit intention is 57%. In comparison, the other 43% is mainly influenced by other variables that were not taken into account. Based on the statistical value of F with score 65.924 and significance level $0.000 < 0.05$, it can be concluded that brand equity and reputation simultaneously influences revisit intention. Also, it is grounded in the calculation of the brand equity variable with a significance level of 0.000 and a standardized coefficient of 0.453. As

the significance level is $0.000 < 0.05$, then brand equity significantly influences revisit intention. It is grounded in the results of data assessment with a significance level of 0.000 and a standardized coefficient of 0.362. Because the significance level is $0.000 < 0.05$, then reputation profoundly influences revisit intention.

Results of hypothesis testing step 2

The coefficient of determination of 0.534 shows that the impact of brand equity on revisit intention is 57%. In comparison, the other 43% is mainly influenced by other variables that were not taken into account. Based on the statistical value of F with score 114.483 and significance level at $0.000 < 0.05$, it can be concluded that brand equity has a significant impact on reputation. Also, it is grounded in the calculation of brand equity with a significance level of 0.000 and a standardized coefficient of 0.734. As the significance level is $0.000 < 0.05$, then brand equity significantly influences reputation.

Results of hypothesis testing step 3

To examine if there is any indirect influence of brand equity on revisit intention mediated by reputation, Sobel test (1982) or more commonly known as Z-statistics test was carried out using this formula:

$$Z = \frac{a \times b}{\sqrt{b^2 \times S_a^2 + a^2 \times S_b^2 + S_a^2 \times S_b^2}}$$

Where: a,b and c adalah are coefficient

S_a and S_b are the standard error for a and b

And hereafter is the result:

$$Z = \frac{0.734 \times 0.362}{\sqrt{(0.362)^2 \times (0.052)^2 + (0.734)^2 \times (0.116)^2 + (0.52)^2 \times (0.116)}} = 2.51$$

As a result, it is 2.51, which is higher than 1.96; it can be concluded that reputation's indirect effect mediating the influence of brand equity on revisit intention is significant.

Table 2
Result of Hypothesis testing

Hypothesis	Coefficient Standard	Significance	Result
BE → RI	0.453	0.000	Support
R → RI	0.362	0.000	Support
BE → R	0.374	0.000	Support
B.E. → R → RI	2.51	1.96	Support

c) Discussion

The presented results of this study are discussed hereafter:

- 1) Respondent's characteristics are distributed into the following features. Based on their age, 40% of all observed outpatients in Islamic hospitals in D.K.I. Jakarta is between 51 and 60 years old. Moreover, as of their gender, 65% of them are female, while the rest 35% are male. Meanwhile, the data shows that most outpatients are Moslem, who take 87% of the total population. Based on their marital status, 71% of all respondents are married, and 29% are single. Also, only 22% of the population has passed bachelor's degrees, and 36% of them finished high school. At least 70% of all observed outpatients are working for private companies. 13 % are entrepreneurs, while the rest 27% are either working at the military field or students. Lastly, the data shows more than half of the respondents (59%) earn 11-30 million rupiahs each month, 17% earn around 5 million rupiahs, and only 24% make more than 30 million rupiahs per month.
- 2) Based on the results of hypothesis testing step 1, brand equity is proven to influences revisit intention significantly. It implies that by showing strong brand equity, Islamic hospitals in D.K.I. Jakarta can increase its revisit intention. This supports the study conducted by Suharto et al. (2017); Lin et al. (2011).
- 3) Based on the results of hypothesis testing step 2, reputation also gives positive influence to revisit intention. In other words, the more reputation earned by Islamic hospitals in D.K.I. Jakarta, the higher value of revisit intention it has. This conclusion corresponds with the study conducted by Dharmayana & Rahanatha (2017) and Osselaer & Alba (2000).

- 4) Furthermore, the results of hypothesis testing step 3 show that brand equity contributes a positive and significant impact on reputation. Or in other words, the stronger brand image the hospital ears, the higher reputation it has because outpatients commonly would take part in word-of-mouth marketing strategy by sharing positive reviews regarding their experiences. This result supports the study made by Gorodustse et al. (2014); Heinberg et al. (2017); dan Seo & Park (2017).
- 5) Based on the results of hypothesis step 4, the influence of brand equity's indirect effect on revisit intention mediated by reputation is positive and significant. It implies that the high value of reputation earned by the hospital impacts to the stronger revisit intention. This result of the study corresponds with the study done by Mubushar et al. (2013).

CONCLUSION

Throughout the observation and analysis, it is concluded that: Respondent's characteristics are distributed into the following features. Based on their age, 40% of all observed outpatients in Islamic hospitals in D.K.I. Jakarta is between 51 and 60 years old. Moreover, as of their gender, 65% of them are female, while the rest 35% are male. Meanwhile, the data shows that most outpatients are Moslem, who take 87% of the total population. Based on their marital status, 71% of all respondents are married, and 29% are single. In addition, only 22% of the population has passed bachelor's degrees, and 36% of them finished high school. At least 70% of all observed outpatients are working for private companies. 13 % are entrepreneurs, while the rest 27% are either working at the military field or students. Lastly, the data shows more than half of the respondents (59%) earn 11-30 million rupiahs each month, 17% earn around 5 million rupiahs, and only 24% make more than 30 million rupiahs per month. Brand equity is proven to influences revisit intention significantly. This supports the study conducted by Suharto et al. (2017); Lin, et al (2011).

Reputation gives a positive influence to revisit intention. This conclusion corresponds with the study conducted by Dharmayana & Rahanatha (2017) and Osselaer & Alba (2000). Brand equity contributes a positive and significant impact on reputation. This result supports the study taken by Gorodustse et al. (2014); Heinberg et al. (2017); dan Seo & Park (2017). The influence of brand equity's indirect effect on revisit intention mediated by reputation is positive and significant. This result of the study corresponds with the study done by Mubushar et al. (2013).

REFERENCES

- Aaker, D. (1996). *Building Strong Brands*. New York: Free Press.
- Agustina, R., Dartanto, T., Sitompul, R., Susiloretni, K. A., Achadi, E. L., Taher, A., ... & Thabrany, H. (2019). Universal health coverage in Indonesia: concept, progress, and challenges. *The Lancet*, 393(10166), 75-102.
- Ali Kazemi (2013). Analyzing The Effect of Customer Equity on Repurchase Intention. *International Journal Of Academic Research In Business Social Sciences*. Vol. 3 (6) 78-92
- Ali Khayer et al. (2017). The Effects Of Ethical Aspects of Brand on Increase of Corporates Reputation Among Consumers in Shiraz. *Arabian Journal Of Business and Management Review*. Vol 6 (15), 8-26
- Andreasen, Tor Wallin, (1994), Satisfaction, Loyalty, and Reputation as Indicators of Customer Orientation in the Public Sector, *International Journal of Public Sector Management*. Vol. 7 No. 2
- Baron and Kenny (1986). The Moderator-Mediator Variable Distinction in Social Psychological Research; Conceptual, Strategic, and Statistical Consideration. *Journal of Personality and Social Psychology*. Vol. 51 (6), 1173-1182
- Dharmayana dan Rhanatha, (2017). Pengaruh Brand Equity, Brand Trust, Brand Preference dan Kepuasan Konsumen Terhadap Niat Membeli Kembali. *E-Jurnal Manajemen Unud*. Vol 6 (4), 2018-2046
- Dolphin, Richard R, (2004), "Corporate Reputation A Value Creating Strategy," *Corporate Governance*, 4(3), 77-92.
- Doney and Cannon (1997). An Examination of Nature of Trust in Buyer-Seller Relationships. *Journal of Marketing*. Vol. 61 (2), 35 – 51
- Edin Guclu Sozer, et al. (2017). The Effects of Customer-Based Brand Equity on Brand Reputation. *International Journal Of Eurasia Social Sciences*. Vol. 8 (30), 1547 – 1563
- Einwiller, S. A., Carroll, C. E, & Korn, K. (2010). Under what conditions do the news media influence corporate reputation? The roles of media dependency and need for orientation. *Corporate Reputation Review*, 12 (4), 299-315.
- Eun-Ju Seo and Jin-Woo Park, (2017). A Study on The Impact Of Airline Corporate Reputation on Brand Loyalty. *International Business Research*. Vol. 10 (1), 59-67

- Freytag, A., & Thurik, R. (2007). *Entrepreneurship and its determinants in a cross-country setting. Journal of evolutionary Economics, 17(2), 117-131.*
- Fombrun and Van Reil, (1997) The Reputational Landscape, *Corporate Reputation Review, 1,1,2*
- Fombrun, C. J. (1996). *Reputation: realizing value from the corporate image.* Boston: Harvard Business School Press.
- Fombrun, C. J., Gardberg, N. A., & Sever, J. M. (2000). The reputation quotient: a multi-stakeholder measure of corporate reputation. *Journal of Brand Management, 7 (4), 241-255.*
- Fombrun, C., & Van Riel, C. (1997). The reputational landscape. *Corporate Reputation Review, 1 (1-2), 5-13.*
- Gillies, A. (2010). Reputational concerns and the emergence of oil sector transparency as an international Norm. *International Studies Quarterly, 54(1), 103-126.*
- Gomez and Perez (2018). Effect of Brand Love and Brand Equity on Repurchase Intention of Young Consumer. *International Journal of Management and Marketing. Vol. 8 (4) 7-13.*
- Gotsi, M., & Wilson, A. (2001). Corporate reputation: seeking a definition. *Corporate Communications: An International Journal, 6 (1), 24-30.*
- Herbig, Paul, John Milewichz & Jim Golden, (1994), A Model of Reputation Building & Destruction, *Journal of Business Research, 31*
- Herman, R. D., & Renz, D. O. (2004). Doing things right: Effectiveness in local nonprofit organizations, a panel study. *Public Administration Review, 64(6), 694-704.*
- Kircova and Essen (2018). The Effect of Corporate Reputation on Consumer Behavior and Purchase Intention. *Management Research and Practice. Vol. 10 (4), 21-32*
- Li, H.G., Chen, Z.W., & Ma, G.X. (2016). Corporate Reputation and Performance: A Legitimacy Perspective. *Entrepreneurial Business and Economics Review, 4(3), 181-193, DOI: <http://dx.doi.org/10.15678/EBER.2016.040313>*
- M. Heinberg et al. (2017). Do Corporate Image and Reputation Drive Brand Equity in India and China? Similarities and Differences. *Journal of Business Research. 1-10*
- Mubushar, et al. (2013), The Effect Of Integrated Marketing Communication on Customer-Based Brand Equity With Mediating Role Of Corporate Reputation in Cellular Industry

- of Pakistan. *Global Journal of Management and Business Research Marketing*, 13(6) 20-30
- Na Yong Jung and Yoo-Kyong Seock, (2016). The Impact of Corporate Reputation on Brand Attitude and Purchase Intention. *Fashion and Textiles Springer Open*. 1-15
- Oliver, R.L. (1997). *Satisfaction A Behavioral Perspective on Consumer*. Boston, MA: Irwin, McGraw-Hill.
- Osselaer, S.M.J.V., and Alba, J.W. (2000). Consumer Learning and Brand Equity, *Journal of Consumer Research*, Vol. 27, June, pp. 1–16.
- Peluso, N. L., & Harwell, E. (2001). Territory, custom, and the cultural politics of ethnic war in West Kalimantan, Indonesia. *Violent environments*, 83-116.
- Preachers and Hayes, (2004), S.P.S.S. and S.A.S. Procedures For Estimating Indirect Effects In Simple Mediation Models. *Behavior Research Methods. Instruments and Computers*. Vol. 36 (4), 717-731
- Resnick, J. (2004). Corporate Reputation: Managing Corporate Reputation – Applying Rigorous Measures to A Key Asset. *The Journal of Business Strategy*, 25 (6), 30-38.
- Riordan CM, Gatewood RD, Barnes BJ. (1997) Corporate Image: Employee Reactions and Implications for Managing Corporate Social Performance. *Journal of Business Ethics*, 16, 401–412.
- Selnes. (1993). An Examination of The Effect of Product Performance and Brand Reputation, Satisfaction, and Loyalty. *European Journal of Marketing*. Vol. 27 (9), 1-19
- Showrav and Nitu. (2018). The Influence of Brand Equity and Customer Intention to Pay Premium Price of The Fashion House. *Brand Management Letters*. Vol 8, 1291-1304
- Yonggui Wang et al. (2014). The Roles of Brand Equity and Corporate Reputation CRM; A Chinese Study. *Corporate Reputation Review*. Vol. 9 (3), 179-197