
Analyzing Price, Service Quality, and Innovation as Drivers of Patient Satisfaction Through Repurchase Decisions in Hospitals

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Abstract:

Several hospitals do various ways to increase public trust in the services provided, one of which is Siloam Hospital Denpasar. This study aims to provide comprehensive insight into the factors that influence patient satisfaction in conducting Medical Check Ups with a focus on aspects of patient experience, price, service quality, location, innovation, and brand image, and how repurchase decisions can mediate these influences. The research design used in this study is a quantitative approach. The results of the study indicate that price, innovation, and brand image have a positive and significant effect on patient satisfaction with medical check ups at Siloam Hospital Denpasar, while patient experience, service quality, and location have a negative effect on patient satisfaction with medical check ups at Siloam Hospital Denpasar. Price, innovation, and brand image have a positive and significant effect on repurchase decisions for medical check ups at Siloam Hospital Denpasar, while patient experience, service quality, and location have a negative effect on repurchase decisions for medical check ups at Siloam Hospital Denpasar. Repurchase decisions are able to mediate the influence of price, innovation, and brand image on patient satisfaction with medical check-ups at Siloam Hospital, Denpasar, but repurchase decisions are not able to mediate patient experience, service quality, and location on patient satisfaction with medical check-ups at Siloam Hospital, Denpasar.

Keywords: *Patient Experience, Price, Service Quality, Location, Brand Image Innovation, Patient Satisfaction, Repurchase Decision*

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1. Introduction

In the midst of the new order, Indonesian people can no longer depend on or rely on domestic health services. Indonesia, especially in Bali, has several state and private

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hospitals that offer similar services. Several of these hospitals are making various efforts to increase public trust in the services provided, one of which is Siloam Hospital Denpasar. Private hospitals are health institutions owned by non-profit and private companies whose operational activities are financed through payments for medical services by patients themselves, insurance or corporate insurers, or even by foreign embassies (Mehta, 2015).

The respondents of this study were patients who underwent a medical check-up at Siloam Hospital, Denpasar. Experience can be interpreted as something that has been experienced, lived or felt, either a long time ago or something that has just happened (Jun et al., 2020). Based on observations made, several patients stated that the service response was not fast enough, especially in the registration and cashier section, where queues often piled up. This finding is in line with research by Brandão et al. (2023) and Asmaryadi (2020) who found that patient experience has a positive and significant effect on patient satisfaction. However, different results were reported by AlOmari and Hamid (2022), who revealed that patient experience does not always have a significant impact on patient satisfaction.

Price is also one of the important determinants. Several patients stated that the price offered for medical check-ups was quite high, while the speed of service was not optimal. In line with this, Bernstein and Crowe (2024) as well as El Garem et al. (2024) showed that price has a significant influence on patient satisfaction. Conversely, Chen et al. (2023) emphasized that price does not always play a decisive role in shaping satisfaction, depending on the reimbursement and financing mechanism in hospitals.

Service quality has also been widely discussed in the literature. Many studies found that service quality significantly influences satisfaction (Darzi et al., 2023; Meesala & Paul, 2018; Kitapci et al., 2014). However, other studies such as Liu et al. (2021) and Olesen et al. (2022) suggested that service quality alone may not be sufficient to guarantee satisfaction or loyalty, especially if other supporting factors such as trust are weak. This resonates with patient complaints in Siloam Hospital Denpasar regarding waiting times and room facilities.

Another factor is location. Hospitals located in the city center often face problems of limited parking areas, as in the case of Siloam Denpasar. Research by Pighin et al. (2022) confirmed that location convenience influences patient satisfaction, but Parasuraman et al. (1988) and Ferreira et al. (2023) noted that location may not always have a direct effect compared to service quality dimensions.

Innovation also contributes to patient perception. Studies such as Hariyanti et al. (2024) and Rao et al. (2025) found that innovation positively affects satisfaction, while Zhou et al. (2017) emphasized that without human resource readiness,

innovation may not be effective. This aligns with patient concerns at Siloam Denpasar regarding long waiting times for medical check-up results.

Finally, brand image has been shown to shape satisfaction and loyalty. Studies by AlOmari and Hamid (2022), Hariyanti et al. (2024), and Zhou et al. (2017) revealed that a strong hospital brand image positively affects patient satisfaction and loyalty. However, research by Gün and Söyük (2025) indicated that brand image without perceived quality and trust may not be sufficient to secure loyalty. This paradox is also visible in Siloam Hospital Denpasar: while it holds an international hospital image, the number of visits does not always reflect that perception.

2. Theoretical Background

Patient Experience

Patient experience refers to the overall perceptions and interactions patients have throughout their healthcare journey, including medical staff interaction, administrative processes, and hospital facilities. A positive experience enhances patient satisfaction, loyalty, and the likelihood of return visits (Brandão et al., 2023; Jun et al., 2020). Asmaryadi (2020) found that patient experience positively affects hospital image and loyalty, while AlOmari and Hamid (2022) emphasized that good patient experience contributes to higher satisfaction, which mediates loyalty and adherence. Rao et al. (2025) further highlighted that patient experience varies across countries, depending on expectations and perceived value.

Price

Price is a crucial factor influencing patients' decisions when choosing healthcare services. Patients assess affordability, price–quality alignment, and competitiveness compared to other hospitals (Bernstein & Crowe, 2024). El Garem et al. (2024) found that perceived cost fairness contributes to patient loyalty in private healthcare. Conversely, Chen et al. (2023) observed that high costs do not always ensure patient satisfaction if the service quality does not meet expectations. Thus, affordability and value-for-money are essential in shaping patient decisions.

Service Quality

Service quality is widely recognized as a key determinant of patient satisfaction and loyalty. Parasuraman et al. (1988) introduced the SERVQUAL model, which identifies five service quality dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Numerous studies confirm that service quality significantly impacts patient satisfaction (Darzi et al., 2023; Meesala & Paul, 2018; Kitapci et al., 2014). However, Olesen et al. (2022) argued that service quality alone is insufficient, as trust and communication also shape satisfaction. Liu et al. (2021) found that service quality must be combined with patient trust to enhance loyalty.

Location

Location plays a role in patients' accessibility, convenience, and intention to revisit hospitals. According to Pighin et al. (2022), easy access, availability of parking, and supportive surroundings encourage repeat visits. Ferreira et al. (2023) also reported that geographic accessibility contributes to satisfaction by influencing patients' perception of convenience. Parasuraman et al. (1988) suggested that location is often a complementary factor rather than a primary determinant compared to service quality.

Innovation

Innovation in hospitals involves improving efficiency, reducing costs, enhancing service quality, and introducing new healthcare solutions. Hariyanti et al. (2024) stressed that experiential marketing and service innovation strengthen hospital brand image and foster patient loyalty. Similarly, Rao et al. (2025) demonstrated that innovation in creating perceived value positively affects contractual satisfaction in multi-country contexts. However, Zhou et al. (2017) cautioned that without adequate human resource readiness, innovation may not translate into improved patient satisfaction.

Brand Image

Brand image reflects patients' perceptions of hospital attributes, benefits, and values. According to Hariyanti et al. (2024), brand trust derived from a positive image fosters patient loyalty. AlOmari and Hamid (2022) also found that hospital image enhances satisfaction and repeat purchase decisions. Yet, Gün and Söyük (2025) noted that brand image alone is not enough without service quality and patient trust to sustain loyalty.

Patient Satisfaction

Patient satisfaction is the outcome of patients' evaluation of the services they receive. Ferreira et al. (2023) argued that satisfaction is influenced by service quality, cost, and emotional factors. Mehta (2015) highlighted that patient satisfaction directly affects service improvements, malpractice claims, and hospital reimbursements. Furthermore, Olesen et al. (2022) emphasized that satisfaction often mediates the relationship between service quality and patient loyalty.

Repurchase Decision

Repurchase decision in the hospital context refers to patients' willingness to revisit and reuse the same healthcare services. This decision is influenced by experience, price, service quality, and trust in healthcare providers (Kitapci et al., 2014; Liu et al., 2021). Zhou et al. (2017) found that patient loyalty develops when patients feel both satisfied and confident in the services received. Therefore, repurchase decision is the final behavioral outcome of satisfaction, trust, and perceived value.

3. Methodology

This study employs a quantitative research design, focusing on patients who underwent medical check-ups at Siloam Hospital Denpasar. The population of this study consisted of all patients who utilized medical check-up services at the hospital, and a purposive sampling technique was applied to determine the respondents. A total of 97 patients were selected as the sample, considered adequate to meet statistical requirements for quantitative analysis. To ensure the reliability and validity of the research, multiple data collection techniques were applied, including observation of hospital service processes, structured interviews with patients, distribution of questionnaires measuring the study variables, and documentation review to capture supporting hospital data. The questionnaire items were developed based on established constructs in prior studies and measured using a Likert scale to capture respondents' perceptions.

The collected data were subjected to several stages of analysis. First, descriptive statistics were employed to provide an overview of respondents' demographic profiles and their general responses to the variables measured. Next, inferential statistical techniques were applied to test the research hypotheses, including regression analysis to examine direct effects between variables. To test the mediating role of repurchase decisions, a mediation analysis was conducted, supported by the Sobel test to assess the significance of the indirect effects. This analytical strategy enables the study to not only identify direct relationships among patient experience, price, service quality, location, innovation, and brand image on patient satisfaction but also to evaluate the mechanism through which repurchase decisions mediate these relationships. By integrating these analytical approaches, the study ensures robust findings that contribute to the understanding of factors influencing patient satisfaction in hospital services.

4. Empirical Findings/Result

Convergen Validity

Table 1. Factor Loading Result

	Brand Image	Price Inovation	Patient Satisfaction	Repurchase Decision	Service Quality	Location	Patient Experience
X1.1							0.892
X1.2							0.918
X1.3							0.935
X1.4							0.925
X2.1		0.977					
X2.2		0.980					
X2.3		0.982					
X2.4		0.978					
X3.1					0.918		

X3.2	0.925
X3.3	0.892
X3.4	0.909
X3.5	0.845
X4.1	0.786
X4.2	0.820
X4.3	0.766
X4.4	0.851
X4.5	0.752
X5.1	0.969
X5.2	0.919
X5.3	0.965
X5.4	0.923
X5.5	0.957
X6.1	0.856
X6.2	0.898
X6.3	0.871
Y.1	0.910
Y.2	0.953
Y.3	0.976
Y.4	0.772
Y.5	0.976
Z.1	0.973
Z.2	0.970
Z.3	0.775
Z.4	0.973

Based on the table above, it can be seen that all values in the factor loading are greater than 0.7. Thus, it can be stated that the data in the study is valid.

Discriminant Validity

Table 2.
Discriminant Validity

Variable	Average Variance Extracted (AVE)
Brand Image	0.766
Price	0.959
Innovation	0.897
Patient Satisfaction	0.847

Repurchase Decision	0.859
Service Quality	0.807
Location	0.633
Patient Experience	0.842

Based on the table, it can be seen that all cross loading values for each indicator on each variable are greater than 0.5. Thus, it can be stated that the data in the study is valid.

Inner Model

Table 3. Structural Model Evaluation Results (Inner Model)

	SSO	SSE	Q ² (=1-SSE/SSO)
Brand Image	291.000	145.012	0.502
Price	388.000	39.925	0.897
Innovation	485.000	89.362	0.816
Patient Satisfaction	485.000	120.942	0.751
Repurchase Decision	388.000	100.187	0.742
Service Quality	485.000	147.569	0.696
Location	485.000	272.518	0.438
Patient Experience	388.000	111.559	0.712
Total	424.375	128.384	0.694

The table shows that the value of Q² = 0.694 and is close to the value of 1, so it can provide evidence that the structural model has a good fit (goodness-fit model). This result also means that 69.4% of the data can be explained by the model, while the remaining 30.6% is explained by errors or other variables that are not included in the model.

Hypothesis Testing

Table 4. Results of Direct Effect Hypothesis Testing

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Patient Experience -> Patient Satisfaction	0.010	0.010	0.008	1.277	0.205
Price -> Patient Satisfaction	0.017	0.016	0.008	2.232	0.028
Service Quality -> Patient Satisfaction	-0.007	-0.007	0.006	1.225	0.223
Location -> Patient	0.006	0.005	0.008	0.743	0.459

Satisfaction					
Innovation -> Patient Satisfaction	0.387	0.383	0.025	15.673	0.000
Brand Image -> Patient Satisfaction	0.061	0.052	0.024	2.606	0.011
Patient Experience -> Repurchase Decision	-0.031	-0.036	0.031	0.986	0.327
Price -> Repurchase Decision	0.109	0.122	0.040	2.714	0.008
Service Quality -> Repurchase Decision	0.013	0.011	0.034	0.371	0.711
Location -> Repurchase Decision	-0.008	-0.011	0.041	0.204	0.839
Innovation -> Repurchase Decision	0.674	0.668	0.049	13.738	0.000
Brand Image -> Repurchase Decision	0.285	0.294	0.048	5.916	0.000
Repurchase Decision -> Patient Satisfaction	0.565	0.581	0.046	12.245	0.000

Based on the results of hypothesis testing, it can be seen that patient experience does not significantly influence patient satisfaction ($p = 0.205 > 0.05$) and the repurchase decision ($p = 0.327 > 0.05$), so both hypotheses are rejected. Price shows a significant positive effect on both patient satisfaction ($p = 0.028 < 0.05$) and repurchase decisions ($p = 0.008 < 0.05$), thus hypotheses 2 and 8 are accepted. Service quality is found to have no significant influence on patient satisfaction ($p = 0.223 > 0.05$) or repurchase decisions ($p = 0.711 > 0.05$), resulting in the rejection of hypotheses 3 and 9. Likewise, location does not have a significant impact on patient satisfaction ($p = 0.459 > 0.05$) or repurchase decisions ($p = 0.839 > 0.05$), leading to the rejection of hypotheses 4 and 10. In contrast, innovation significantly and positively affects patient satisfaction ($p = 0.000 < 0.05$) and repurchase decisions ($p = 0.000 < 0.05$), so hypotheses 5 and 11 are accepted. Similarly, brand image has a significant positive effect on patient satisfaction ($p = 0.011 < 0.05$) and repurchase decisions ($p = 0.000 < 0.05$), thereby supporting hypotheses 6 and 12. Finally, patient satisfaction itself significantly influences repurchase decisions ($p = 0.000 < 0.05$), confirming hypothesis 13. Overall, these findings highlight that price, innovation, brand image, and patient satisfaction are key determinants of repurchase decisions, while patient experience, service quality, and location do not significantly contribute.

Tabel 5. Results of Indirect Effect Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Patient Experience - > Repurchase Decision -> Patient Satisfaction	-0.017	-0.021	0.018	0.938	0.351
Price -> Repurchase Decision -> Patient Satisfaction	0.062	0.072	0.028	2.169	0.032
Service Quality -> Repurchase Decision -> Patient Satisfaction	0.007	0.006	0.020	0.358	0.721
Location -> Repurchase Decision -> Patient Satisfaction	-0.005	-0.007	0.024	0.195	0.846
Innovation -> Repurchase Decision -> Patient Satisfaction	0.381	0.388	0.034	11.311	0.000
Brand Image -> Repurchase Decision -> Patient Satisfaction	0.161	0.172	0.036	4.450	0.000

The mediation test results indicate that repurchase decisions do not significantly mediate the effect of patient experience on patient satisfaction ($p = 0.351 > 0.05$), leading to the rejection of hypothesis 14. Conversely, repurchase decisions significantly and positively mediate the influence of price on patient satisfaction ($p = 0.032 < 0.05$), supporting hypothesis 15. Meanwhile, repurchase decisions are not able to mediate the relationship between service quality and patient satisfaction ($p = 0.721 > 0.05$), resulting in the rejection of hypothesis 16. Similarly, the effect of location on patient satisfaction is not significantly mediated by repurchase decisions ($p = 0.846 > 0.05$), leading to the rejection of hypothesis 17.

5. Conclusions

Based on the results of the study, it can be concluded that price, innovation, and brand image play a crucial role in enhancing both patient satisfaction and repurchase decisions, while patient experience, service quality, and location show no significant positive influence. Furthermore, repurchase decisions are proven to mediate the relationship between price, innovation, and brand image with patient satisfaction, but

fail to mediate the effects of patient experience, service quality, and location. These findings highlight that improving competitive pricing strategies, fostering innovation in services, and strengthening brand image are essential factors for hospitals, especially in the context of medical check-ups at Siloam Hospital Denpasar, to achieve higher patient satisfaction and loyalty.

Future research should expand the scope of the study by involving larger and more diverse samples across different hospitals or regions to strengthen the generalizability of the findings. Additionally, it is recommended to integrate other variables such as trust, perceived value, and digital health service adoption, which may have a strong influence on patient satisfaction and loyalty in the modern healthcare context. Longitudinal studies can also be conducted to capture changes in patient perceptions over time, while qualitative approaches could complement quantitative findings by exploring deeper insights into patient experiences and expectations.

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