

Perceptions of International Tourists on Internationalization of Hospital Services in Post-Pandemic Manado: A Hospital Service Marketing Approach

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Abstract

This study aims to determine the impact of the internationalization of several types of A and B hospitals in Manado and its surroundings. The Ministry of Tourism declared Manado as one of the main destinations in Indonesia. How promote and bring in foreign tourists must be accompanied by security guarantees, the main ones being health insurance and access to international insurance when in tourist destinations. The research method was carried out by convenient purposive sampling at the inns and hotels of tourists. The results of the research stated that all foreign tourists have positive perceptions and beliefs about the existence and services of international hospitals in Manado; the thing that still makes them doubtful is the completeness of international standard hospital facilities. Still, these doubts can be overcome with reassurance with evidence.

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INTRODUCTION

The world is increasingly recognizing the name of the provincial capital of North Sulawesi. This city, located at the tip of the peninsula of Sulawesi Island, has successfully hosted national and international events. Since the World Ocean Conference (WOC) success, a global event has been held alternately in Manado. CTI-Summit, Sail Bunaken, and the Asia Pacific Conference are proof this area is starting to get the trust to become a MICE city (Meeting, Incentive, Conference, and Exhibition). North Sulawesi has been designated as one of the leading tourist cities in 10 regions in Indonesia. This area is known by people who smile (Wisata Sulut, 2019).

The city of Manado continues to strive to become the second Bali. Still, the city of Manado is leading the way toward the City of Ecotourism, that is the hallmark of this region. With the increasing number of events and the growing number of tourists, Manado's tourism sector is automatically getting excited. In 2019, the leading industry experienced a significant increase. The occupancy rate of hotels, visitors to diving resorts, restaurants, and tour and travel continues to grow. In 2019, the total number of Manado tourism businesses was 939. Tour 77 pieces of travel, diving centers (24), nightlife (187), star hotels (15), restaurants (205), and restaurants (315). This number has increased compared to 2018 with 556 and 2017 with 551 (Wisata Sulut, 2019).

The Central Statistics Agency (B.P.S.) has data for February 2019, with as many as 1,552 tourists visiting the area. From year to year, there has been an increase in the population of as many as 381 people (32.54 percent). There were 1,552 men, and it dominated mainly by China with 391 people (25.19 percent), America with 119 people (7.67 percent), Germany with 115 people (7.41 percent), Singapore with 113 people (7.28 percent), and Malaysia with 36 people, Japan 95 people. South Korea 18 people, India 12 people, Philippines 44 people, Hongkong 45 people, Thailand 20 people, Australia 59 people, England 59 people, Netherlands 53 people, France 36 people and only 2 Russians (Tourism, 2019). During the Covid-19 pandemic, tourism in North Sulawesi fell badly due to various restrictions on foreign tourist visits (P.S.B.B. and P.P.K.M.) from 2020-early 2022.

After the Covid-19 pandemic, foreign tourists from Europe and the United States (U.S.) started to visit North Sulawesi (North Sulawesi) after the tightening of the Covid-19 rules was loosened. In May 2022, as many as 41 tourists from the U.S. entered Sam Ratulangi Airport, or 3.92% of the total foreign tourists coming to the North Sulawesi area (B.P.S. 2022). Meanwhile, foreign tourists from Europe, especially Germany, totaled 14 people, and France 10. Although this is still relatively small compared to before the pandemic, the data shows that foreign tourists in North Sulawesi are from Asia and outside Asian countries. Most of the foreign tourists in North Sulawesi are from China, amounting to 940 people or 89.95%.

How do professional services firms build the capabilities needed for effective international operations? Although the internationalization of manufacturing firms is a widely studied topic. However, the literature on the internationalization of service firms is scant. The problem is even more urgent when looking for professional services such as health organizations and hospitals. We carry out international market expansion studies by professional service companies. In this study, we studied internationally labeled public and private hospitals in Manado, which serve the entire province of North Sulawesi.

They were taking advantage of the strategic location of the city of Manado as one of the leading national mainstay tourist destinations. International services at these international hospitals have shown entrepreneurial initiatives that have expanded their operations beyond the domestic market over the past few years. Serving foreign tourists is a creative strategy implemented by several international hospitals in Manado. The study includes operating a full-service hospital, executing management contracts, and attracting equity capital from international investments. We argue that studies with various organizational capabilities are needed for traditional companies focusing on the domestic market to expand into the global healthcare market. We conducted an initial integrative study and offered

implications for advancing managerial knowledge and practice, especially in international-minded hospital operations.

The topic of internationalization of service organizations has been studied extensively in international business. The theoretical framework is widely adopted in the studies is the internationalization process perspective. Internationalization view as a process, journey, and innovation in hospital organizations. Researchers contributing to this stream include Cavusgil & Knight (2015). The concept of the Uppsala model refers to the staged model or the innovation in internationalization model. These scholars conceptualize corporate internationalization as a sequential and gradual process, taking place over a long time, reflecting managers' careful attitude. While the internationalization process perspective has garnered a great deal of attention in the literature, it is developed mainly by manufacturing firms rather than service firms.

While some experts argue that the internationalization process model is mostly developed from the experience of manufacturing companies, in its development, it can also be applied to service organizations, including hospitals, Pogrebnjakov & Maitland, (2011) argue that there is a difference between the internationalization of service companies and the internationalization of manufacturers because the characteristics of services differ with manufacturers. The three well-documented service characteristics are intangibility, heterogeneity, and inseparability. Intangibility indicates that a service cannot be touched, looked at, inventoried, and tested before making a decision. Services also tend to be inseparable; production cannot be separated from consumption. In other words, the production and consumption of most services coincide. Third, services are heterogeneous; it is difficult to produce services that are identical to one another. The unique characteristics of these services critically influence not only the internationalization process but also foreign market entry decisions. Finally, service credibility depends on how much it is embodied in a physical product. When services are embodied in tangible products, it becomes possible to export products, license them, or invest in foreign markets. However, if the provision of services depends on professional service providers, then company representatives must also approach consumers. Second, the extent to which the production and consumption of services can be spatially separated. According to Uner, et al (2020).

Consumption and production coincide (as in the case of medical care), so it becomes imperative for marketers to find activity in overseas patients either through contractual agreements with the supplying host country or through foreign direct investment. The exception is when the consumer travels to the service country, as in medical tourism or to foreign tourists. They proposed a "nature of service action" perspective. There are two key questions: At whom (or what) is the action of service directed? And is the service act tangible or intangible? These two questions produce a four-way classification scheme. These are person processing, possession processing, mental stimulus processing, and information processing services. The nature of processing can be either tangible (for example, a medical procedure on a patient's body) or intangible (capturing thoughts or intangible assets) (Wirtz & Lovelock, 2016).

Turning to healthcare, most of those services can be characterized as patient processing services, which involve actual actions directed at the person's body, such as heart surgery. Another thing is part of health care services, including mental stimulus processing services, consisting of intangible actions directed at people's minds, such as psychiatric patients. Thus, most health services require physical contact between patients and providers. The typical practice of seeking health services is visiting health facilities in person and liaising with a wide range of providers, from nurses to doctors. In other words, health services are high-contact and require the physical presence of both patients and providers simultaneously, usually in health facilities. On the other hand, low-contact healthcare services do not require any physical contact serving international customers in innovative ways and internalizing their growing knowledge by nurturing agile and competent managers (Uner, et al. 2020).

Medical practice and digital technology will improve the reputation for both domestic and overseas patients. Furthermore, foreign tourists (tourists) will feel more secure and confident if there are international-class hospital services that can be relied upon when visiting Manado tourist destinations. Umboh & Aryanto (2015).

Everyone can now travel to almost all parts of the world, including people in the Asian region, hence, Indonesia. Therefore, Indonesia is one of the world's tourist destinations. Through the tourism ministry, the government has established a Super Priority Area (D.S.P.), namely the Special Economic Zone (SEZ) of Likupang, North Sulawesi. The charm of Likupang's tourism has resulted in a surge in tourists in North Sulawesi. Essential sectors in supporting D.S.P. include the health sector, especially hospital readiness in the North Sulawesi and Manado regions (Waloni et al., 2018).

Hospital is a health service institution that organizes complete individual health services that provide inpatient, outpatient, and emergency services. Hospitals also aim to facilitate public access to health services. (U.U. No. 44 of 2009) concerning hospitals in Indonesia. The challenge in today's hospital world is to improve the quality of services holistically in all aspects of health, including factors that patients value, such as comfort, order, completeness of facilities, respect, and professionalism so that they can match hospital health services (Waloni et al., 2018). In the era of globalization, hospitals need to carry out marketing activities that are influenced by factors such as Information and communication technology. It brings us into the free-market era where location and distance are no longer a problem. The easier access to Information makes it easier for the public to determine which hospital the patient will seek treatment at; this causes competition between hospitals to become increasingly stringent. Rush (2019). However, the world is currently struggling to combat the spread of communicable diseases, which include emerging and re-emerging infectious diseases. Several cases of influenza and tuberculosis transmission have been reported via air travel. The data already provides strong evidence of air circulation patterns in the cabin during flight and ventilation systems. There is evidence of disease transmission, a huge health threat from travel activities. Avian influenza, MERS, Zika, swine flu, and Ebola are just a few of the illnesses that have been reported to be transmitted from passenger travel from endemic areas. We are still in the Covid-19 pandemic, where people are still struggling with strict health protocols (Prokes). Within 1-2 hours of the flight, a person can travel in countries in the Southeast Asia region, which can also transmit the disease to other passengers on the plane and the transit time at the airport until arriving at the destination (Lalenoh & Lombogia, 2017).

International hospital health services cannot be separated from the problem of trust given by service providers to their consumers (Malama & Hyder, 2012). Purpose: Malama & Hyder's (2021) research is to increase understanding of how multilevel trust is built and how multilevel trust relates to and influences international marketing strategies for health services. Design/Methodology/Approach: A comparative case study approach was applied with Elekta, a Swedish company operating in Brazil, the Philippines, China, Russia, and Hong Kong. Findings: This research culminates in a multilevel trust (MLT) model, which consists of three levels related to the individual, company performance, and context. The implications of this research offer a context-based multilevel trust model from a health-focused process perspective. Furthermore, this model can be tested in other service sectors besides hospitals. The hypotheses built in this study are as follows:

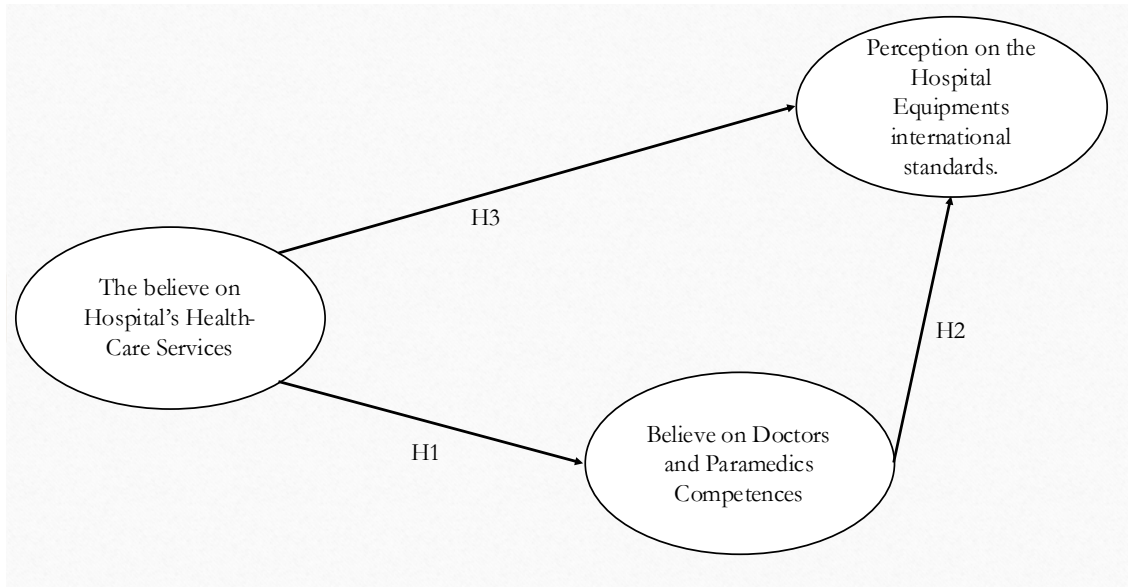


Figure 1. Empirical Research Model

H1. There is a significant and positive impact between beliefs about international hospital quality services on the competence of paramedics and doctors.

Kim & Lee (2016) examined the increase and complexity of current medical tests and surgical procedures in outpatient hospitals that require nurses to have a customer orientation focusing on different interests and needs. This research aims to identify factors related to customer orientation in nurses working in hospitals. This study used a correlational descriptive design with a cross-sectional survey design. The study settings were four public hospitals in Seoul and the metropolitan area. Data was collected from 138 nurses from public hospitals. The research variables are personal traits, emotional intelligence, internal marketing, service management, and others. Indonesia, especially B.P.J.S., the same experience in the Netherlands will also give trust to hospital patients when poor health insurance services at certain hospitals cause patients to move to other hospitals. The hypothesis used in this study is based on the findings found by the researchers above. The hypothesis proposed in this study are:

H2. There is a significant and positive impact between the competence of paramedics and doctors on the perception of international hospital medical equipment facilities.

Kemp et al (2017) stated in their research results that the impact of advertising or endorsements on social media would emotionally affect patients, especially emergency patients. Emotion-based health services will be far more effective than patient-centered health services that do not involve wholehearted positive emotional services from medical workers and their doctors. Furthermore, Gage et al. (2019), who examined low-middle income health services in 12 countries, including Indonesia, revealed that when patients' expectations of hospital health services are perceived as low, this will reduce the patient's level of trust in-home services. Hospital and low expectations will affect the credibility of the hospital concerned. Dunsch et al. (2018). Reminded that surveys of satisfaction in hospital patients must be careful of the possibility of survey bias caused by the framing of questions asked to respondents due to manipulation of questionnaire questions. The choice of questions that tend to lead to agree and disagree creates a bias in the survey, so making consumer (patient) satisfaction surveys it must be done more creatively. The proposed hypothesis can be proclaimed as follows:

H3. International hospital quality beliefs have a significant and positive influence on international tourists' perceptions of international hospital medical equipment.

METHOD

The sample of respondents was taken using a purposive non-random sampling technique using a convenient sampling method where the researcher met foreign tourists respondents who were willing to answer questions about what they perceived about the availability of international hospital services in Manado. Data collection was carried out by distributing questionnaires to foreign tourist respondents with the permission of the hotel management. Of the fifteen hotels that were permitted to ask their foreign guests to be given a questionnaire, only ten hotels allowed the number of respondents who were willing to answer 104 respondents. The following in table 1 lists 3-star, 4-star and 5-star hotels from which respondents' data were collected in Manado. This study aims to determine the perceptions and beliefs of respondents by giving a questionnaire based on perceptions of the level of confidence in international quality health services as an independent variable. The belief in medical staff and doctors being reliable, and perceptions of confidence in international quality medical equipment and medicine facilities with details as follows: Perceptions of international hospital services; Confidence in international quality healthcare; The confidence of medical personnel and doctors can be relied upon; Confidence in international quality medical equipment and medicine facilities.

Table.1 List of hotel Star 3, 4, and 5 that was the origin of respondents.

No	Hotel Name	Star
1	Aston Hotel	***
2	Grand Central Hotel	***
3	Travello Hotel	***
4	Sahid Hotel	***
5	Sahid Kawanua Hotel	***
6	Prince Boulevard Hotel	***
7	Swiss-Belhotel Maleosan	****
8	Santika Hotel	****
9	Sedona Hotel	****
10	Quality Hotel	****
11	Sutan Raja Hotel	****
12	Gran Puri Hotel	****
13	Sintesa Peninsula Hotel	*****
14	Arya Duta Hotel	*****
15	Novotel Manado Golf Resort & Convention Centre	*****

Table. 2 List of International Hospital in Manado

No	Name of Hospitals	Accreditation
1	Prof R.D. Kandou General Hospital (public)	Accredited (5 star)
2	Siloam Hospital Manado (private)	Accredited (5 star)
3	Manado Medical Center (private)	Accredited (3 star)
4.	Manado Adventist Hospital (private)	Accredited (4 star)
5.	Sentra Medika Hospital Minahasa Utara (private)	Accredited (5 star)

Source: http://akreditasi.kars.or.id/application/report/report_accredited.php, 2022

RESULT AND DISCUSSION

Table 3 below is the measurement, confirmatory factors, and reliability test for each variable and indicator. Confidence in international quality health services consists of indicators including 1. dynamic

and responsive relations, 2. good attention and impression, 3: good performance and actions, 4. Price affordability, loading factor above the acceptance level of 0 .5 and the average variance extracted (Average Variance Extracted) is also above the acceptance level of 0.5.

The competency variables of paramedics and doctors include 1. belief in moral obligation, 2. belief in effective communication, 3. belief in good patient handling, 4. belief incorrect treatment, 5. belief in professional commitment, loading factor, and the average variance extracted (Average Variance Extracted) is above the acceptance level of 0.5. Perception variables in international hospital equipment consist of indicators 1. adequate bed rate, 2. adequate average length of stay, 3. adequate bed turnover, 4. low gross death rate. These indicators have a loading factor and average variance extracted (Average Variance Extracted) above the acceptance level of 0.5.

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Table 3. Measurement, Confirmatory Factor & Reliability

Measurement & Construct	Loading Factor	α	Reliability	AVE
International healthcare quality	.73	.82		.59
Dynamic relationship	0.86			
Attention	0.83			
Quality assurance	0.98			
Tangible Performance	0.90			
Affordability	0.82			
Doctors and Paramedics Competence	0.7	0.8		0.58
Moral obligation	0.82			
Effective communication	0.82			
Proper patients' treatment	0.81			
Proper Medical treatment	0.91			
Profession Commitment	0.84			
Perception on International Hospital's equipment	0.7	0.8		0.61
Proper Bed occupancy rate	0.81			
Proper Average length of stay	0.77			
Proper Bed turns over	0.78			
Lower Gross death rate	0.79			

Source: Primary data, 2021

Table 4 below describes the S.E.M. model. It denotes the standard path coefficient. The competence of paramedics and doctors significantly affects respondents' perceptions of international hospital equipment (H1), C.R.>0.216. In addition, H2, belief in international quality health services has a significant effect on perceptions of international hospital equipment C.R.>0.272, H3 which states that belief in international quality health services has a significant effect on the competence of paramedics and doctors C.R.>0.336. C.R. (Critical Ratio > 2) states that the hypothesis is accepted and significant (Hair, 2017).

Table. 4. Hypothesis Test

Variable		Estimate	S.E	C.R.	H
Perception on International Hospital's equipment	Doctors & Paramedics competence	0.216	0.73	3.22	H1
Perception on International Hospital's equipment	International health care quality	0.272	0.71	3.76	H2
Kompetensi paramedis & dokter	International healthcare quality	0.336	0.75	4.41	H3

Source: Primary data analysis, 2021

The results of this study, which are based on the perceptions of foreign tourists so far, have been positive about international quality healthcare services. This is in line with research by Rusli (2019) in Indonesia that respondents' perceptions of the presence of international hospitals have been positive and add to their confidence in the patients being treated. Confidence in international quality health services also received a positive response among foreign tourist respondents. However, fares are still felt to be unaffordable because this indicator has the lowest loading factor and attention, and good impression factors need to be developed even better because when the service provided is prime, it will give a good word-of-mouth effect for foreign tourists. This is also by previous research conducted by Dunsch et al. (2018).

The competence of paramedics and doctors still needs to be developed because the average loading factor is relatively low. This is due to the need for a good impression conveyed on websites or social media, which must be in an excellent international language (English). Access is also smooth when patients and observers of international hospital services strive to obtain accurate Information. Perceptions of confidence in international hospital equipment are also inadequate even though statistically, it has far exceeded the loading factor requirements exceeding 50 (Hair, 2017).

CONCLUSION AND RECOMMENDATION

This study concludes that as one of the main tourist destinations in Indonesia, it is imperative to prepare health service facilities for foreign tourists visiting Manado and North Sulawesi. Infrastructure facilities are not only hotels, restaurants, roads, and physical facilities for tourist destinations. However, it is also vital to build and prepare health services for foreign tourists, including the competence of paramedics and doctors, for example, in mastering foreign languages (English, Mandarin, etc.). It is also vital to prepare internationally qualified hospital equipment; so far, the perception of tourists tends to be positive towards international hospital services in the capital city of North Sulawesi, Manado.

The limitation of this study is that the health services provided by hospitals in Manado are based on foreign tourists' perceptions, so the respondents have not experienced them as users or as patients at hospitals in Manado. Therefore, the following research agenda needs to be based on international tourist patients who have been treated at an international hospital in Manado.

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