

Comparative Analysis of Customer-Based Brand Equity Between Public and Private Hospitals

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ABSTRACT

Customer-Based Brand Equity (CBBE) has become an increasingly important determinant of hospital competitiveness; however, comparative empirical evidence between public and private hospitals in developing countries remains limited. This study aims to compare CBBE between public and private hospitals in Cirebon Regency, Indonesia, and to identify key brand equity dimensions influencing patients' hospital choice. A comparative cross-sectional survey was conducted involving 360 patients, comprising 180 from public hospitals and 180 from private hospitals, recruited purposively. CBBE was measured using a standardized 24-item questionnaire encompassing seven dimensions: brand awareness, brand association, perceived quality, emotional response, brand relationship, marketing stimulus, and corporate ability association. Data were analyzed using the Mann-Whitney U test and binary logistic regression. The results indicate that private hospitals achieved significantly higher scores across all CBBE dimensions ($p < 0.05$). Logistic regression analysis identified brand awareness, corporate ability association, emotional response, and brand relationship as significant predictors of hospital choice, with brand relationship emerging as the most dominant factor. These findings suggest that hospital brand equity is shaped not only by perceived service quality but also by institutional reputation and the ability to establish strong emotional and relational bonds with patients. Strengthening patient-centered branding strategies is therefore essential, particularly for public hospitals, to enhance competitiveness and sustain patient loyalty within Indonesia's national health insurance system.

Keywords:
customer-based brand equity; hospital branding; public hospitals; private hospitals; patient choice

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INTRODUCTION

Hospitals today compete not only on clinical outcomes but also on brand equity, which plays a critical role in shaping patient trust, loyalty, and decision-making (Aaker, 1991; Keller, 1993; Yoo & Donthu, 2001, as cited in Ulfa, 2019). In increasingly market-oriented healthcare systems, hospitals are required to position themselves strategically in the minds of patients, where brand equity functions as an intangible asset that enhances perceived value and institutional credibility. Consequently, customer-based brand equity (CBBE) has emerged as a key construct for understanding hospital competitiveness beyond traditional performance indicators.

In the healthcare context, brand equity exhibits distinctive characteristics due to the high-risk, emotionally charged, and largely intangible nature of health services (Esch et al., 2006; Wang & Finn, 2013, as cited in Ulfa, 2019). Patients often make hospital choices under conditions of uncertainty, limited information, and emotional vulnerability, rendering subjective perceptions such as trust, emotional attachment, and relational experiences particularly salient. Empirical studies in developed countries suggest that perceived quality and brand relationship are among the most

influential dimensions of hospital brand equity, significantly affecting patient satisfaction and loyalty (Zhang et al., 2022; Li & Wang, 2023).

Despite growing scholarly interest, empirical evidence on CBBE in healthcare settings within developing countries remains limited, particularly with respect to comparative analyses between public and private hospitals. Existing studies have predominantly focused on single hospital types or specific service attributes, leaving a gap in understanding how institutional ownership influences brand equity formation from the patient perspective. Addressing this gap is essential, given the structural and managerial differences between public and private healthcare providers.

The Indonesian healthcare system provides a highly relevant context for such an investigation. Public hospitals primarily emphasize accessibility through the National Health Insurance scheme (Jaminan Kesehatan Nasional/BPJS), although challenges persist in service utilization and patient experience, particularly among informal-sector populations (Akbar et al., 2021; Kholifah, Permata, & Handayani, 2023; BPJS Kesehatan, 2023). In contrast, private hospitals tend to pursue differentiation strategies focused on enhancing service quality, adopting adaptive management practices, and offering more personalized patient experiences (Simanjuntak & Nugroho, 2021; Maulana et al., 2022; Widayastuti, Ramadhani, & Suhendar, 2023). These divergent strategic orientations suggest potential differences in customer-based brand equity, which this study seeks to empirically examine.

METHODS

This study employed a comparative cross-sectional design involving patients from public and private hospitals in Cirebon Regency, Indonesia. A total of 360 respondents—180 from public hospitals and 180 from private hospitals—were recruited using purposive sampling based on predefined inclusion criteria. The sample size was determined using Cohen's effect size calculation ($d = 0.50$, $\alpha = 0.05$, power = 0.90), with an additional allowance to account for potential non-response.

Customer-based brand equity was measured using a standardized 24-item questionnaire covering seven dimensions: brand awareness, brand association, perceived quality, emotional response, brand relationship, marketing mix stimulus, and corporate ability association. The instrument was adapted from established brand equity frameworks (Aaker, Keller, Yoo & Donthu, Esch et al., Wang & Finn, Wang's Corporate Ability Association model) and demonstrated high internal consistency (Cronbach's $\alpha > 0.80$). Data were analyzed using statistical software; the Mann-Whitney U test was used to assess differences between public and private hospitals, and logistic regression was used to identify significant predictors of patients' hospital choice. Ethical approval was obtained from the Faculty of Health Sciences, Universitas Respati Indonesia, Jakarta (No. 361/SK.KEPK/UNR/VI/2025), and informed consent was obtained from all participants prior to data collection.

RESULTS AND DISCUSSION

Private hospitals demonstrated significantly higher scores across all seven dimensions of Customer-Based Brand Equity (CBBE) ($p < 0.05$).

Table 1. Differences in Customer-Based Brand Equity Between Public Hospitals and Private Hospitals.

No.	Variable	Public Hospital		Private Hospital		p-value
		N	Mean Rank	N	Mean Rank	
1.	Brand Awareness	180	142.50	180	218.50	0.000
2.	Brand Association	180	145.00	180	216.00	0.000
3.	Perceived Quality	180	144.00	180	217.00	0.000
4.	Emotional Response	180	140.00	180	221.00	0.000
5.	Brand Relationship	180	147.50	180	213.50	0.000
6.	Marketing Mix Stimulus	180	152.00	180	209.00	0.000
7.	Corporate Ability Association	180	143.50	180	217.50	0.000
8.	Hospital Brand Equity	180	145.50	180	215.50	0.000

Logistic regression analysis identified four CBBE dimensions as significant predictors of patients' hospital choice. Brand awareness ($p = 0.001$; $\text{Exp}(B) = 0.356$; 95% CI: 0.196–0.648) played a crucial role in increasing the likelihood that patients recognize and select a hospital. Corporate ability association ($p = 0.003$; $\text{Exp}(B) = 0.317$; 95% CI: 0.151–0.669) underscores the importance of organizational competence and institutional reputation in fostering patient trust. Emotional response ($p = 0.004$; $\text{Exp}(B) = 0.268$; 95% CI: 0.110–0.652) confirms that patients' emotional engagement exerts a strong influence on decision-making processes. Finally, brand relationship ($p = 0.012$; $\text{Exp}(B) = 3.841$; 95% CI: 1.350–10.931) emerged as the most dominant predictor, indicating that patients were nearly four times more likely to choose hospitals that successfully establish long-term relational bonds.

Table 2. Key Factors Influencing Differences in Customer-Based Brand Equity Between Public and Private Hospitals.

No. Variable	Sig.	Exp(B) 95% CI for Exp(B)		
		Lower	Upper	
1. Brand Awareness	0.001	0.356	0.196	0.648
2. Perceived Quality	0.089	0.509	0.234	1.107
3. Emotional Response	0.004	0.268	0.110	0.652
4. Brand Relationship	0.012	3.841	1.350	10.931
5. Corporate Ability Association	0.003	0.317	0.151	0.669

The findings indicate that private hospitals outperform public hospitals across all dimensions of Customer-Based Brand Equity. Cognitive factors such as brand awareness, affective factors including emotional response and brand relationship, and institutional capabilities represented by corporate ability were shown to play a pivotal role in shaping patients' hospital choices (Aaker, 1991; Keller, 1993; Esch et al., 2006). The dominant role of brand relationship is consistent with recent empirical evidence from Asian healthcare contexts, which emphasizes relational trust as a primary driver of patient loyalty (Chen et al., 2021; Zhang et al., 2022).

Hospital brand equity should not be viewed as a static construct but rather as a dynamic process that evolves through continuous interactions among institutional capabilities, communication strategies, and patients' emotional experiences. At the cognitive stage, corporate ability associations shape initial perceptions of organizational competence, encompassing human resource quality, governance practices, and infrastructure readiness. These perceptions are subsequently internalized through brand awareness, emotional response, perceived quality, and brand relationship, which collectively transform initial impressions into long-term

evaluations. In particular, brand awareness functions as the gateway to deeper attitudinal and behavioral engagement, while strong brand relationships serve as the primary catalyst for sustained patient loyalty.

For public hospitals, these findings highlight the urgent need to strengthen branding strategies through patient-centered care delivery, transparent communication, and the effective utilization of digital engagement platforms. Conversely, private hospitals must maintain and enhance their brand equity by pursuing continuous innovation, both in service provision and in relational marketing strategies, to sustain their competitive advantage.

CONCLUSION

This study provides empirical evidence that private hospitals exhibit significantly higher levels of customer-based brand equity across all seven dimensions of the CBBE framework compared to public hospitals. Multivariate analysis further reveals that brand awareness, corporate ability association, emotional response, and brand relationship are critical determinants of hospital choice, with brand relationship emerging as the most influential predictor. These findings suggest that brand equity in healthcare services is not solely determined by the delivery of high-quality medical care but is also strongly shaped by hospitals' capacity to build institutional reputation, strengthen brand credibility, and cultivate long-term emotional and relational bonds with patients. For public hospitals, reinforcing these dimensions constitutes a strategic imperative to enhance competitiveness and sustain patient loyalty in an increasingly dynamic and competitive healthcare market.

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