



The Role of Benevolence Trust as Mediating Variable in Improving Patients' Decisions in Choosing Inpatient Services at Class C Hospital

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Abstract: As one of the oldest hospitals in Bekasi Regency, KM I Hospital is required to remain trusted by patients in choosing health services including inpatient care. The decline in BOR (Bed Occupancy Rate) experienced by KM I Hospital in the last 1 year indicates that hospital marketing needs to be improved. This study aims to analyze the effect of competitive advantage and informational reference groups on patient's decision in choosing inpatient services with benevolence trust as an intervening variable at KM I Hospital. The research method uses a quantitative explanatory research approach. Respondents were 185 patients at KM I Hospital who were willing to be hospitalized. The sample collection technique was purposive sampling. Data collection used a questionnaire, and the data analysis technique used SEM-PLS. Results show that Competitive Advantage and Informational Reference Group have a direct and indirect effect on patient's decision to choose inpatient services through benevolence trust at KM I Hospital ($p < 0.05$). These results theoretically support previous theories and research. Managerially, it is expected to provide input for KM I Hospital management to increase competitive advantage and strengthen informational reference groups. These efforts can increase benevolence trust and ultimately increase patient's decision to choose inpatient services.

Keywords: Competitive Advantage, Informational Reference Group, Benevolence Trust, Patient's Decision

1. Introduction

Currently, the world has entered an era of globalization in various fields, including services. In Indonesia, the service sector itself is growing rapidly. One example is health services. Many health service products are available, for example hospitals. In terms of growth, recently, the number of hospitals has increased, especially in big cities. This will pose a challenge for hospital management, both owners and managers, so that their hospitals are able to compete and survive in the health services sector (Ramadhona et al., 2019).

Hospital marketing needs to be implemented so that hospital utility becomes higher, namely by studying and understanding consumer behavior. Consumer behavior is behavior obtained through searching, purchasing, using, evaluating, and determining the expected products/services (Supriyanto & Ernawati, 2010).

Based on data obtained by researchers from RS KM I, a phenomenon related to declining inpatient visits was found. This can be seen from the significant decrease in BOR (Bed Occupancy Rate) (22%) in the last 1 year, with the most significant decrease from May-June 2024, which was 20%. In the preliminary survey, it was found that there were still shortcomings in the competitive advantage of RS KM I, especially in terms of service quality, informational reference groups that were considered less active, and benevolence trust which was still lacking in terms of patient trust that RS KM I did not differentiate services based on socio-economic status.

Received: 30 Maret 2025

Revised: 20 April 2025

Accepted: 12 Mei 2025

Published: 14 Mei 2025

Curr. Ver.: 14 Mei 2025



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2. Literature Review

According to Schiffman & Kanuk (2004), consumer decisions are the process of selecting from two or more alternative choices. Things that influence consumer decisions in choosing consist of external factors and internal factors. External factors include the influence of marketing from a company in achieving competitive advantage, as well as the influence of its environment such as the role of family, trusted people/reference groups, and socio-culture. Internal factors include motivation, perception, attitude, and personality of each consumer.

One of the external factors of consumer purchasing decisions is the company's marketing efforts. According to Porter (1985), competitive advantage is a level that can be created by an organization compared to its competitors. A company will have a competitive advantage when the company has better aspects than its competitors in order to protect market share and competitor pressure (Afolabi & Adegoke, 2014).

In addition, with the increasing number of competitors in similar industries, companies must continue to improve the right marketing strategies, one of which is by finding consumer reference groups. Reference groups have a key influence on a person's beliefs, attitudes and decisions (Risselada et al., 2014). According to Engel et al., (1995), a reference group is a certain group that can be a reference for someone to buy a product/service. According to Bearden & Etzel (1982), informational influence occurs when someone actively seeks information from knowledgeable people or people who are experts in the field. Based on previous research by Aeni & Suwaryo (2020), reference groups have a significant positive effect on patients' decisions to choose inpatient services.

Pavlou & Gefen (2004) stated that in general, buyer trust reduces perceived risk and increases intention to make a transaction. Benevolence is a company's desire to do good things for its customers, not solely because of egocentric profit motives (Mayer et al., 1995). Benevolent companies generally have good intentions and do not behave in a way that can harm their customers just to increase their company's profits (Koh et al., 2012). In previous research by Qiu et al., (2022), benevolence trust has a positive effect on patient decisions in choosing health services.

By looking at the results of preliminary survey, it shows that there are still several obstacles to improving patient's decision to choose inpatient services which are influenced by several factors, namely competitive advantage, informational reference group, and benevolence trust. So the hypothesis is formulated:

H1: There is an influence of competitive advantage on patient's decision in choosing inpatient services at KM I Hospital, Bekasi Regency.

H2: There is an influence of informational reference group on patient's decision in choosing inpatient services at KM I Hospital, Bekasi Regency.

H3: There is an influence of benevolence trust on patient's decision in choosing inpatient services at KM I Hospital, Bekasi Regency.

H4: There is an influence of competitive advantage on benevolence trust in patients who choose inpatient care at KM I Hospital, Bekasi Regency.

H5: There is an influence of informational reference group on benevolence trust in patients who choose inpatient care at KM I Hospital, Bekasi Regency.

H6: There is an influence of competitive advantage on patient's decision in choosing inpatient services through benevolence trust as an intervening variable at KM I Hospital, Bekasi Regency.

H7: There is an influence of informational reference groups on patient's decisions in choosing inpatient services through benevolence trust as an intervening variable at KM I Hospital, Bekasi Regency.

3. Methods

The research was conducted at KM I Hospital located at Bekasi Regency, with the research period from January 2025 to February 2025. This research is a quantitative research and the research method used is explanatory research, namely a research method that intends to explain the position of the variables studied and the influence between one variable and another. The population used as a reference in this study were patients who were willing to be hospitalized at KMI Hospital as many as 185 respondents. The sampling technique in this study was a non-probability sampling technique with a purposive sampling method. This study uses a four-point rating scale or commonly referred to as a Likert scale. Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software.

Patient’s decision questionnaire in choosing inpatient services consists of 9 statement items with 3 dimensions according to Schiffman & Kanuk (2004), namely 1) Problem Recognition, 2) Pre-purchase search, 3) Evaluation of Alternatives.

Competitive Advantage question-naire consists of 10 statement items with 4 dimensions based on the theories of Porter (1985) and Krajewski & Ritzaman (1996), namely 1) Cost, 2) Quality, 3) Time, and 4) Flexibility.

Informational Reference Group questionnaire consists of 11 statement items with 5 dimensions based on the theory of Engel, Blackwell, and Miniard (1995), namely 1) Knowledge, 2) Credibility, 3) Experience, 4) Activeness and 5) Attractiveness.

Benevolence Trust Questionnaire consists of 9 statement items and 4 dimensions based on Mayer et al.'s theory (1995), namely 1) Concern, 2) Empathy, 3) Faith, and 4) Receptivity.

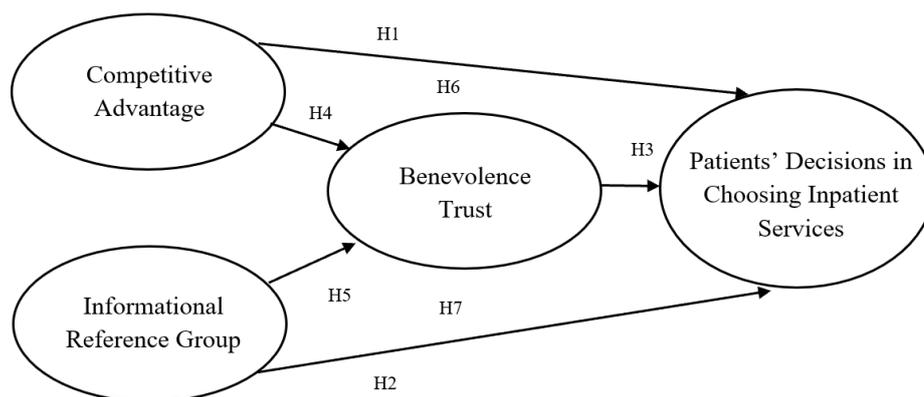


Figure 1. Research Constellation

4. Results

Table 1. Sample Demographics

	Characteristic	Frequency	Percentage (%)
Gender	Male	100	54,1 %
	Female	85	45,9 %
Age	21-30	42	22,2 %
	31-40	59	32,4 %
	41-50	47	25,4 %
	51-60	35	18,9 %
	>60	2	1,1 %
	Education	Elementary Shool	15
Junior High School		41	22,2 %
Senior High School		107	57,8 %
Associate Degree		20	10,8 %
Bachelor Degree		2	1,1 %
Occupation	Private Sector Employee	81	43,8 %
	College Student	3	1,6 %
	Government Employee	1	0,5 %

	Others	46	24,9 %
	Self-employed	54	29,2 %
Payment Method	Insurance	10	5,4 %
	BPJS Kesehatan	156	84,3 %
	BPJS Ketenagakerjaan	2	1,1 %
	General Payment	17	9,2 %
Inpatient Status	New Patient	74	40 %
	Returning Patient	111	60 %

From table 1 it can be seen that the majority (54.1%) of respondents were male, the largest age group was in the 31-40 year age group (32.4%), the majority of education was high school (57.8%), most respondents worked as private employees (43.8%), in the payment guarantee category dominated by BPJS Kesehatan (84.3%), and most patients were returning patients (60%).

The following are the results of the direct effect hypothesis test:

Table 5. Direct Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STD EV)	P Values	Result
CA □ PD	0.396	0.394	0.071	5.577	0.000	H1 Supported
IRG □ PD	0.285	0.294	0.073	3.891	0.000	H2 Supported
BT □ PD	0.241	0.235	0.077	3.142	0.002	H3 Supported
CA □ BT	0.344	0.338	0.077	4.444	0.000	H4 Supported
IRG □ BT	0.546	0.553	0.069	7.935	0.000	H5 Supported

Based on table 5, it can be seen that all P Values <0.05, which means that H2 to H6 are supported, with the largest path coefficient being the effect of CA on PD.

Indirect Effect is used to test the hypothesis of indirect effects. The following are the results of the indirect effect hypothesis test:

Table 6. Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values	Result
CA □ BT □ PD	0.083	0.081	0.036	2.302	0.022	H6 Supported
IRG □ BT □ PD	0.132	0.128	0.042	3.138	0.002	H7 Supported

Based on table 6, the P Values obtained are all <0.05, where benevolence trust significantly increases the influence of CA and IRG on PD, which means that H7 and H8 are supported.

5. Discussion

The results of the study showed that competitive advantage has a significant positive effect on patient's decision to choose inpatient services with a P value of 0,000 (<0.05) and the path coefficient is the largest compared to other independent variables, namely 0.396.

These results are in line with previous research by Jayuli et al., (2022) which stated that the hospital's competitive advantage has a significant positive effect on patient decisions in choosing a healthcare provider. KM I Hospital's competitive advantage is mainly the affordability of inpatient costs and the completeness of facilities and the availability of medical specialists. This can further influence patient decisions in choosing inpatient services at KM I Hospital.

Informational Reference Group has a significant positive effect on Patient's Decision in Choosing Inpatient Services with a P value of 0.000 (<0.05) and a path coefficient value of 0.285. This is in line with previous studies by Puspitaningsih & Setiapupita (2019), and Aeni & Suwaryo (2020) that informational reference groups have a significant positive effect on patient decisions in choosing inpatient services. Information from this reference group will influence the patient's decision-making process in choosing inpatient services, where KM I Hospital will be a consideration in the choice of hospital that the patient will visit.

Benevolence trust has a significant positive effect on patient's decision to choose inpatient services, with a P value of 0.002 (<0.05) and a path coefficient of 0,241. These results support the research of Qiu et al., (2022), where benevolence trust has a positive effect on patient decisions in choosing health services in China. This shows that if patients increasingly believe in the good intentions of the hospital (benevolence trust), especially in terms of patient trust that the staff of KM I Hospital will respond to their complaints and requests well, so that patients will assume that the hospital really cares about their condition, and patients will choose inpatient services at KM I Hospital.

Competitive Advantage has a significant positive effect on Patient's Decision in Choosing Inpatient Services through Benevolence Trust as an intervening variable, with a P value of 0.022 (<0.05). The results of the study indicate that, with the existence of benevolence trust, where patients believe that KM I Hospital really cares about their condition, it will further increase the influence of the competitive advantage owned by KM I Hospital on patient decision making in choosing inpatient services.

Benevolence trust is able to mediate the influence of informational reference group on patient's decision to choose inpatient services, with P value 0.002 (<0.05). The results of the study indicate that with the existence of benevolence trust, that is the patient's belief that KM I Hospital cares about their condition, it will further increase the influence of informational reference group on patient's decision making to choose inpatient services at KM I Hospital.

Managerial implications in accordance with the results of this study are that KM I Hospital needs to hold excellent service and effective communication training for all staff, and conduct a success evaluation by comparing the results of patient satisfaction surveys before and after training. The hospital can also provide brochures regarding service information and create service videos that can be uploaded on social media, by including attractive hospital staff to increase attractiveness. This service information video can also be used by healthcare professionals at primary healthcare services to increase attractiveness when providing information.

The results of this study theoretically support the Consumer Behavior Theory of Schiffman & Kanuk (2004), where the patient's decision-making process in choosing inpatient services is influenced by external factors from the hospital's marketing efforts, such as competitive advantage, external factors from socio-culture, such as informational reference groups, and internal patient factors, such as benevolence trust.

6. Conclusion

Competitive advantage and informational reference group have a significant positive effect on patient's decision to choose inpatient services at KM I Hospital, both partially and through benevolence trust as mediating variable. The effect of competitive advantage on patient's decision is the largest among other independent variables.

In order to improve patient's decision to choose inpatient services, KM I Hospital needs to conduct service excellence training and effective communication to be more superior and trusted by patients. In addition, KM I Hospital must also build cooperation in terms of patient referrals with patient reference groups, such as healthcare professionals at primary healthcare services.

7. Limitation

In the data collection process, it is possible that there is intervention by the family in filling out the questionnaire, so that it can affect the respondent's focus.

Further researchers need to reduce the possibility of intervention during data collection, by accompanying respondents directly to ensure that no other party can interfere with focus or influence the answers. In addition, other variables can also be added to the model, by including other factors that may have a greater influence, such as testimonials from social media, or family factors.

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