Services Marketing in a Cross-Cultural Environment:
Elekta in Germany

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Abstract

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Aim: This study aims to examine how culture, trust, network and standardization/adaption are applied within the Service Marketing of Elekta in Germany and if they overcome the characteristics of Services within a culturally different environment.

Method: The research uses qualitative data, applies a single case study, questionnaires and semi-structured interviews to collect primary data.

Result & Conclusions: The applied model shows that Elekta uses a balance between adaptation and standardization as well as applies trust and network under awareness and use of the German culture. These factors are used in combination and are influencing each other in order to create a homogeneous and tangible service.

Suggestions for future research: The case study indicates that one company is subject of the study in one country, hence generalization cannot be achieved. Therefore future research of other countries and other service industries can extend this research.

Contribution of the thesis: This research stresses the importance of culture, adaptation/standardisation and trust and networks in cross-cultural services marketing of Elekta. It shows how heterogeneity and intangibility are influenced by the variable trust, network, adaptation/standardization and culture.

Key words: International Services Marketing, Adaptation/Standardization, Trust, Network, Culture
Abbreviations

AB= Aktiebolaget (Swedish= Incorporate (Inc.)/ Limited (Ltd.))
IBM= International Business Machines Collaboration
PDI= Power Distance Index
IDV= Individualism versus Collectivism
MAS= Masculinity versus Femininity
UAI= Uncertainty Avoidance
LTO= Long-Term Orientation
IVR= Indulgence versus Restraint
DMAIC= Define, Measure, Analyze, Improve, Control
COO= Country of Origin
AFLAME= Africa, Latin America, Middle East
CEO= Chief Executive Officer
CFO= Chief Financial Officer
DEGRO= Deutsche Gesellschaft für Radioonkologie (German association for radio oncology)
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1. INTRODUCTION

The first chapter introduces the reader to the topic of services marketing in an international environment. It explains the background of the study, why the study is important and what motivates the researchers to choose this topic. Furthermore the research questions are stated. This chapter is closed by the explanation of the outline of the research.

1.1. Background of the study

The ongoing globalization and the drift from a “manufacturing century”, as Wild et al. name the economic development period, over the “service century” to the “century of international services” during the last decades, stresses the importance for companies of products and services to think about doing international business (Wild et al., 2010). According to Wild et al. the barriers of trade and investment are disappearing increasingly, which indicates that the markets are getting closer, similar and dependent of each other, leading to a freer flow of resources, products as well as services across borders. This creates new opportunities on new markets for the producer and new access to new products for the consumers (Wild et al., 2010).

Javalgi et al. also mention the General Agreement of Tariffs and Trade (GATT) as an enabling path for the internationalization of services. Especially for service providers, opportunities as well as difficult challenges are appearing with it. Hence since customer demands develop with the economy, not only are the core services and products the only issue where the focus should be on. A company’s product needs to offer value to others to gain competitive advantage for the customers. Since services are much more difficult to be produced, performed and sold to the customer than manufactured products, which is due to the service characteristics, the internationalisation process of services is much more complex.

Services are intangible, heterogenic, they need to be produced and consumed at the same time and they cannot be stored. Hence they are strongly dependent on the service customer and their demand, which indicates a difficult production process. These characteristics are the core differences between manufactured goods and services (Javalgi et al., 2006).

With the internationalization of services it becomes crucial to recognize the preferences and the behaviour of the service customer in different countries and how they differ (Javalgi et al., 2006). Furthermore it is important to make the right decision on how to market a service, if
either to standardize the marketing strategy and apply in several countries or to adapt the marketing to fit into a countries market (Vrontis et al., 2009).

The close interaction of the customer and service provider stress the importance to consider culture as a crucial aspect of doing international service. Yaprak (2008) found out that culture does matter when doing business internationally. Hofstede's cultural dimensions framework has been widely used (Hewett et al. (2006), Money et al. (1998), Madden et al. (2000), Briley and Aaker (2006), Teng and Laroche (2006), Reardon et al. (2006), Paul et al. (2006), Griffith et al. (2006), Sanchez-Peinado et al. (2007), Mitra and Golder (2002), cited in Yaprak, 2008) to examine the role of culture. Culture influences the customers purchase decisions, as well as the choice of entry mode by the service provider and it shows cultural differences within relationship between buyer and seller (Yaprak, 2008).

In 2009, Hyder and Fregidou-Malama stressed trust, network and adaptation/standardization as the crucial variables to challenge the difficulties of performing a service, most important the services heterogeneity and its intangibility, within their study of Elekta performing health services internationally. Intangibility means that the service cannot be touched, felt or assessed in advance of its purchase. While heterogeneity means the difference of each performed service from another, it cannot be standardized.

1.2. Motivation of the study

The business of offering services has become complex with the increasing globalization. As Blomstermo et al. (2006) put it the internationalization of services has attracted higher interest than ever before. So far the internationalization of services has been categorized in their industries, such as tourism, retailing, the technical consultancy and financial services. It is furthermore highlighted that each service industry has different characteristics which make their internationalization process differ from that of other service industries (Blomstermo et al., 2006). It is still widely discussed, if the internationalization of services and services in general should be considered as similar to that of manufactured goods or does a certain service specific theory and method needs to be developed (Blomstermo et al., 2006). While Blomstermo et al. (2006) investigated the degree to which manufactured goods and service goods can be lumped together, Chung (2005) discusses the standardization of marketing strategies across markets. Chung (2005) formulated the hypothesis that service providers and consumer-close products are, within the European Union, more likely to standardize their marketing strategies across markets to a higher level than manufactured goods, which are not as dependent and
heterogenic with its customers as the service good (Chung, 2005). It is further stressed that business across markets within the European Union motivate a standardization of marketing processes, since it could be concluded that the countries within the EU are to some degree similar and can hence possibly be handled with the same and standardized processes. This is not the case, due to culture, which are still different and will maintain to differ from one another (Chung, 2005). Hence the importance of culture on doing business across borders is immense, since this is the factor among others, determining the degree of standardization of the product. Chung (2005) also analyzes the UK and Germany as the “two largest economies in the EU region” (Chung, 2005, p.1356). Chung found out throughout his study of 2005, that service operators are more likely to adapt their product within the markets in the EU, compared to manufactured good operators. He suggests that the countries Germany and Sweden “can offer some extend of similarity which allows firms to adopt a standardised marketing strategy across these countries” (Chung, 2005). This conclusion is quite interesting for performing the current research on how a health care service performing company from Sweden adapts or standardise their services and marketing activities across the Swedish market on the German market.

According to the Worldbank the trade in services in Sweden and Germany as percentage of the Gross Domestic Product (GDP) in US Dollar has risen over only a few years, from 2005-2012. The data only longs from 2005 to 2012 since the data has only been started to be recorded in 2005. While Germany’s service trade scored 14.3% in 2005, Sweden scored in the same year 20.5%, while until 2012 the trade of service scored in Germany 16.7% and in Sweden 22.3% (Worldbank, 2013). This leads to the conclusion that the service industry has developed and its trade has increased, with a tendency to similar development in the future. The importance of services for a country increases with the rise of the percentage of service trade of the GDP.

Elekta AB is a health service providing company with its headquarters in Stockholm, Sweden, where it also has been founded. The main field of Elekta is to develop state of the art tools and treatment planning systems and procedures for cancer treatment, such as radiation therapy, radio surgery, brachytherapy and furthermore software systems all around the treatment of cancer. Elektas’ services seek to save lives. Their core customers are clinics or cancer specialised centres, where their machines and services can be applied to cure cancer. The Swedish company is nowadays offering their services and product internationally. This study has been inspired by previous studies, which were all based on the model of international services
marketing, which has been developed by Hyder and Fregidou-Malama in 2009. Since the study of Elekta in Egypt in 2009, there have been many studies broadening this research project about different countries, which so far are the Philippines by Rydback, (2011), China by Hong and Lin (2011), Brazil by Fregidou-Malama and Hyder (2011), Russia by Bazyleva and Zaytseva (2012), Hong Kong by Gutehall (2013), Argentina by Eriksson (2013) and Sweden by Nadowska (2013).

While these countries are spread all over the world, we discovered that there has been no study of a western European country before. Although its home country is Sweden, we wondered how Elekta establishes in a market which is culturally similar to Sweden. Hence we choose Germany as our host country, which we want to study in the scope of Elekta’s international services marketing in the health care sector. This also leads to the application of the international services marketing model by Fregidou-Malama and Hyder from 2011. Our aim is to broaden the research project and find out how Elekta adapts or standardize, built trust and networks in a cultural similar environment to Sweden, Germany.

1.3. Problem and aim

The aim of this study is to examine the international service marketing process of Elekta in Germany. Standardization/Adaptation, Trust; Network and culture are chosen as variables to overcome service characteristics in the foreign environment. The research aims to analyze how the factors adaptation/standardization, trust and network are influenced by cultural aspects and how they are applied in the services marketing health care services in Germany compared to Sweden.

The former studies of the research project, of Egypt, Brazil, the Philippines, China, Russia, Hong Kong, Argentina and Sweden have dealt as secondary data. To collect primary data questionnaires and interviews have been conducted with customers of Elekta services in Germany and Elekta employees in Stockholm, Sweden.

It is furthermore interesting to examine the service industry within Germany. Hence the service production based in Sweden might need to adapt to the German environment. We want to find out to which degree culture and its dimensions affect the marketing of a health service in Germany, to which degree the product needs to be adapted or standardized and which dimension influences this decision. The same counts for the establishment of trust, which is crucial within services marketing, and how trust is influenced by the new culture of the new custom-
ers. Also is of importance, how a network is built and how this network is used and how this is also influenced the host countries culture.

1.4. Research questions

Hence the aim of the study if the above mentioned, the following research question should help to identify the cultural difference between Germany and Sweden for the health service marketing of Elekta. These are the following:

- How does Elekta AB adapt or standardise their service in a cultural different market, such as Germany in order to overcome heterogeneity and intangibility?
- How does trust play a role to overcome service characteristics such as intangibility and heterogeneity?
- How does Elekta AB use networks to address the customer to handle intangibility and heterogeneity?

1.5. Limitations

This study deals with the marketing of Elekta in Germany. This is why only employees and customers of Elekta have been conducted for primary data collection. While the patients of the Elekta medical product should be the end customer and also be studied, this would go beyond the constraints of this study and the research project.

The target audience of this study are among others, preliminary master level students, teachers and researchers from the field of business administration and services marketing as well as companies within the relevant field. Hence they should provide sufficient background knowledge to understand the topic.

1.6. Outline of the study

This study is presented in the following throughout six chapters, as shown in Figure 1. Figure 1 also illustrates the funnel shape of the study, starting from a broad perspective and narrowing the study topic down to own conclusion.

The first chapter (Introduction) presents information about why and how the study has been done.

This is followed by chapter two, the Theoretical Framework. Here relevant former theories are presented to give a basic and advanced understanding of the research field, like services, international services marketing, culture and network theories. This chapter is closed by the
development of a theoretical framework to clarify the study structure and topics. Chapter three, the Methodology delivers information about the design of the study, the data collection, the data analysis and how the primary data has been conducted. These methods were applied and let to the results and data listed and explained in the empirical study, chapter four. 

The next, fifth chapter, Analysis and discussion, analyzes the collected data from chapter four and the data is compared with the theories and theoretical framework from chapter two. The last, sixth chapter, conclusion, sums up the study findings, gives implication for further research as well as possible limitation of the study.

**Figure 1: Outline of the study**

![Outline of the study](Source: Own construction)
2. THEORY

In this chapter the literature is reviewed throughout discussing relevant theories around the topic of this study including services, international services marketing, culture, cultural dimensions and differences, adaption/standardization and trust and networks. As a conclusion a theoretical framework has been developed and closes the chapter.

2.1. Services

In the following we will sum up the theories about how services are different from products and what characteristics are specific for services.

2.1.1. Service Characteristics

Marketing of manufacturing goods has been the basis for most Marketing theories, but when service products have to be marketed their characteristics ask for adaption in marketing in some dimensions. It is not sufficient to only compare services to goods, which has so far been common with in the service business research. Furthermore services are compared and treated with goods, the use and the terminology, and are defined in comparison with goods. This does not leave any room for understanding services just as they are. (Gummesson, 2003).

- Intangibility: Services are intangible, which means they are not touchable or visible, only the result of the service can be seen or felt (Grönroos, 1999; Samiee 1999; Knight, 1999; Gummesson. 2003).
- Perishability: Second, services cannot be stored, which is that they cannot be produces in advanced and stored until their point of sales, like manufactured goods (Grönroos, 1999; Samiee 1999; Knight, 1999; Gummesson. 2003).
- Simultaneous production and consumption: Third, the service production and service consumption have to be delivered at the same time. The presence of the consumer is necessary (Grönroos, 1999; Samiee, 1999; Knight, 1999; Gummesson, 2003). For instance in a hairdresser saloon, the hairdresser can only perform their service when a customer steps in and demands a haircut.
- Heterogeneity: Lastly fourth, services differ with every production and consumption, because every service consumer demands another kind of service (Grönroos, 1999; Samiee 1999; Knight, 1999; Gummesson, 2003).

Grönroos (1998) also mentions the characteristics of services as their intangibility, heterogeneity, inseparability of consumption from production and the impossibility to keep services in
stock. Grönroos (1998) stresses the last two aspects as most important for services. While physical goods can be produced beforehand and kept in stock, services need the customer to be present during the production process which is taking place at the same time as its consumption (Grönroos, 1998).

The service characteristics, which have been explained above, are summarized in Figure 2. These are intangibility, heterogeneity, perishability and inseparability. The characteristics make services a product which is rather complex to adjust and standardize at the same time. Therefore services need to be separated from products and need different approaches to be sold successfully (Grönroos, 1999).

**Figure 2: Service Characteristics**

![Service Characteristics Diagram](image)

Source: Own construction

Hence the nature and characteristics of services have created difficulties for marketing. Like Hyder and Fregidou-Malama (2009) also mention, services cannot be readily communicated because they are intangible, which necessitates a simultaneous production and consumption. Involvement of the human factor in service production leads to the demand of heterogeneous services and makes the delivery of a standardized service quality almost impossible. These characteristics further hamper international market expansion of services. Since people across national borders are not only culturally different, the same service element can be perceived different in different countries. (Grönroos, 1998; Grönroos, 1999; Samiee 1999; Knight, 1999; Gummesson, 2003; Hyder and Fregidou-Malama, 2009).

The 21st century will be the “century of services”, and as globalization continues, also the “century of international services” (Hyder and Fregidou-Malama, 2009). The international services are defined as actions, attempts and/or simply goods and services which are per-
formed across and between countries, whereas a cultural contact cannot be avoided and should be considered as crucial (Hyder and Fregidou-Malama, 2009).

2.1.2. Service Quality

Service quality is described by Bitner and Hubbert (1994) as the customer’s impression of the relative superiority/inferiority of a service provider and its services. There are two different curves that describe service quality. Both curves describe aspects of service quality, but both of them lacking a full description (Prakash and Mohanty, 2013). The first curve is The Nordic viewpoint. Grönroos (1984) describes the elements of service quality in global terms as consisting of functional and technical quality. The second is the American curve from Parasuraman et al. (1988), who considers that terms are used that describe service encounter aspects like for example reliability, responsiveness, empathy, assurances and tangibles. Kanchana and Wannee (2013) show how market-oriented firms in the service sector can lead to service quality and performance benefits of new service. The facts show a high positive relationship between market orientation and service quality. From their findings we can conclude that service firms are more likely to focus on both market orientation and service quality, in turn, have higher new service success. Service quality can give high returns to the company when it is done correctly. Prakash and Mohanty (2013) conclude that the higher the levels of the produced service quality, the higher will be the level of customer satisfaction, which can lead to increased intensions and higher sales. A low cost strategy or product strategy can also have this outcome but, service quality if used correctly is more difficult to be copied from competitors and can have a longer competitive advantage. This is because it is more difficult to make a good service than to change the price or to differentiate the inventory of goods available. Another fact that managers should take care of is the influence of culture in the perception of service quality. According to Tsoukatos and Rand (2007) culture and service quality are related. They conclude that service expectations of the customers are affected by their cultures and that the culture determines the importance of service quality elements to the customers.

2.2. International Services

When the decision has been made to go international and to overcome borders, a target market needs to be selected. Here the structure and the organization of the company itself are playing a key role among others. Furthermore it is important to be aware of which type of service is going to be internationalized. Lovelock (1983) describes three categories of ser-
vices. First, people-processing services, which involve each customer directly in the delivery of services, they are targeted at the customer in person. Second the possession-processing services, which are targeted at physical objects belonging to the customer. Thirdly, information-based services, which are targeted either at customers’ minds (mental-stimulus processing) or at their intangible assets (information processing) (Lovelock, 1983). Such classification is important to understand the involvement and matter of people and technology in offering a service (Hyder and Fregidou-Malama, 2009).

Offering services on international markets needs the service producer to be aware of the local culture, tastes, preferences and habits (Hyder and Fregidou-Malama, 2009). The adaptation of services to foreign markets is considered as more difficult as the adaption of tangible products, like goods. On a domestic market contact service principals usually have a common culture, while international principals probably have significant cultural differences to start with (Hyder and Fregidou-Malama, 2009).

According to Tan et al. (2013) is the trend of globalization becoming stronger. Companies market their products to other foreign markets in order to gain more costumers and gain bigger market share. Successful marketing strategies are important for the success of the company. One of the great issues of the managers is, if they should standardize their marketing programs or if they have to adapt to the current market characteristics (Tan et al., 2013). Multinational companies, with the effort to expand their global presence and market share, increase profitability to overcome problems related to saturation of existing markets, continually seek opportunities for growth” (Vrontis et al., 2009, p.479). According to Cadogan (2012) the most interesting issues requiring focused and detailed research attention about international marketplaces and to which degree they are different from domestic markets. An international marketing context brings new variables into consideration. For example, variables and capabilities, which are unique and singular to a firm’s international marketing operations (e.g. degree of internationalization, international experience, cultural awareness, language capabilities) (Cadogan, 2012).

When a company plans their international marketing, they export their products in foreign countries. A major decision is if they have to use a standardised marketing mix (product, price, place, promotion, people, physical evidence, process management) with a single marketing strategy in all countries, or to modify the marketing mix to the special characteristics (culture factors, political factors, economic factors etc) of each country (Vrontis et al., 2006). Chung (2007) means that for a standardized marketing approach of a foreign market it is im-
important to compare the home market characteristics with the foreign market characteristics. Managers have to identify the standardized factors and to build a standardized marketing approach. It has been identified that the firm size, the international experience of the firm, the customers characteristics, the legal environment, the cultural distance and the nature of the products play a moderating role in a firm’s adoption of a particular approach and the performance, which is measured by market share and sales growth, dependent on the relevant marketing program elements (i.e. product, price, promotion and place). (Chung et al., 2012).

The method to create an international marketing strategy is to combine the two different approaches. First the standardization/adaptation approach and second the central/de-central decision making approach. According to Chung et al. (2012) there are four types of approaches in the international marketing strategy. The first approach consisted of standardized approach and centralized way of decision and is called the global approach. In this category companies have implemented a standardized approach of marketing in all the markets that they operate. All of the company’s strategic elements in the foreign market are the same with the home market. By using this method companies can have their original product and marketing characteristics in all the counties that operate. The global approach is the mixing of standardized approach and a decentralized decision-making structure (Chung et al., 2012). Companies that they use this method have created a standardized set of strategies at their headquarters, but they have left the implementation of these strategies to local managers. In this second strategy, local managers have the power to implement this standardized approach in their segment (Chung et al., 2012). The regcal method, which is the third approach, is the combination of adapted marketing plan and a centralized company structure. In this method, companies use a centralized decision-making structure and create an adapted marketing strategy for their activities in a foreign market. A key characteristic of this method is that allow the headquarters to better integrate their activities in the foreign markets that they operate. By having this formation in their company structure, companies are able to pass throughout their experience and expertise to their operations in other markets (Chung et al., 2012). Finally the local method is a mixing of adaptation marketing plan and decentralization company structure. Each different market is viewed differently from the other markets and is operated by a marketing program that is created and implemented by local managers (Chung et al., 2012).

Knight (1999) defines international services as “deeds, performances, efforts, conducted across national boundaries in critical contact with foreign cultures”. As mentioned before services are different from physical and tangible products. Services can be performances, like
legal services, experiences, like from sport spectators or live theatre, they can be dependent on technical equipment, like TV, radio or other communication channels, or dependent on people, like management, consulting or simply a hairdresser (Knight, 1999).

As summarized by Knight (1999) international services, can due to their characteristics and the importance of those characteristics for the service product to succeed, influence many decisions when a company wants to internationalize. The mode of entering the international market is influenced by the service, the customer’s perception of the service and the evaluation of the quality of the service. A key drawback of international services marketing is to overcome barriers which are connected to the individual countries characteristics and the close connection of services and culture, due to the high involvement of the customer. Services are customer-centred, also because its simultaneous production and consumption, which needs the presence of the customer, and therefore the cultural differences to the home country customers’ culture needs to be examined and possible adapted to in order to succeed with the service in the host country. In general it can be summarized that the internationalisation of manufacturing firms is less complex than it is for service producers. To be successful offering a service, marketers are required to examine and understand the difficulties thoroughly; most of all the ones related to service characteristics and the foreign market a company wants to perform in. (Knight, 1999).

2.3. Cultural Differences in international services

Within Homburg et al. (2009) it is shown that trans-nationality and culture affect the choice of governance modes. Agndal and Chetty (2007) find that business relationships in international environment are more influential. Internationalization is an ongoing process and that is why internationalization strategies can change in various ways. Internationalization has two general aspects. First in which country will company conduct business and also which internationalization mode (organizational structure) will be used to enter to that market.

To export or trade services in foreign markets it is important for the company to know the local culture or else the failure possibilities will be high. In order to succeed in the international environment companies have to learn about the foreign markets, for example, the cultures and institutions of these markets (Wilson et al., 2004).

According to the findings of Agndal and Chetty (2007) the “Analysis of the case studies reveals that relationships played an important role”. As mentioned by Ahmed (2010) marketers have known for a long time now that relationships are important for business. This is even truer in countries in the east because their relationships are more important because of their
culture. To build long successful relationships one has to build an environment of trust and commitment with the customers in order for the relationship to succeed. The findings suggest that interpersonal relationships play a significant role in the international business environment. Personal and organizational factors are important in order to build trust and commitment. Also Ahmed (2010) suggests the need of appropriate staff to be involved in order to develop and maintain international business relationships. Multinational Customer Relationship Management (CRM) strategies have to contend in other countries with differences in infrastructure and also in institutions. Infrastructural differences like the levels of economic development and the availability of technological solutions or communication network is a major factor that is affecting companies to successfully apply the Customer Relationship Management strategies. Likewise institutional factors like norms, regulations, culture etc also affects the ability of the companies to adapt to that environment (Sharma and Iyer, 2006). Customer Relationship Management implementation is highly depended on various country factors. As Sharma and Iver mention, “Success of CRM strategies depend to a large extent on the ability of the firms to gather and process customer information as well as their ability to devise and implement tactics based on such information”. With this Sharma and Iver (2006) want to express that countries are not the same, they have different infrastructure development and marketing institutional development and for this reason a standardized CRM strategy is not applicable. Companies have to develop unique CRM strategies that are based on the unique characteristics of each country that they operate in (Sharma and Iyer, 2006).

2.3.1. Cultural Awareness

As stated in the citation of Hofstede (2003, p.3) culture is everywhere. It does not stop on borders and nor can it be ignored. Every individual is influenced by its culture and influencing its environment itself. So as the individual works in a company, which results to a big number of individual cultures forming one company has been examined while internationalization in service, service providers keep their global concept while adapting when it comes to the question of organization and marketing. According to Hyder & Fregidou-Malama (2009) it is stated that “the customer contact or front room operations require sensitivity to the local culture” and that the best approach to this is through hiring and training locals who know how to handle the situation (Hyder and Fregidou-Malama, 2009).

This also implies that cultural adaptation requires modification in the service delivery. It can be expected that a cultural difference will demand a certain level of adaption. Service providers need to be aware of local customs and aiming to adapt to the differences. But an interest-
The defining issue is the Who: who will adapt to which culture—the buyer, the seller, or both? According to Fregidou-Malama and Hyder (2011) local culture is significant when performing management practices, relationships and building trust between the collaborating partners, such as buyer and seller, hence differences in national cultures indicate differences in the way how a service concept can be introduced to a foreign market (Fregidou-Malama and Hyder, 2011).

Yeganeh (2013) argue that in case culturally different parties encounter one another there is a high possibility for arising difficulties or conflicts, increasing costs, communication problems and also an increase in risk. Hence the impact of cultural differences on entry modes and the relationship stability needs to be examined and assessed (Yeganeh, 2013). Due to the still expansion of globalization the importance of culture and cultural differences has risen for business relevant decisions, behaviours and outcomes, especially in the field of international marketing (Brewer and Venaik, 2012).

2.3.2. The Hofstede national cultural dimensions

“The world is full of confrontations between people, groups as well as nations who think, feel, and act differently. At the same time these people, groups, and nations are confronted with common problems which demand cooperation for their solution. Ecological, economical, military, hygienic, and meteorological developments do not stop at national or regional borders.” (Hofstede, 2003, p.3). As Hofstede mentions there is no actual border-like limit which can stop any kind of development. Hence business is crossing national borders as well and therefore confronted with the respective local culture, which the single country embodies. Since there exist different approach from different authors, like Hofstede et al. (2010), Trompenaars and Hampden-Turner (1993) or the GLOBE cultural dimension. According to Hofstede (2003) is culture a mental program, which is learned and not inherited. Hofstede developed six cultural dimensions throughout his research of an international company, IBM.

Culture is a relatively complex concept, one way to understand culture is to examine its most important characteristics and the visible cultural differences. This leads to the reduction of the cultural term to the “clear-cut, ethical, and often bipolar constructs” termed as the “cultural dimensions” (Yeganeh, 2013).

Referring to Hofstede, national cultures can be described throughout six dimensions:
high/low power distance (PDI), individualism/collectivism (IDV), masculinity/femininity (MAS), high/low uncertainty avoidance (UAI), long/short-term orientation (LTO), and indulgence/restraint (IVR) (Hofstede et al., 2010).

The first cultural dimension, PDI, refers to the level of how members of a society, a group or a culture with less power accept and expect that power is performed unequally and how this inequality is dealt with. Cultures with a high power distance are accepting a hierarchical order, which assigns everyone a certain position within this hierarchy. In low power distant societies their members seek to equalise the power distribution (Hofstede et al., 2010).

The second dimension, IDV describes the degree to which a society expects members of a group or culture to take care of themselves and their closest family-members, whilst collectivism has a broader framework, where the individual is taking care of and can expect the reverse from relatives and members of in-groups in exchange of loyalty to each other. This also means that individual countries have a certain sense of responsibility to themselves and their duties and are hence communicating in a straight and direct manner to ensure their loyalty and honesty. It gives information about the evaluation of family in a society and if people act in a “We”-manner or focus on the “I” (Hofstede et al., 2010).

Uncertainty avoidance, or also UAI, expresses the degree to which individuals within a culture feel uncomfortable or threatened through uncertain or unknown events. Essential is the level of how the society tries to control the future and sets limits to reduce risks or to let the future happen as it comes. Societies with a low UAI index tend to create practices more than principles, rules and laws (Hofstede et al., 2010).

A masculine culture is characterized to value achievement, competition, material reward, assertiveness, heroism, promotion, and challenges in work higher than feminine attributes, such as where culture, cooperation, caring for the weak, good relationships, security in work and a quality of life, are primarily important (Hofstede et al., 2010).

The fifth dimension is long-term orientation versus short-term orientation (LTO). Long-term orientated countries are willing to adapt traditions, save and invest money and preserving achieved results for the future, they depend on the context, the time and the situation. In contrary the short-term orientated countries respect their traditions, they aim for quick results and are not saving a lot for the future, they value the “now” more than the future (Hofstede et al., 2010).

A sixth dimension has been added lately in 2010, which is Indulgence versus Restraint, IVR.

It gives information on the degree on how a society/culture values enjoying life, having fun and allowing free gratification of basic and natural human desires. These cultures “work to
live”. Whilst restraint cultures try to eliminate gratification of needs and apply strict social frames and norms. These culture “live to work” (Hofstede et al., 2010).

But it should be considered, as mentioned by Hofstede himself, the dimensions refer to national cultures and should not be applied to the individual only (Brewer and Venaik, 2012).

Culture and the characteristics of the culture and the effects that the culture has on the people, business and generally in the life are not only analyzed from Hofstede. There does not only exist cultural dimensions and studies of culture by Hofstede, Other studies for example, Trompenaars and Hampden-Turner (2012) mention that it is crucial for success in the business environment to know and understand your own culture, assumptions and expectations. According to Trompenaars and Hampden-Turner (2012) there are five dimensions that effect how the people doing business and managing and also their actions in front of moral dilemmas. These dimensions are universalism versus particularism, individualism versus communitarism, neutral versus affective, diffuse versus specific and finally achievement versus ascription. The first dimension refers to how the people judge others behaviour. The second dimension describes the orientation that a person has. Individualism is when the person is oriented to himself and communitarism is when the people are oriented towards to common goals and objectives. The third dimension neutral versus affective refers on how people on a society express their feeling. The fourth dimension characterizes how the private life separated from the public life. Finally achievement versus ascription is the dimension that measures how people measure statues. Some societies measure it by the achievements and others form the age, class, gender etc.

Venaik and Brewer (2013) in their research criticize Hofstede and the reliability of his dimensions. The dimension scores are average and consisted of items that are not related and therefore do not form a valid and reliable measure for the culture dimensions for individuals or organizations. Hence these scores cannot be used to characterize individuals or a particular group of people inside a country. The cultural dimension scores are therefore not quite valid for use of marketing management that is concerned with individual-and segment-level consumer behaviour. Another author that criticizes Hofstede is Blodgett et al. (2008). They stress that Hofstede’s cultural dimensions are insufficient when you try to analyze individuals. Also in totally the majority of the dimensions were lacking validity. The reliabilities of the four dimensions were relatively low, and final the factor analyses did not result in a coherent structure.
2.3.3. German culture dimensions Germany versus Swedish

Hofstede studied 93 countries and their cultural dimension in his IBM (International Business Machines Corp.) study (Hofstede et al., 2010). Below the authors developed a Figure (Figure 3) and a table (Table 1) to visualize the national cultural dimensions for Germany and Sweden. In Figure 3 the red column represents Germany, while the blue column represents Sweden. The numbers are the score, which each country rates on the Hofstede dimensions. Table 1 shows the national culture dimension scores in a clear comparison.

From the Figure 3 and Table 1 it is visible that the two countries are quite similar in the Hofstede cultural dimensions. The two differences are in masculinity versus femininity that is quite big difference and the uncertainty avoidance. Germany that is scoring high in the MAS dimension, which means it is a country driven by competition achievement and success. They try to be best and it is a system that starts from the early life in school and continues in the life and in the organizations. In contrast Sweden has one of the lowest scores in masculinity/femininity. Sweden score is 5. In that type of society the criteria for success is not an expensive car but rather the quality of the life itself (Hofstede et al., 2010). Sweden is a country that has achieved a high quality standard of life that is supported by a high-tech capitalistic system that provides multiple welfare benefits. Sweden has a modern distribution system, excellent internal and external communications and a skilled labour force (Svensson et al., 2009).

The other dimension is uncertainty avoidance and the meaning of this is how the society sees the uncertainty of the future. This uncertainty factor leads the people to different reactions according how the culture of the people copes with this factor (Hofstede, 1980). Germany is thought to be a country of high uncertainty avoidance and a low Power Distance indicator.

“Culture has a profound effect on all aspects of international marketing strategy” (Tae and Sang, 2011, p.18).

According to Chung (2005) although is not possible a complete similarity in the marketing environment of the European Union, it is some way possible for companies to create a group of similar characteristics country markets in the EU region. For instance they can create segments such as UK-France or UK-Germany, UK-Ireland, Germany-France, Germany-Italy and finally Germany-Sweden that they have at some extent some similarities which can allow to firms to adopt a standardised marketing strategy in these segmented countries (Chung, 2005).
Figure 3: Cultural Dimensions Germany versus Sweden

![Graph showing cultural dimensions comparison between Germany and Sweden]

Source: Own construction, adapted from Hofstede et al. (2010)

Table 1: Cultural Dimensions Germany versus Sweden

<table>
<thead>
<tr>
<th>Cultural Dimensions</th>
<th>GERMANY</th>
<th>SWEDEN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Index</td>
<td>Index</td>
</tr>
<tr>
<td>Power Distance Index (PDI)</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Individualism/Collectivism (IDV)</td>
<td>67</td>
<td>71</td>
</tr>
<tr>
<td>Masculinity/Femininity (MAS)</td>
<td>66</td>
<td>5</td>
</tr>
<tr>
<td>Uncertainty Avoidance Index (UAI)</td>
<td>65</td>
<td>29</td>
</tr>
<tr>
<td>Long-term/ Short-term orientation (LTO)</td>
<td>83</td>
<td>53</td>
</tr>
<tr>
<td>Indulgence/ Restraint Index (IVR)</td>
<td>40</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Own construction, according to Hofstede et al. (2010)
2.4. Relationships within Services Marketing

Since the characteristics of services are creating a high level of risk for the service customer it is essential for the service provider to create a relationship to the customer and create trust. Trust can help to decrease the level of uncertainty and risk and motivate the customer to purchase the service product, which cannot be tested in advance nor evaluated.

The importance of maintaining a long-term relationship to the customer is recognized in the field of industrial marketing, but long-term relationships are only possible where there is trust between the parties, like buyer and seller. As mention by Hyder and Fregidou-Malama (2009) trust is required to be built and maintained continuously to succeed with services and the internationalization process.

It can be considered that uncertainty for service providers and their customers rises when the services are performed on an international market. Then trust becomes crucial, if a large cultural difference exists between the nations of the service providers and the local customers (Hyder and Fregidou-Malama, 2009).

The essence of relationship marketing in the service industry is to design and market a “core service” (Berry, 2002). The core service attracts customers, keeps customers through high-quality performance and offers additional services to add more value to the core service. According to Berry (2002) the service characteristics, as mentioned above enable the service provider to adapt the service product to the customers’ needs and demands. These specific needs and demands require the service provider to identify the customer, the culture and environment in order to create a repurchase intention and build a relationship between customer and the service company. Added services, to the core value can help to keep the customer, which is less costly then attracting new customers. Relationship marketing aims to attract, to maintain and to build relationships and a link to the service customer (Berry, 2002).

Relationships are referred to as interactions between at least two parties – basically a seller and a buyer. There also exist more complex relationships which grow into networks (Gum-messon, 1994).

The service products of Elekta, its information systems and clinical solutions are a result of customer relationships with partners in research and product development (Elekta AB, 2013).

2.4.1. Network

Each actor on a market, with its unique technical and human resources, is connected to others through its relationships. Through these relationships, companies can gain vital information and get access to resources they need to run their business activities.
Anderson et al. (1994) define networks within a business environment as a set of two or more connected business relationships, in which each exchange relationship is between business firms, which embody the actors. While an actor of a network performs activities and employs resources within and from the network. This furthermore leads to the characterization of business relationship, which consists of three components: activities, actors and resources. These components build the network triangle (Anderson et al., 1994). According to this network model, actors carry out activities and/or control resources, which occurs when one or more actors combine, develop, exchange or create resources. The emphasis of network model rests on an exchange of information, access, and accumulation and coordination of resources between the interacting actors. Resources from other actors within the network can be important in gaining access to new customers or strengthening relationships with existing customers (Donaldson and O'Toole, 2007; Hyder and Fregidou-Malama, 2009). Trust is the essential essence on which a network is built upon.

Networks can be of use in making resources such as capital, manpower, marketing channels and support from government organizations available, in order to conduct business and create the buyers awareness and intention to pay for a service (Hyder and Fregidou-Malama, 2009).

According to Swaminathan & Moorman (2009) the research shows that, general, marketing networks and alliances create value such as stock returns etc, for the companies within. Also, network efficiency and network density have high positive impact when they are slightly moderate. The research of Swaminathan & Moorman (2009) shows furthermore how important a network and the characteristics of a network is and not only the size and the status of a firm. In the end marketing network capability reflects a firm's ability to manage a network of previous marketing alliances and the research shows that this has a positive impact on value creation. Batonda and Perry (2003) did research on how culture affects networks. The results of the research Batonda and Perry (2003) show that the differences in the way Australian and overseas Chinese understand the culture and culture characteristics of the opposite side and their own suggest that each party should be culturally sensitive and prepare to adjust or modify to the other party-company business culture and national culture. Having knowledge and understanding of the company’s culture, establishing a common ground and developing personal relationships, helps to build and sustain a business network. Also for this reason it is primary important to be flexible.
2.4.2. Trust

Donaldson and O’Toole (2007) argue that the most helpful concept to affect a relationship atmosphere is trust and commitment. Depending on the level of trust and commitment, different types of relationships can be established, for example partnerships, friendships or competitiveness. Trust includes keeping promises, performing competently and the willingness to act with added value. Indicators of trust for high trust can be the characteristics of an actor, the actor’s reputations, the willingness to adapt and invest. Trust is and trusting behaviour is a managerial intention and needed to build trustful relationship (Donaldson and O’Toole, 2007). As stated above it is especially for service performance crucial to build a high trust level since the customer cannot assess the service product and needs to rely on the service producers’ promises and eventually former experiences. Trust can help to overcome this gap of intangibility and establish a relationship to the customer. It also helps to overcome other crucial service characteristics, which is heterogeneity. Every service is different from the former one, they cannot be compared nor standardized.

A central element of service relationships is trust. Morgan and Hunt (1994) highlighted that “relationships exist through the retention of trust and commitment” (Morgan and Hunt (1994) cited in Osarenkhoe and Bennani, 2007). This indicates that a high level of trust will result in a higher level of a successful relationship. Hence cooperation, trust and satisfaction of the customer are among others the key concepts in relationships. Trust is important for the business environment exchanges such as for buyer-seller relations, employee-employer or other inter-company relationships (Osarenkhoe and Bennani, 2007).

Relationships should be considered as strategic, long-lasting and important for a company, which seeks for the planning of the customer relationship processes within as well as out of a company. Hence the following stages are advised to follow to manage customer relationship strategies. These involve the analysis, the formulation, selection, and the implementation of the customer relationship strategy (Osarenkhoe and Bennani, 2007). It should also be aware, that relationships need to be maintained and tried to be kept successful, since a damaged relationship is difficult and expensive to repair once it has been damaged. Hence most strong relationships are based on trust, which is hard to regain ones lost. (Osarenkhoe and Bennani, 2007).

From previous research, for example Koschate-Fischer et al. (2012), Zeugner-Roth and Zabkar (2011) and Miachelis et al. (2008), which has been done, it has been found that another
factor which affects trust is the country of origin (COO) According to Koschate-Fischer et al. 
(2012) COO has a positive impact on willingness to pay. Also Zeugner-Roth & Zabkar (2011) 
find that, overall, country characteristics affect complement the well-established impact of 
country characteristics on behavioural intentions. Also, in many occasions, the relationship 
between country personality-characteristics and behavioural intentions is mediated by country 
cognitions and country affect. Yu et al. (2013) mentions, that if there is continuity in the 
COO, this helps for example the brand image to have a positive effect on the purchase desire. 
Michaelis et al. (2008) states that only limited research has been done about how COO affects 
services and the impact of COO on such mediators as trust, which is a key driver of relation-
ships. Michaelis et al. (2008) state further that when a service firm enters a market abroad, the 
establishment of trust is essential to minimize risk. This is overall important for service firms 
and their new, foreign customers, since there exist no trust, based on their experience or the 
company’s reputation. Initial trust needs to be developed for example throughout COO and 
corporate reputation, which is especially important for international service firms (Michaelis 
et al., 2008).

While COO information is phrased throughout “Made in...”, it influences the decision-making 
of the customers. It is used to evaluate new and unknown products due to its COO and its 
reputation, especially when knowledge about the quality and performance of the product is 
missing (Michaelis et al., 2008). This is even more the case for services, due to their charac-
teristics, such as intangibility, heterogeneity, perishability and simultaneous production and 
consumption.

2.5. International Business Decisions

Vrontis et al. (2009) state that when doing international business not only the environment is 
important where the business is performed, such as the country, its culture and other limita-
tions like regulations, politics, laws etc. But also the company, its culture, its organization and 
structure influence the way business is conducted, hence especially when the decision has 
been made to do international business. Moreover a macro-environmental view include fac-
tors such as the local climate, race, topography, occupations, taste, law, culture, technology 
and society and further the consumer tastes, disposable income, taxation, nationalism, local 
labour costs, literacy and levels of education. Considering these factors, the international 
company needs to decide to whether adapt their marketing strategy and fit the requirements or 
to standardize and offer the same product on different markets. (Vrontis et al., 2009).
2.5.1. Adaptation/standardisation

There have been many definitions of the standardization of marketing. For instance that standardization is a common marketing program on a worldwide basis or the view of marketing strategy standardization as the “standardization of the pattern of resource allocation among marketing mix variables across national markets” (Ryans et al., 2003). The global marketing strategy concept embodies “the degree to which a firm globalizes its marketing behaviours in various countries through standardization of the marketing-mix variables, concentration and coordination of marketing activities, and integration of competitive moves across markets” (Ryans et al., 2003).

It has also been argued that “standardization should be based on economic payoff, which includes financial performance, a competitive advantage and other aspects” (Ryans et al., 2003). The key arguments for and against standardization of international marketing strategy are handling two key components. These are cost savings, via economies of scale, and enhanced value delivery through adaptation. Homogeneous markets are influencing these components (Ryans et al., 2003).

Ryans et al. (2003) for example views markets and/or consumer wants and needs as homogeneous argue that the standardization of marketing is more effective since this allows lower costs and is increasing margins for a firm at the same time. On the other side, viewing markets as heterogeneous and consumers with different wants and needs, this stresses a greater value delivery via adaptation.

The service consumer has changed over the time. The consumer has become more accessible to marketers and more sophisticated, with extensive and varied marketing experience. As the consumer has become more experienced, he or she is perhaps more critical, especially when it come to the evaluation of service and the perceived service quality. (Ryans et al., 2003).

There is still no common interpretation of what standardization is. Although there does still exist no general definition of what standardization, they include the notion of standardization as a common marketing program and a common pattern of resource allocation among marketing mix variables (Viswanathan and Dickson, 2007).

One crucial aspect for standardization is that the forces of globalization, which are driven by technology, are homogenizing markets and that marketers should try to take this trend as opportunity by following a standardized marketing strategy (Viswanathan and Dickson, 2007). At the same time demand is homogenising as well, as the demand of high quality in combina-
tion with low costs is rising. Also in markets or countries which share a low psychic distance to the home country, and are considered quite similar to the home country, there will still exist differences in customer needs and cultural aspects (Viswanathan and Dickson, 2007).

Hyder and Fregidou-Malama (2009) argue that the adaptation/standardization decision and the development of trust should be extended by finding and maintaining local contacts and building relationships and networks. Due to high uncertainty of services, its heterogeneity, as well as the emerging uncertainty through cultural and/or physical distance and possible communication hurdles the development of a net of relationships, a local network is recommended (Hyder and Fregidou-Malama, 2009).

They mention that the key to success is finding and keeping the balance, due to the variation of the consumers’ values, attitudes and beliefs. Therefore focus on local expectations and preferences, is crucial for success on international markets (Hyder and Fregidou-Malama, 2009).

When companies decide to do business abroad they also need to decide about the level of adapting or standardizing their marketing mix (product, price, place, promotion, people, physical evidence, process management) to aim for a single unique global market or to adapt to different market requirements (Vrontis et al., 2009).

Vrontis et al. (2009) state that it is irrational for companies to completely standardize the marketing mix, hence they developed the AdaptStand approach, which recommends a company to standardize tactics where possible while adapting them only when it is necessary. Due to cost savings, it is almost logical to standardise where possible, overall standardisation throughout different market situation, especially in marketing should be avoided, since differences will most possibly occur in a different market (Vrontis et al., 2009). Therefore marketing responsible persons should consider not to be making one-time one-off choices. Where and when possible and of necessity not only marketing processes should be standardized, whilst international operations aim for local flexibility and adaption (Vrontis et al., 2009).

Global or multinational standardization on an abstract scale would include the same product, the same price, same distribution channels with the same marketing methods and messages in every country that the company is operating in (Gilani and Razeghi, 2010). Another advantage of standardization is, it allows a brand to build strong and easy recognisable global presence and hence can be identified by customers worldwide. A second advantage is the cost savings, especially through product design. Thirdly does the standardized approach enhance
better planning and control (Gilani and Razeghi, 2010). The disadvantages of standardization include first, that a standardization strategy is primarily product driven and fails to take the needs of consumers into account, which could lead furthermore to disastrous outcomes, in case the needs are varying a lot from the benefits that the product used to supply (Gilani and Razeghi, 2010).

The polar opposite of standardization is adaptation. Supporter of this view stress that there are important differences between countries in terms of culture stages of economic and marketing development, political and legal systems and customer values and lifestyles, which would imply that adaptation is the appropriate approach (Gilani and Razeghi, 2010).

Gilani and Razeghi (2010) tend to emphasize that it is advisable to adapt some elements of the marketing mix and standardize others. Even global brands, such as McDonalds or Coca Cola adapt to local tastes and change product names accordingly. Coca Cola for example adapted its name in France. The Diet Coke in the UK has been called Coke Light in France to meet the local legal requirements and the country specific expectations. Diet Coke would imply to the French culture that instead of containing reduced sugar, the drink would aid for losing weight. Furthermore McDonalds in France, the products offered include beer and yoghurts (Gilani and Razeghi, 2010).

2.6 Findings of the previous research project

As mentioned this study extends a research project initiated by Hyder and Fregidou-Malama in 2009, continued by Fregidou-Malama and Hyder in 2011 and applied within six studies for Master thesis’ at the University of Gävle. The findings of those studies are presented in Table 2 below. The table include the case of Egypt from Hyder and Fregidou-Malama (2009), Brazil by Fregidou-Malama and Hyder (2011), China by Hong and Lin (2011), Philippines by Rydback (2011), Russia by Bazyleva and Zaytseva (2012), Argentina by Eriksson (2013) and Hong Kong by Gutehall (2013). We will exclude the case study of Sweden by Nadowska (2013) since this study examined domestic services marketing and is dealing with Elektas business within Sweden, its COO.

The studies of Hyder and Fregidou-Malama (2009) of Elekta in Egypt and of Fregidou-Malama and Hyder (2011) of Elekta in Brazil have revealed intangibility and heterogeneity of health care services as the main obstacles for international marketing. The results show that five factors can be applied to overcome these barriers and make the service as tangible and homogeneous as possible for the customer. These factors are trust, network, adaptation, stan-
standardization and culture. The influence of these factors has been studied further within Elekta on different market. Table 2 shows, to which degree each factor is used by Elekta to overcome heterogeneity and intangibility. While trust is built most importantly through service quality, COO, expertise, training and experience, networks are established through maintaining good relationship with different parties, organizing international and regular events, meetings, trainings and networks. Elekta has adapted their legislations (allowing family member to be part of the process), the price, the recruitment systems, payment method, restrictions and added services. On the other hand Elekta standardized the service, product and price, the trainings, and the service quality, market entry and their sales and marketing. The cultural factor has been researched in the case of Brazil and Hong Kong. These studies show the importance of the following cultural issues such as conflicts, formal/ informal relationships, local customers, willingness to protest, negotiation and hierarchical issues. Hyder and Fregidou-Malama (2009) concluded that trust and network are crucial to overcome heterogeneity and intangibility as they enable a closer and trustworthy relationship to the customer and help to decrease uncertainty. For adaptation and standardization a balance should be found, to create a tangible and homogeneous service (Hyder and Fregidou-Malama, 2009) In the case of Brazil Fregidou-Malama and Hyder (2011) add the cultural factor and found that the Hofstde dimensions PDI, IDV and UAI did affect the marketing of Elekta. They mention that the local culture influences the degree of adaptation, while the culture of the home country helps to standardize the service and they highlight further that culture is crucial to build trust and networks and it also influences the adaptation/ standardization decision and affects the marketing.
**Table 2:** Factors influencing the international marketing process of Elekta in Egypt, Brazil, China, Philippines, Russia, Argentina and Hong Kong

<table>
<thead>
<tr>
<th></th>
<th>Trust</th>
<th>Network</th>
<th>Adaptation</th>
<th>Standardization</th>
<th>Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Egypt</strong></td>
<td>-commitment to local medical education</td>
<td>-informal contact</td>
<td>-presence of relatives when visiting doctors</td>
<td>-service concept</td>
<td>-not part of the study</td>
</tr>
<tr>
<td></td>
<td>-service quality</td>
<td>-doctors as part time employees</td>
<td>-political support</td>
<td></td>
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<td></td>
<td>-foreign firms technical competence</td>
<td>-supervising doctoral students</td>
<td></td>
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<tr>
<td><strong>Brazil</strong></td>
<td>branch support</td>
<td>-RS (Relationship) to government</td>
<td>-lower the price</td>
<td>-service concept</td>
<td>-conflicts</td>
</tr>
<tr>
<td></td>
<td>-training for all</td>
<td>-RS to authorities</td>
<td>-hiring local people</td>
<td>-education</td>
<td>-formal/ informal RS</td>
</tr>
<tr>
<td></td>
<td>-service quality</td>
<td>-RS to treatment centres</td>
<td>-develop the service</td>
<td>-team work</td>
<td>-education package</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-RS to universities, doctors, students</td>
<td></td>
<td></td>
<td>-local people</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>-COO -company reputation</td>
<td>-internal network</td>
<td>-joint venture</td>
<td>-product</td>
<td>-not part of the study</td>
</tr>
<tr>
<td></td>
<td>-word of mouth</td>
<td>-external network</td>
<td>-recruiting systems</td>
<td>-price</td>
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<td></td>
<td>-guarantee for repair</td>
<td>-service</td>
<td></td>
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<tr>
<td><strong>Philippines</strong></td>
<td>-Years of experience</td>
<td>-formal/ informal network</td>
<td>-structure of ownership</td>
<td>-gamma knife surgery</td>
<td>-not part of the study</td>
</tr>
<tr>
<td></td>
<td>-team expertise</td>
<td>-affiliate doctors all over the country</td>
<td>-payment scheme</td>
<td>-training</td>
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<td></td>
<td>-service quality</td>
<td>-centre’s location</td>
<td>-family involvement</td>
<td>-service quality</td>
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<td></td>
<td>-word of mouth</td>
<td>-training</td>
<td>-hiring based on personal RS</td>
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<td></td>
<td>-medical curriculum</td>
<td></td>
<td>-old equipment</td>
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<td></td>
<td>-family presence</td>
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<tr>
<td><strong>Russia</strong></td>
<td>-COO -company reputation</td>
<td>-gamma knife societies</td>
<td>-adapted assembly</td>
<td>-way of market entry</td>
<td>-not part of the study</td>
</tr>
<tr>
<td></td>
<td>-gamma knife as “gold standard”</td>
<td>-events worldwide</td>
<td>-distributor-ship</td>
<td>-global price and quality</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-training, seminar</td>
<td>-translation of software</td>
<td>-training</td>
<td></td>
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<td></td>
<td></td>
<td>-local contacts</td>
<td></td>
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</tbody>
</table>
Argentina
- company’s high credibility
- mutual dependence
- many years of experience
- participation in planning process
- use of local company’s network
- Internet
- legal restrictions
- family involved in early stages of process
- use of local distributor
- core service rules and guidelines from Elekta
- not part of the study

Hong Kong
- COO reputation
- user support, training, information
- product familiarity
- third-part supplier of dosimeters
- international user networks
- RS with authorities
- commercial memberships in professional organisations
- strong social relationships with customers
- Documentation and GUI language
- adding extras
- limited product portfolio
- presence of relatives
- price
- product sales and marketing
- service concept
- service quality
- willingness to protest
- negotiation
- dual RS with authorities
- informal feedback from customers
- hierarchic view on RS

Source: Own construction; adapted from Gutehall, 2013 from Hyder and Fregidou-Malama, 2009; Hong and Lin, 2011; Fregidou-Malama and Hyder, 2011; Rydback 2011; Bazyleva and Zaytzeva, 2012; Eriksson, 2013

2.7. Theoretical framework

A possible way to overcome the hurdle of communication and intangibility is by the creation of trust and networks in the local market. The customer can only hardly if not at all assess the service quality, therefore communication can be key to create customer trust. Also is the quality of services hard to standardize and maintain, with every customer and its cultural differences the demand and understanding of quality differs. As stated by Hyder & Fregidou-Malama (2009) “Quality depends on the ability of the consumers to describe their needs and the service providers to satisfy them” (Hyder and Fregidou-Malama, 2009).

To overcome possible obstacles, due to service characteristics e.g. the intangibility or heterogeneity, variables such as adaption/standardization, trust and networks need to be considered. Adaptation/standardization is central in the model facilitating trust and networks. While through standardization of services, service quality can be provided, an adaptation can facilitate the response to local culture, needs and values (Freguido-Malama and Hyder, 2011). It is assumed that due to the establishment of networks and trust, such problems, which are related to the characteristics of services, like heterogeneity and intangibility can be overcome (Freguido-Malama and Hyder, 2011). The aim of this model is to overcome such hurdles created through services heterogeneity and intangibility and to create a homogeneous and tangible service product. Whilst adap-
tion and standardization can eliminate heterogeneity issues, trust and network can help to overcome intangibility and communication barriers (Hyder, and Fregidou-Malama, 2009).

Zeithaml stressed that in case a service cannot be communicated, it is hard for customer to evaluate the service and the value which it can deliver (Zeithaml et al., 2009). The service and its quality is hard to be assessed by the customer, hence a good communication between service provider and customer can enable better knowledge about local needs and preferences and also communicate the value a service can offer.

The model in figure 4 has been extended through the culture variable. Culture surrounds every action, no matter where and what takes place. Hence cultural difference need always be considered, especially when services, which are rich in personal interaction, are performed (Fregidou-Malama and Hyder, 2011).

There are also other characteristics of services besides its intangibility and heterogeneity, such as the perishability and inseparability. But considering the internationalisation process of services intangibility and heterogeneity are identified to cause more difficulties to be overcome.

**Figure 4: The process of international Services Marketing I**

Source: Fregidou-Malama and Hyder, 2011

This study aims to find out how Elekta overcomes service characteristics, like heterogeneity and intangibility by applying their marketing strategy, including the factors trust, network, adaptation/standardization and to which degree culture influences this process. In addition to
the work of Hyder and Fregidou-Malama (2009) and Fregidou-Malama and Hyder (2011) similar studies have been done, examining the process of International of services Marketing by Elekta in different countries, such as Brazil (Hachmeister, Satrio, 2009), China (Hong and Lin, 2010), Philippines (Rydback, 2011), Russia (Bazyleva and Zaytzeva, 2012), Sweden (Nadowska, 2013), Argentina (Eriksson, 2013) and Hong Kong (Gutehall, 2013).

The crucial service characteristics for the decision making are the heterogeneity and intangibility of the service product. These characteristics also influence the level of trust between buyer and seller of the service and the network they act in. Trust and network are furthermore interconnected, since trust is essential for building relationship in a network. Hyder (2010) states that culture and trust are central in order to understand relationships which form the basis of networks (Hyder, 2010). The adaption/ standardization decision furthermore influences the network and trust of the future customer on the foreign market (Hyder and Fregidou-Malama, 2009).

All is influenced by the surrounding cultural aspects. This has been examined and proven by the study of Hyder (2010) “the current research work (2010) has shown that cultural background influences relationship development in networks. It is not yet clear, however, how relationships are linked together and what role cultural differences play in different cultural environments (Hyder, 2010). Furthermore have Fregidou-Malama and Hyder (2011) found that culture influences marketing decisions and processes. It has been found that the Hofstede dimensions Power Distance, Individualism and Uncertainty Avoidance have had an effect on Elektas international business activities (Gutehall, 2013, Fregidou-Malama and Hyder, 2011).

This study extends the previous studies of Hyder and Fregidou- Malama (2009), Hyder (2010), Fregidou-Malama and Hyder (2011) as well as the related previous by Hachmeister and Satrio (2009), Hong and Lin (2010), Rydback (2011), Bazyleva and Zaytzeva (2012), Nadowska (2013), Eriksson (2013) and Gutehall (2013) and adds the perspective of the cultural similar countries Germany and Sweden to the research project in order to find the impact of cultural differences on services marketing of Elekta in Germany. Gutehall (2013) summarizes the model that a balanced combination of adaptation and standardisation is crucial, to overcome international service characteristics and make the service homogeneous and tangible (Gutehall, 2013).
For a currently valid approach figure 4 has been adapted from Figure 5 in such a way that the fifth and sixth cultural dimension has been added. Furthermore are the service characteristics displayed in one circle, since they together need to be overcome as they both are service characteristics. Additionally have the arrows between trust/ network and adaptation/ standardisation been changed to point in both direction. Since we consider that, not only trust influences the decision of adaptation or standardisation, but does this also influence the level of trust the customer has towards a standardized or adapted product. According to Gilani and Razeghi (2010) do standardized products offer a high level of recognition by the customer but it also doesn’t take local needs and preference into consideration. This shows that there is an interaction between trust (and also COO) and a product which is standardized or adapted to the local customers needs (Gilani and Razeghi, 2010). The same counts for the network approach, where there also exist a two-way influence. Since network is built upon trust, the trust level differs within a network sharing standardized resources or a network which shares adapted resources. While the resources are products or services provided and purchased by the actors of the network. The actors of the network built relationships which are again built upon the trust to each other (Anderson et al., 1994; Donaldson and O’Toole, 2007)

We will examine to which degree German culture influences Elektas marketing strategy decisions, in detail the factors trust, network and adaptation/ standardization and how these factors are applied to overcome the heterogeneity and intangibility of the health service offered by Elekta on the German market.
Figure 5: The process of international Services Marketing II

Source: Own construction, adapted from Fregidou-Malama and Hyder, 2011
3. **METHOD**

*Within this chapter the applied methods of the study are explained and it is reasoned why they were chosen. The choice of methods was based on the research question as well as the aim of the study.*

3.1. **Introduction into Research**

Research is a way to look for answers and find solutions to various problems. It is a way to explain things. There are two different methods which exist to do research. The first is the arbitrary way which is not so planned and relies more on beliefs than facts. The second way is the scientific way, which relies on facts and evidence which can be proved. (Krishnaswami and Satyaprasad, 2010).

Social research is a type of research which has as a goal to create new knowledge. Social scientists use this to study areas of interest and find various answers. It is a type of research which broadens horizons, develops new ideas and suppositions on various facets of life. When we refer to the aims of a study, we mean the results of the research in determining the range of the problem or what brought in on (Sarantakos, 2005). The motives of a research can be either intrinsic or extrinsic. They may also be different from the aims, but are also useful in making improvements for some people. Research is a very powerful tool which leads to knowledge which can be used in many ways. Thus, it must be used carefully and not be manipulated to give specific results. It is imperative one be aware of the political nature of research before beginning (Sarantakos, 2005).

Business research is a method used to study various parts of a business such as the people or the systems and it can be done formally or informally. The reason for doing this type of research is to help the company enhance its performance in various sectors. In the business world today, many companies basically deal with this type of research to help companies with their strategy (Hair et al., 2011). There are many types of studies which can be conducted. For example, there is the descriptive study which gives answers to the questions of "who", "what", "where" etc. Another type of study may be explanatory. This type of study wants to understand how one company may be successful while another fails in a specific industry. Finally, there are studies which are made to predict outcomes of sales or prices, for example. These studies are usually based on previous values. (Ghauri and Gronhaug, 2008).
3.2 Research approach

The current research approach includes deductive/inductive and quantitative/qualitative methods and the case study research approach.

3.2.1. Deductive & Inductive

Not only but also when doing the literature reviews the question occurs how this data and also other research data will be used. An answer can include if either the deductive or inductive research approach is applied (Saunders et al., 2009).

Bryman (2004) explains deductive as an approach as the relationship of theory and research, within research is the result of hypotheses and ideas based on the theories (Bryman, 2004). Within the deductive approach, a theory or hypothesis is developed out of the theories reviewed and these form a research design or framework to test the applicability of this hypothesis or theories using data. Deduction can be connected to scientific research, as it includes the development of a theory which is then tested. This approach can be seen applied in the natural sciences, where rules and laws are the basic explanation of occurrences or phenomena and those are then tested and can be controlled (Saunders et al., 2009). The deductive approach explains the causality of relationship between variables. Therefore a hypothesis is developed which is tested and the results are analyzed, interpreted and concluded. In a sum, deduction is based on scientific principles, it moves from theory to data and needs to be highly structured. The researchers need to be independent and a sufficient sample size is needed to enable reliable conclusions (Saunders et al., 2009).

Eisenhardt and Graebner state that case study research is one of the methods to develop theories from high quality evidence to deductive research. Eisenhardt and Graebner contrast deductive and inductive research as mirroring one another. With inductive theory, which builds new theory from case study data and a deductive theory, which on the other side uses case study data to test the theories (Eisenhardt and Graebner, 2007).

An inductive research approach explains the relationship between theory and research in the opposite way. In this case theories are a result of conducted research (Bryman, 2004). In the inductive approach on the other hand, data is collected and as a result of this, a theory is developed. Induction aims to gain knowledge about the meanings which attach humans to events, it needs a close understanding of the context researched, qualitative data is collected, it needs a flexible structure, the researcher needs to have a logic understanding of his aim and is less concerned to generalize its conclusions (Saunders et al., 2009, p.127). Inductive studies might start with a case study, used as inspiration and later focus on theories, while on the
other hand a case study used as illustration follows a previous developed theory to illustrate it (Siggelkow, 2007). He states further that the goal of inductive theory is the generation of theories out of limited theoretical knowledge concerning a particular phenomenon (Siggelkow, 2007).

Both approaches do have advantages and disadvantages. Hence it can be advantageous to combine both approaches. According to Saunders et al. (2009) if the research topic is barely examined and only little research has been done before, an inductive approach could be advisable. Deductive approaches are faster to be completed, whilst induction can demand more time. The risk level of the deductive approach is lower, since the fear of generating data in the inductive data is high and more likely than in the deductive approach (Saunders et al., 2009).

Since previous study as well as this study is based on the framework model by Hyder and Fregidou-Malama (2009) and Fregidou-Malama and Hyder (2011) it can be described as a deductive approach. While on the other hand, qualitative data is used and a single case study doesn’t leave options of generalization this research is also considered as inductive. Hence in this study the inductive approaches will be applied, since the authors collect data and test if the theories are applied.

3.2.2. Qualitative & quantitative

According to Gummesson (2003) qualitative research methods include the collection of data, the analysis of data and the interpretation which result in a conclusion. The process of collecting data is constructed and generated by the researcher. That is also the case if data is applied from secondary sources, like statistical tables or economical important annual reports. This information needs also to be evaluated for their suitability and credibility (Gummesson, 2003).

Saunders et al (2009) and Bryman (2004) categorize data, its collection and analysis according to the use of numerical or non-numerical data. The generation and use of numerical data through data collection methods, such as questionnaires and data analysis processes, such as statistics, are quantitative. Hence qualitative approaches deal with the data collection, for example through interviews, direct observations, archives and data analysis, e.g. through the categorisation of data, of non-numerical data, which includes in videos and/or pictures. Bryman stresses that qualitative research emphasizes words and is rather inductive, while quantitative data emphasizes numbers and is rather a deductive approach (Bryman, 2004). Further-
more it should be noted that, individual qualitative or quantitative methods cannot be used alone, there will always exist a mix of methods (Saunders et al, 2009).

A crucial part of qualitative research methods is the comparison of data with existing theories, evolved from earlier research. This comparison is an on-going process through the research work, which aims to implement sense into the research and make the sense of the research visible to the researcher as well as the reader (Gummesson, 2003).

In a sum quantitative data is based on conclusions drawn out of numerical data, the data collection aims for numerical and standardised data, which is analysed throughout statistics and diagrams. Hence qualitative data is based on creating meaning through the expression of words, the data collection results in data which is not standardised and the data analysis is done by developing a concept (Saunders et al., 2009).

Therefore a qualitative research approach is applied in this scope, which has also been applied in previous research, such as by Hyder and Fregidou-Malama (2009) and Fregidou-Malama and Hyder (2011) for cross-cultural services marketing research. Since only one company has been examined within this study, the method of a single case study is applied, which will be explained below. This also leads further to the choice of semi-structured interviews and questionnaires as a part of qualitative data collection process. Furthermore have previous studies, such as Fregidou-Malama and Hyder (2011) as well as the Elekta studies in Russia, China, Philippines, Hong-Kong, Argentina and Sweden used the qualitative research approach, which leads this study in order to extend the research project to adapt the same approach for the case study of Elekta on the German market.

### 3.2.3. Case study as research strategy

According to Gummesson (2005) case study research can be characterized as a systematic and holistic approach in order to deliver information about the interactions and relationships taken place between factors, actors or event-hosts (Gummesson, 2005; Hyder and Fregidou-Malama, 2009).

Yin (2009) states further that case studies are an empirical method to investigate a current phenomenon in a real-life situation, especially when interaction between the phenomenon and its environment are not obvious. Case studies allow the researcher to gain meaningful and holistic characteristics of daily (business) events out of the real life, those can be individual
life cycles, managerial or organizational procedures, a change if neighbourhood, international relationships and/or the development of industries (Yin, 2009).

Case studies cannot be generalized, since it deals with one single case and investigates one single event or phenomena in a current and certain situation. This makes the single case more or less unique and hard to be copied or examined again. Case study research is an approach for data collection, which includes also a logical research design, certain data collection techniques and approaches to conduct a data analysis. Hence case study research is a holistic approach covering all kinds of methods and process connected to the research data (Yin, 2009).

Saunders et al. (2009) are categorizing a case study as a research strategy which involves the empirical examination of a current phenomenon within the daily, real life business by using variable evidential sources. Within a case study the boundaries between the environment where the studied phenomenon is situated in and the phenomenon is blurry and not quite recognizable, which is different when a experimental strategy is applied. Case studies seek to answer question of the “how?” “why?” and “what?” and they can deliver a rich understanding of the research context and its processes. To practice case study research plenty methods and techniques can be applied, such as interviews, observations and questionnaires. Case study research is exploring previous theory, which can be challenged if the case study is done properly and develop new research questions (Saunders et al., 2009).

A single case study should be considered, when the study examines one critical case, which has not been considered before (Saunders et al., 2009). Furthermore it is mentioned that building theories upon case studies, results in theories that are accurate, interesting, and testable (Eisenhardt and Graebner, 2007).

Another determinant for a single case study is, when it represents one critical case which tries to approve or disprove a well-developed theory. A single case study can be used to confirm, challenge or extend a theory (Yin, 2009).

The research questions of this study are formulated as a how questions in order to serve the case study approach. Since the interviews were semi-structured as well as the questionnaire only low control over the data could be performed.

Within this study we decided to apply a single case study, since the focus lies on investigating the service performance of only one company, Elekta AB and its Service Marketing performance. We also focus on only one country where the Swedish based company acts in, Germany
and want to examine this single performance on services marketing and how it is influenced by the German culture. This single case study is developing former research further since similar case studies have been done before, examining Elekta ABs marketing in different countries and their cultural influence. To extend this research the current case has been conducted to broaden the scope and add the case of Elekta AB in Germany.

While the current studies research questions are mostly “how”-questions, the researchers don’t have control over the events examined and the focus of the study deals with a current and real-life case, this leads to the reasoning why a case study approach is appropriate for this study (Saunders et al., 2009; Yin, 2009).

The study deals with a single case study, hence the generalization cannot be made from this study only. If the research project of Hyder and Fregidou-Malama can be extended further, this might lead in the end to a collection of single-case studies and allow an assumption to generalize the findings in future.

### 3.3. Data collection

Data has been collected from primary and secondary literature resources, such as theses, reports, journals, books and also self-conducted primary data through the use of semi-structured interviews and questionnaires, can be found in the appendix (appendix a) Questionnaire, appendix b) Interview and questionnaire results), which resulted in non-numerical data. Hence qualitative data has been used in this case study.

The collection of primary data has taught us a lesson in how difficult it can be to get the right contacts with people providing the knowledge, which are also willing to cooperate with you. Only through the help of our supervisor, Maria Fregidou-Malama have we been able to get in touch with Elekta employees. The research started with the initial contact to employees of Elekta working in Germany, who agreed to help and work with us. But unfortunately did this contact break and we didn’t get any further information nor even a notice which said they cannot assist us anymore, phone calls and emails haven’t been answered anymore, which left us without data. Further attempts to contact higher authorities within Elekta succeeded until the first phone call or emails but afterwards, didn’t get anymore replies or assistance although this has been ensured to be offered. We even have tried to simplify their timely contribution, through asking to answer the questionnaire, which was considered to take only 20 minutes of their time. But even these attempts were disappointed. Hence at the last stage of the data collection process we have been told, that the employees of Elekta are not able to share any kind of information about Elekta without permission of the higher authorities. These authorities
haven’t obviously got the time nor the intention to help us and hence do we lack this source of information. This instance shows the hierarchical level within business in Germany and is highly contrary to Hofstede’s power distance dimension, where he gives a low rate for Germany, as we interpret our experience showing high power distance as well as high uncertainty avoidance of the German employees (Hofstede et al., 2010).

3.3.1. Questionnaires

Saunders et al. (2009) define questionnaires to describe all methods used to collect data throughout asking questions with the same set of questions in a structured order. Bryman (2004) on the other hand categorizes questionnaires as a sum of questions which are applied to respondents (Bryman, 2004). Questionnaires can be structured interviews, telephone questionnaires or online questionnaires. While designing a questionnaire there should be attention for a careful design of questions, a clear and pleasing layout, the explanation of the questionnaires purpose, a pre-testing of the questionnaire and a carefully planned and executed administration (Saunders et al., 2009).

In order to find customers of Elekta in Germany and employees of Elekta in Germany or responsible for the German market, an extensive research has been done in order to get contact details and enable the distribution of questionnaires. The questionnaires have been sent to customer of Elekta as well as to the head office of Elekta in Germany. Furthermore were questionnaires sent to marketing responsible of Elekta in the headquarters in Stockholm to prepare them for the interviews. Two different questionnaires were developed. One for the customers of Elekta and one for employees of Elekta in order to get information about both points of view about Elekta in Germany.

The questionnaires in this study used opened questions, which left the respondents freedom to answer the questions truthfully without being influenced by the question or the questions intention. The questionnaires (Questionnaire 1: Elekta customers, attached in Appendix) have been sent via Email to German customers of Elekta. Eleven questionnaires have been sent to Medical Physicists in Germany, as customers of Elekta. They use the services and treatment programs of Elekta within their clinic or centres where radiology or cancer research in general is performed and they have been asked about their satisfaction about the relationship to Elekta and how the cooperation works within their clinic or centre and Elekta Germany. Three of the questionnaires were answered, which were summarized in Table B in the appendix.
The respondents had to answer 30 questions. The doctors (Oliver Bislich, Holger Wirtz and Matthias Lampe) are physicians in the radiation department in Hamburg, Singen and Berlin accordingly. Two of the doctors have long experience in their field and the other one is relatively new. Holger Wirtz, is not only a physician but also manager of the radiation centre. Oliver Bislich and Holger Wirtz have been using Elekta equipment for 7 years and Matthias Lampe since 2012.

Furthermore it should be mentioned that the German customers of Elekta answered the questionnaire, which was written in English. This could have led to some misunderstanding and further to a wrong understanding of the question and wrong answers. But this cannot be taking into account, when the data has been analysed and the data has been perceived as valid as it has been received.

### 3.3.2. Preparing for the semi-structured interview

Semi-structured interviews are used within a qualitative data approach. The semi-structured interview is lead by a list of themes or questions which should be covered, when conducting the interview. These vary from interview to interview with its interviewees. The questions order can vary depending on the conversation process and flow. To keep the interview original the interviews need to be audio-recorded and probably also notes are taken (Saunders et al., 2009).

There exist three kinds of interviews. These are structured, unstructured and semi-structured interviews. Whilst structured interviews contain standardized questions and are applied within the qualitative approach, unstructured interviews are more informal, with less control and hence also called in-depth interviews. The semi-structured interviews have a fixed list of questions and topic which need to be asked, but the order can vary with the respondents and interviewees (Saunders et al., 2009).

In the case of Elekta, we chose semi-structures interviews since the respondents vary in their position as well as their responsibilities. The interviews were conducted with employees of Elekta at the headquarters in Stockholm. The interviews were not standardized. The respondents have been sent a questionnaire beforehand, as a guideline for the interview and its topic. This questionnaire can be found in the appendix (Questionnaire 2: Elekta employees)
3.3.3. Conducting the interview

Two interviews have been conducted throughout December 2013 and January 2014. Both were organized by Supervisor Maria Fregidou-Malama. The first interview was conducted with Rolf Kjellstrom Sales and Marketing Director-Europe for Elekta on the 30th December 2013 in the headquarters of Elekta in Stockholm. The second interviewee was Anna-Carin Strandberg, Business Unit Manager Nordic & Baltic countries. She belongs to the European and AFLAME, which represents Africa, Latin America and the Middle East, division of the organization. Inside the Europe organization they have created a new area that is called Europe North and they have their office in Germany. Strandberg belongs to this area. This interview took place on the 10th January 2014 at the same place, the headquarters of Elekta in Stockholm. The interviewees have been sent the questionnaires beforehand via email, as a guideline for the interview.

The interviews have been voice recorded which facilitated the interviewers to focus on the dialogue with the interviewee. Both interviews lasted approximately 40-50 minutes. The answers were then transcribed, summarized and can be found in the appendix under “b) Interview and Questionnaire Results”. The relevant collected data is presented in the following chapter, the empirical study chapter.

3.4. Data Presentation and Analysis

Gummesson (2003) stresses the fact that it is not only important how one collects the data, but also how the data is treated and what has been done with it, once collected. The “Achilles heel” of data is its analysis and interpretation, since only these procedures can give the data its sense and reasons. Whilst analysis is more connected to techniques and research design of quantitative methods, interpretation is associated with qualitative methods (Gummesson, 2003).

The process of data collection and data analysis should be interactive, which means they should take place continuously and in exchange. Analysis should not only take place after the data has been collected but also before and during the data collection process (Saunders et al., 2009).

The collected data through interviews and questionnaires has to be transcribed carefully and as soon as possible after the audio-recorded interviews and also the questionnaires have been conducted, in order to make the data usable and meaningful (Saunders et al., 2009).
Analysing qualitative data can be conducted through the single use of the following methods or a mixture of them. These are summarising, categorisation and structuring of data. The collected data within this case study has been transcribed and can be found in the appendix b) Interview and Questionnaire results. The transcribed interviews are displayed ordered by date and Table A shows the results of the questionnaires. Afterwards the data has been analysed and interpreted in order to find and built relationship between the findings and the theories.

Both similarities and differences between the respondents, like customer and employees of Elekta could be recognized and will be presented later. The data is arranged under three subheadings, these are adaptation/ standardization, network and trust. Later on the findings are discussed and analysed in relation to the theoretical framework and is linked to the relevant theories given above, like Hofstede, and how adaptation/ standardization, trust and network are influenced by the local culture and how they are applied to overcome heterogeneity and intangibility on the German market.

The structure of the theoretical part is followed in order to simplify the reading process, since it follows the same structure as the theoretical framework.

### 3.5. Reliability & Validity

"Reducing the possibility of getting the answer wrong means that attention has to be paid to two particular emphases on research design: reliability and validity" (Saunders et al., 2009, p.156).

#### 3.5.1. Reliability

Reliability describes the consistency of the findings which resulted out of the data collection and analysis processes (Saunders et al., 2009).

Especially in the research of Marketing caution should be the headline. Data should be assessed critically. Newspaper and gossip are not reliable, statistics are mostly only valid for certain circumstances and factors and cannot be generalized or Interviews with people in high-power positions can be used by them in order to pamper their company. Therefore the researcher needs to be critical and analyse and evaluate the collected data more than ones to assure the reliability (Gummesson, 2003).
Reliability shows that the research and its process can be repeated and result in the same conclusion. Reliability seeks to eliminate errors and biases when the exact same research will be done again (Yin, 2009). Bryman (2004) gives even a shorter explanation, hence reliability is the level to which a research concept can be considered as stable (Bryman, 2004).

Hence the more detailed the explanation of the applied methods of data collection, data presentation and analysis, the more reliable the study can be considered and it enables future researchers to study the same approach with the same results.

It needs to be mentioned that, since non-standardised, semi-structured interviews have been used; the interviews are not likely to be repeatable, since the answers were connected to the situation, interviewees, interviewers and the environment.

Reliability means to increase the possibility for other researchers, conducting the same study to come to the same results. To make the collected data reliable the questionnaire and interviews structure are attached in the appendix. This can be used in case other researchers intend to conduct the same study and hence this can guarantee the same outcome.

3.5.2. Validity

Validity examines the findings and if they really state what they are aiming for and if causality is given (Saunders et al. 2009). Validity seeks to ensure the trustworthiness of the study. It seeks to show how the study is in line with the reality and if and to which level the outcome can be generalized. Validity is improved through testing theories by applying qualitative research (Gummesson, 2005). According to Yin (2009) validity can be increased by using multiple sources of evidence, explaining and reasoning why results and theories are related to each other and can be used for conclusion and to increase the level of generalization of the results (Yin, 2009). Validity is in short the completeness of the conclusion, which is the result from the conducted research (Bryman, 2004).

Eisenhardt (1989) stresses the importance to developed theories to the existing literature in order to increase the validity, the generalizability and the theoretical level building theories from case studies (Eisenhardt, 1989). It is therefore important to discover and explain throughout reasoning with theories that the relationship between the variables exist (Eisenhardt. 1989). This is in our case the relationship between trust, network, adaptation/standardisation, culture and heterogeneity and intangibility.

The qualitative approach and the choice of single case study does decrease the level of generalizing the outcome of the study, since it only deals with the company Elekta AB in one coun-
try. But since similar research has been done previously, of Elekta AB in other countries, these studies in a sum, can later lead to a possible generalization. Hence these studies should be considered part of a big research project.

In order to collect high-quality and trustworthy data the questionnaires have been sent to the interviewees to decrease the risk of misunderstanding. The questionnaire has been clearly structured in order to guide the respondents along a red line through the answering process.

The respondents has been chosen, since they were, in case of the Elekta employees, responsible for the field of Marketing of Elekta for markets outside Sweden, especially Europe, which also includes the German market. The respondents representing the customer perspective have been chosen after extensive research, on if they are current customers of Elekta and have then been sent the questionnaires. This ensures the answers to be valid in the scope of this study.

Furthermore is the previous application of similar questionnaires within the research project and the same study can also prove its high validity.

### 3.6. Summary of Methodology

As Gummesson (2003) argues it is difficult to understand Marketing situations, since they are not only based on the analysing of methods and data but also on the situation and the environment. And moreover is suitable data hard to find, hard to be defined and mostly not fully completed (Gummesson, 2003).

This study focuses on the internationalization of services in a country which is culturally different, from Sweden, the host country of the company. The study is based on three research question, which are how-questions in nature and therefore lead to research methods such as an inductive, qualitative research and a single case study approach. This choice has been made due to the fact that only one company and one country is the focus of the study. A previous developed model from Hyder and Fregidou-Malama (2009) and Fregidou-Malama and Hydert (2011) act as a base where upon the study has been developed on and the variables of the process of international services marketing, which are standardisation/adaptation, trust, network and culture are examined on behalf to expand the previous research over the aspect of cross-cultural business within another European country, besides Sweden.
4. EMPIRICAL STUDY

Within this chapter the findings are presented. First the results of the German customers of Elekta are presented in this chapter to give an idea about the customers’ point of view of Elekta. This is followed by the employees of Elekta, who have been interviewed to also present the point of view from within Elekta. Both approaches are separated into the factor they are dealing with: adaptation/standardization, network and trust.

4.1. Elekta in Germany

In the following we present the data collected throughout questionnaires and interviews. First the answers of the questionnaires are presented in order to show the customers of Elektas point of view. This is then followed by the point of view of the employees of Elekta, both in Germany and Sweden. The factor of culture is not included in this part, since the questionnaires and interview didn’t handle culture obviously. The cultural aspect will be analysed by connecting Hofstede’s cultural dimensions, with the answers of the respondents, within the analysis chapter.

4.2. Customer point of view

Here we present the data that we collected from semi-structured questionnaires that were held with physicists from Germany, embodying customers of Elekta.

4.2.1 Adaptation/ Standardization

The cooperation with Elekta was initiated by the head of the department (Wirtz and Bislish, 2013). Lampe considered the point when Siemens and its LINAC device left the market; they started to cooperate with Elekta in July 2012 (Lampe, 2013). The manuals and instructions are available in German, as well as the trainings which are organized to train the people using the equipment. On all three occasions training has been organized by Elekta. The duration of the trainings vary from 2-4 days to 1-2 weeks and a full 2 weeks depending of the device and previous knowledge (Bislich, 2013; Wirtz, 2013; Lampe, 2013). The question about retraining has been answered differently. Bislich didn’t know about any re-training plans, Wirtz mentioned a planned re-training and Lampe mentioned April 2014 as the time for re-training (Bislich, 2013; Wirtz, 2013; Lampe, 2013).
4.2.2. Network

The next set of questions deals with the communication between Elekta and its customers. Bislich mentioned annual User-Meetings which are organized for users of Elekta. These User-Meetings are organized by the radiation therapy department in Frankfurt in cooperation with Elekta. Furthermore an annual meeting of the heads of the department with Elekta chiefs takes place which is organized by Elekta (Bislich, 2013).

The information about meetings is distributed via Emails. This communication channel as well as the telephone, is used to contact the Customer Support Centre and Sales Engineers for questions or feedback about the Elekta devices. The duration of response is rather fast, depending on the problem, it can take minutes to days. If there are bigger problems, it is also possible to contact directly higher authorities of Elekta (Bislich, 2013; Wirtz, 2013; Lampe, 2013). Bislich (2013) also mentions that “mainly we are working together with the ELEKTA Technicians, who helps us with problems with our Linacs, this relationship is quite good. I am satisfied with their work” (Bislich, 2013). Wirtz highlights that the relationship with Elekta is very good and strong and he is in contact with sales-engineers and product-specialists (Wirtz, 2013). Lampe states that in 2013 two main events took place; an international Symposium (PET Symposium) and a national one for support groups (Lampe, 2013).

4.2.3. Trust

The next set of questions is handling the issue of trust. Bislich and Wirtz are very satisfied with the machines and agree that no changes are needed at least for the next 4-5 years. Lampe on the other hand noticed that unfortunately most features of handling the products needs additional workstations and the personal has to cover 4 devices at the same time. The handling of the products is solved much better by Varian, a competitor of Elekta. Lampe also highlights that the Therapy-Planning-Software of Elekta is always changing but very good (Lampe, 2013).

Another issue is how the price affects the decision for the equipment. All respondents agree that the price is important and influences the decisions, they highlight that “The price is always important, but we will pay more if the equipment is better” (Bislich, 2013; Wirtz, 2013; Lampe, 2013). Following it has been asked if the country of origin is important when the service and the negotiations with Elekta have been chosen. All three respondents stated that the COO, Sweden did not matter (Bislich, 2013; Wirtz, 2013; Lampe, 2013). Bislich added that “It doesn’t matter; the quality is essential” (Bislich, 2013). Bislich stresses that “The Li-
nacs are very stable; there are just a few failures with minimal down-time. Elekta provides a good technical support”. The only thing that maybe should be improved is just financial issues (Bislich, 2013). Wirtz mentions that one advantage is the direct contact to research and nice Linac- hardware. But the disadvantage is slow processes (as a company), a slow running organization and too many planning-systems. Wirtz continues that he is satisfied with the cooperation and the one thing that he would like to improve is the value of portal dosimetry (Wirtz, 2013). Finally Lampe noticed that the workflow is terrible. Varian and Accuray do much better but he likes that he can trust the representatives of Elekta, while Varian always tries to trick. He also means that the service and workflow of Elekta should be improved (Lampe, 2013).

Only Lampe uses one competitive additional device, besides Elekta, the TomoHD. The reasons for almost no devices besides Elekta are that the competitive equipment is not needed or it performs worse or is more expensive. Elekta has been chosen as main equipment, because of the good price-service ratio, faith in the technology and because Siemens left the Linac market (Bislich, Wirtz, Lampe, 2013).

All three of the respondents do not connect Elekta with the Swedish quality nor Sweden as its country of origin. Bislich wanted to add “just to keep the good quality” (Bislich, 2013). Wirtz added that “they are going to have a research-collaboration on VMAT-QA” (Wirtz, 2013). Lampe added that “Varian has not the better product, but a better marketing. Please improve. You (Elekta) have the best product, the best people and a great community” (Lampe, 2013).

### 4.3. Elekta point of view

Kjellstrom stated that Elekta has more than 50 offices around the world and are using a matrix organization structure, which categorizes the market in product areas and regions. Elekta categorizes the world in three different regions North America, Europe and Asia. The region of Europe includes also the Middle East and South America (Kjellstrom, 2013).

Elekta was founded in 1972 and one of the first foreign markets to which they expanded to, was the German market in the early 80s. In the beginning they cooperated with distributors who knew the market, in order to promote and sell the product, because Elekta did not have any legal entity or company in Germany. One reason why Germany has been chosen is because in neurosurgery Germany was and still is a very developed market place. Further its rather small distance to Sweden made it easier, than to start elsewhere (Kjellstrom, 2013). Elekta started to get established in Germany in 1997, when they bought a part of Philips
Medical Systems. At the time the acquisition was made Elekta had 45-50 employees in Germany, which lead to creating a local subsidiary in Hamburg, Germany. So from this time on, Elekta was present on the German market. Today the head quarter is in Hamburg, while other subsidiaries are spread over Germany (Kjellstrom, 2013).

Kjellstrom (2013) means that the best approach is to expand to a foreign market, that when a market becomes big enough Elekta tries to open their own subsidiary. The typical way to do that is to start with a distributor and afterwards Elekta usually starts up a company in a foreign country. According to Kjellstrom it is easier to start up a company than to acquire one. The problem with the distributors is that they have also limited time and other companies to distribute as well and they will sell what is most convenient. Some equipment of Elekta needs up to two or three years to be sold, hence they need to devote time to this selling, which distributors cannot devote. Kjellstrom added that Elekta wants to create a local organization, so everyone who was send from Sweden, is only a temporary solution to get things up and running because it is too expensive.

The biggest challenge in the beginning when entering the German market was, according to Kjellstrom the competition, since one of the biggest competitors of Elekta was Siemens in Germany. At that time Siemens had the biggest market share in oncology. The biggest challenge for Elekta was to overcome the leader. Back in 1997 they were seven competitors and Siemens was the market leader. Nowadays on the same market there are only two, Elekta and Varian. The reason why Siemens market share shrank is because they did not invest enough in this field and Siemens had problems to deliver in a reliable manner (Kjellstrom, 2013).

Strandberg was asked how independent the offices of Elekta in Germany are. She mentions that legally Elekta in Germany is independent but strategically they are not. Elekta Europe plans the strategy and marketing. There is a part of the organization inside Elekta Europe that plans the strategies for each business area, for example the Neuroscience business area or oncology business area etc. Strandberg continued by saying that the strategies come from the top of management and are the same for each sector but some adjustments have to be made locally to fit in the different regions.

### 4.3.1 Adaptation/Standardisation

The next set of questions dealt with the standardization or adaptations of marketing and products to the different demands on the German market. Kjellstrom mentioned that in general not many things were changed. The product catalogue is the same as in Sweden and the same
devices are available in Germany as they are in Sweden. The only detail which has been adapted is the language of the manual, which is German.

A special characteristic of the German market it is highly compatible market, which makes the customers look for the top products that Elekta offers. Kjellstrom also highlights that “there are not so many differences. One problem that we had in Sweden is that Swedes do not like Swedish products. They prefer products from other countries. It was thus equally difficult to sell our products to a country that preferred to buy products made in Germany. But this has changed now. We have been well established. We have changed the way that Germans chooses and rather than buy from the United States, they choose to buy something European. He means they trust the image of the company now.

Kjellstrom states, it is a big part of promoting Elekta to be present on international events, fairs and meetings on a regular and continuous basis. One shows the potential customers, what you offer and you try to start a relationship. In Germany there is one big event, which is called the DEGRO, which is a yearly oncology meeting. These meeting are a useful for initial approaches to start communicating with the customers. The core of marketing is, according to Kjellstrom relationship building. He continues when a relationship is established, the person responsible for this account or the product area and sales people have to develop and maintain it. Due to the nature of the machines that are sold by Elekta, long term relationship has to be built. Customers need to feel the closeness to the seller, Elekta, that the company is interested in them and that they are kept up to date. Elekta uses regularly newsletters for this as well as email and personal continuous contact.

About the similarities and dissimilarities of the German market and Swedish market, Strandberg highlights that Germany is tender driven and a very formal market. One difference between Germany and Sweden is that the hospital sector in Germany is split between private and public and not completely public as it is in Sweden. This indicates that Elekta has to follow different strategies compared to those for the public hospitals in Sweden. Private hospitals purchase what they want, whenever they want to. The process at public hospitals takes much longer. Mentioning more differences between the two markets and Strandberg continued that Varian is the leader in the Swedish market and in Germany Elekta is market leader. Swedish people are not willing to buy Swedish products and this is a big problem for Elekta. You have to be much better in the competition in order to succeed in Sweden if you are a Swedish company. On the other hand, in Germany there is a problem because Germans trust and like German products. Strandberg states that Germany is a country that acknowledges
seniority and they give weight to rank and hierarchy. In Germany you know better who the decision maker is better, but it takes a long way to reach them. In Sweden you have to have the whole department that works there to accept the decision or to decide on the products. Germans have a more vertical culture and Sweden has more horizontal. Germans need to have permission from a supervisor but in Sweden people are freer to make some decisions.

4.3.2. Network

Elekta in Germany communicates with the head office in Sweden quite often through phones, mail and regular visits. As a service provider Elekta offers training programs to the customers. The trainings are included with the purchase of an Elekta device and the type of training as well as its duration depends on the machine. If it is small equipment, it is done locally, but if it is for example for Gamma Knife, trainings facilities are based in Sweden and in Germany (Kjellstrom).

Elekta collaborates with a number of universities all over the world and people can be sent to courses organized by professors. A company like Elekta is not allowed to teach medicine, hence Elekta has to do that in cooperation with clinical partners. Elekta also provides a catalogue about the different types of training which are offered. Training is very important when a customer purchases a device of this complexity. Kjellstrom stated that it is the training which Elekta provides, is what differentiates Elekta from the competitors. About the training of Elekta employees, which are sent abroad Kjellstrom mentions that “we teach them sales techniques which include cultural differences. There are definitely cultural differences and one has to be sensitive to these differences while the selling technique is in general the same. Culturally Germany and Sweden are similar”. One important difference between Sweden and Germany, is the separation of public and private hospitals in Germany. The private hospitals in Germany are direct and state clearly what devices they want, while in Sweden the public hospitals have to get in line what the government wants and handle accordingly, also with purchasing devices. Elekta believes that for a good communication and a successful network, there must be communication and feedback throughout all the members of the network. Elekta organizes an annual survey, to get regularly feedback. But it is considered too often, too long and takes too much time of the customer to participate. It will be changed to a survey, conducted every two years. Also gamma knife meetings are organized every two years. The concept is to gather the users together and so they can make their scientific presentations and consider this as a continued scientific learning activity where the users can learn from each other. The Society of gamma knife organizes this but it is supported by Elekta.
Strandberg stresses that it is important to show that you support the doctors. Elekta is in contact with them, organizing annual meetings about oncology, radiology etc. There is a help desk that is located in the UK but also hospitals can reach out for local engineer. If necessary they can also call higher authorities of Elekta if there is a bigger problem.

Strandberg states about the training and use of products. Many people use the machines from different positions. All of them have to make a short training which is held by Elekta and varies around 2-3 weeks. Once a year they also do sales training for their employees from all over Europe in order to improve their selling techniques and keep them up-to-date and they gather. There are adjustments depending to the language, which are small. The main selling and marketing techniques are the same.

4.3.3. Trust

About the level of satisfaction of the German customers with Elekta, Kjellstrom answers “yes because we (Elekta) have the biggest market share now in Germany and year after year we sell more than our competitors” (Kjellstrom, 2013). Kjellstrom continued by stating that Elekta has technicians, who are established in different parts of the world. Which is due to the machines, they need to function and perform every day which often results in a need of maintenance. The sensitivity of the health care sector and especially radiation does not allow any delay of patients’ treatment. Typically a service engineer is located in a city and has the responsibility for a number of health care centres. Kjellstrom argues that people do not connect Elekta with Sweden, because Elekta, even though a Swedish company, is a big multinational company. For example are the factories not only situated in Sweden, but also in other places. Kjellstrom wants to keep maintaining the high quality and the good communication with the customers that Elekta has and which enables the biggest market share they posses right now on the German market.

Trust is a key. This is Strandberg’s answer. Especially in our sector, the products are long term products. We need trust to maintain the relationships. In Germany they trust interpersonal relationships more so if you become friends with someone, this is a key for the success of the business. On the other hand, in Sweden it is more a combination of both trust of the company and trust in personal relationships. The trust that we develop and the satisfaction that we offer, with our products has given us the ability to have a good relationship with our customers. If they have any kind of problem they will tell us. Also a good thing with the German people is that they are very direct. Strandberg has been asked if the country of origin plays
any role. The origin of the company does not play any role when the people choose the product. This is why Sweden as a brand name doesn’t offer any characteristics to the products as for example the German brands offer to the German products. Made in Germany is a big brand. And this is a reason why Germans also trust German products.

Table 3 below presents a summary of the empirical data. The answers of Kjellstrom, Strandberg as well as the physicians from Germany, Bislich, Wirtz and Lampe are summarized under the relevant factor. The factor of culture is not included, since it was not part of the questionnaire and the connections of the answers to the German culture and its influence on one another is content of the empirical part in the next chapter.

**Table 3: Summary of Empirical Data**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Trust</th>
<th>Network</th>
<th>Adaptation</th>
<th>Standardization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolf Kjellstrom</td>
<td>- local support</td>
<td>- good, regular communication</td>
<td>- local distributors</td>
<td>- products</td>
</tr>
<tr>
<td></td>
<td>- no COO</td>
<td>- training</td>
<td>- private hospitals</td>
<td>- price</td>
</tr>
<tr>
<td></td>
<td>- high satisfaction</td>
<td>- cooperation with universities</td>
<td>- present on local events, fairs, meetings</td>
<td>- marketing</td>
</tr>
<tr>
<td></td>
<td>- annual survey</td>
<td>- annual survey</td>
<td></td>
<td>- trainings</td>
</tr>
<tr>
<td>Anna-Carin</td>
<td>- key</td>
<td>- annual meetings</td>
<td>- local distributors</td>
<td>- products</td>
</tr>
<tr>
<td>Strandberg</td>
<td>- trust → good RS</td>
<td>- help desks</td>
<td>- contact to decision makers</td>
<td>- price</td>
</tr>
<tr>
<td></td>
<td>- long term</td>
<td>- training</td>
<td>- private hospitals</td>
<td>- sales and marketing</td>
</tr>
<tr>
<td></td>
<td>- no COO</td>
<td>- annual survey</td>
<td>- local help desks</td>
<td>- market entry</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- trainings</td>
</tr>
<tr>
<td>Dr Oliver Bislich</td>
<td>- satisfied</td>
<td>- annual meetings</td>
<td>- German manuals</td>
<td>- training</td>
</tr>
<tr>
<td></td>
<td>- price is important</td>
<td>- Email</td>
<td>- local customer support centres</td>
<td>- products</td>
</tr>
<tr>
<td></td>
<td>- good quality</td>
<td>- feedback via customer support centres</td>
<td>- reach high authorities</td>
<td>- price</td>
</tr>
<tr>
<td></td>
<td>- no COO</td>
<td>- good relationship</td>
<td>- good relationship</td>
<td>- sales and marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- market entry</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>- trainings</td>
</tr>
<tr>
<td>Dr Holger Wirtz</td>
<td>- satisfied</td>
<td>- user meetings</td>
<td>- German manuals</td>
<td>- training</td>
</tr>
<tr>
<td></td>
<td>- price is important</td>
<td>- quality circles</td>
<td>- local service contacts</td>
<td>- products</td>
</tr>
<tr>
<td></td>
<td>- good quality</td>
<td>- Internet/Email</td>
<td>- local trainings</td>
<td>- standardized, slow processes</td>
</tr>
<tr>
<td></td>
<td>- no COO</td>
<td>- feedback</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- direct communication</td>
<td>- contact to technicians and specialists</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- slow processes</td>
<td>- friendly/ honest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Matthias</td>
<td>- satisfied</td>
<td>- meetings, symposium</td>
<td>- German manuals</td>
<td>- training</td>
</tr>
<tr>
<td>Lampe</td>
<td>- price is important</td>
<td>- quality circles</td>
<td>- local Service contacts</td>
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<td>- Internet/Email</td>
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<td>- no COO</td>
<td>- feedback</td>
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<td></td>
<td>- high trust</td>
<td>- contact to technicians and specialists</td>
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<td></td>
<td></td>
<td>- friendly/ honest</td>
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<td></td>
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<tr>
<td></td>
<td>- better workflow</td>
<td>- good relationship</td>
<td></td>
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</tbody>
</table>

Source: Own construction
5. ANALYSIS AND DISCUSSION

The following chapter analyzes the collected primary data from the previous chapter with the theories and models used within this study. The collected data and theories from literature are discussed and compared to discover similarities or differences. The aim is to discuss the service marketing strategy of Elekta AB in Germany and the applied trust, network, adaptation/standardization strategies and how culture influences these decisions.

5.1. Cultural Differences in international services

After the gathering of the theory and the combination with the empirical data we can consider that in general the two countries, Sweden and Germany, are quite similar. In the interview with Rolf Kjellstrom most of the interview results give evidence that Sweden and Germany are quite similar to each other and he mentions “There are not so many differences between the two markets”. The fact that the German market was one of the first, Elekta expanded to, also proves its closeness and similarity to Sweden. People from different countries with different cultures can perceive a service different and have different understanding of service quality (Hyder and Fregidou-Malama, 2009). Another reason why they chose Germany is because in neurosurgery they were and are a developed market place. According to (Knight, 1999) International services, can due to their characteristics and the importance of those characteristics for the service product to success, influence many decisions when a company wants to internationalize. First of all the decision has to be made, of choosing the target market due to the characteristics of the service product and how the service product can be performed most efficient. The high quality machines of Elekta and the demands of high quality products in Germany are make the German market a compatible market for Elekta. Furthermore the mode of entering the international market is influenced by the service, the customer’s perception of the service and the evaluation of the quality of the service. Since each customer is influenced by its culture, culture plays an important role when going international (Knight, 1999). A special characteristic of the German market according to Kjellstrom is that the German market is a high compatible market so they look for the top of the line products that we offer. (Knight, 1999). According to Chung (2005) although it is not possible to have complete similarity in the marketing environment of the European Union, it is in some way possible for companies to create a group of similar characteristics country markets in the EU region.
Kjellstrom also added that they want to create local organizations. According to Hyder & Fregidou-Malama it is stated that “the customer contact or front room operations require sensitivity to the local culture” and that the best approach to this is through hiring and training locals who know how to handle the situation (Hyder and Fregidou-Malama, 2009). Knight (1999) refers to McLaughlin and Fitzsimmons, who are stressing the various factors when internationalizing services. As mentioned above, due to the intensity of involving the human factor the level of customer contact in services is high and therefore crucial to succeed. The internationalisation of services is labour intensive, especially employees with high level of customer contact and interaction, at the front-office need to be well-educated and highly trained for the new environment (Knight, 1999). From the interviews we know that indeed power distance is similar between the two countries and this has been obvious from the way that communicates. The doctors can call if there is a problem directly higher authority of Elekta. This confirms the low power distance of both countries, Germany 35, Sweden 31 (Figure 3 and Table 1).

5.1.1. Intangibility and heterogeneity

As a result from the interviews with the-customers and Elekta we can recognize that Elekta doesn’t adopt the devices to foreign market, except the language of the manuals and instructions for the use of the machine. Both countries, Sweden and Germany, ask for high quality products, hence there is no need to adapt the machines to be compatible on the German market. It is not only the devices as a tangible product, which Elekta sells alone. In addition to these products, Elekta offers services that make this product functional and hence intangible. Services are intangible, which means they are not touchable or visible, only the result of the service can be seen or felt (Gummesson, 2003). The international services are defined as actions, attempts and/or simply goods and services which are performed across and between countries, whereas a cultural contact cannot be avoided and should be considered as crucial (Hyder and Fregidou-Malama, 2009). Like Hyder and Fregidou-Malama also mention, services cannot be readily communicated because they are intangible, which necessitates a simultaneous production and consumption. Involvement of the human factor in service production leads to the demand of heterogeneous services and makes the delivery of a standardized service quality almost impossible. This is true. Our research shows how important the training of Elekta employees is and that Elekta values the training for employees as well as for customers very high. The training for the customers is an additional service, which is included with the purchase of the product and organized by Elekta, so the customer does not have to
take of it and it is the training, which makes Elekta differ from its competitors. This is also confirmed by the customer respondents. The training creates trust between Elekta and its customers and a good and trustworthy reputation and satisfied customer. This creation of trust through training processes makes the service product more tangible for the customer and possibly does continued training result in the understanding of the product and its service and makes it appear more homogenous to the customer. It is not only the devices of Elekta but also the combination with their services that creates a high quality product.

5.1.2 The Hofstede Dimensions in Germany

The collected data can be linked to the Hofstede dimensions. Some examples are given in Figure 6 below. According to Hofstede Germany scores 35 on the PDI, which makes them a low power distant culture. Contrary we found out that Germany is having a high power distance, from the viewpoint of the Swedish Elekta employees, whose culture scores 31 on PDI. People in societies having a large degree of power distance follow a hierarchical order in which everybody has a place in the system and everybody accept that (Hofstede et al., 2010). This is due to the fact that it is hard to acquire the decision makers when it comes to purchase decisions of the Elekta machines. The Elekta sales people have difficulties and need patience to reach from the first contact person to the decision makers of a company or hospital, there are several hierarchical levels which need to be overcome. But on the other side, for the German customers it is easy to reach high authorities within Elekta. This proves that Sweden has low hierarchies and has a low power distant culture, while we cannot prove the same for Germany. We saw that in Germany the power distance is higher. According to Strandberg, German customers acknowledges seniority and they give weight to rank from the other hand in societies with low power distance, people tend to equalise the distribution of power and demand justification for inequalities of power (Hofstede et al., 2010) and this is the picture that we took from Sweden. Even for our interviews was more easy to interview people from Sweden than in Germany because in Germany the employees had to ask permission from their managers and also in their contact where more formal than the Swedish. We see that Power distance plays a big role on how the people work and interact with other people. The influence is so important that change the business culture of the same company that operates in these different countries. Germans have a more vertical culture meaning that decisions are made from the top and there is a vertical style of management, and Sweden has more horizontal culture meaning that decisions are made more collectively. Germans need to have permission from a supervisor but in Sweden people are freer to make some decisions.
We agree with Hofstede’s dimension, when it comes to the IDV. According to Hofstede Germany scores 67, while Sweden scores 71. Through straight and very direct as well as honest communication, we can agree that the German customers are individualistic, due to their direct and honest communication. As we saw in the results, the German customers don’t hesitate to share their impression and honest thought of Elekta, in order to take care of their duty to keep improving the relationship and benefit out of it.

The German customers are very uncertainty avoiding, they strongly rely on the expertise and knowledge of Elekta and its training. They call and contact support centres in case uncertainty emerges. They are also demanding and using German-speaking manuals and instructions, provided by Elekta and are actively taking part in the events and meetings organized by Elekta. This is corresponds with the Hofstede dimensional score of 65 within UAI, which makes Germany a high uncertainty avoiding culture. Sweden scores 29 and is less uncertainty avoiding. But due to the sensitive, risky and costly machines and field of Elekta, they provide the trainings, manuals etc which are necessary to avoid any uncertainty while using the machines and treating the patients.

Due to the separation of the German health care market into public and privately owned hospitals, high competition can be found. The privately owned hospitals are demanding due to no financial limit, the product they want in a short time, while it takes two years for public and financial limited hospitals to purchase a machine of Elekta. The sale of Elekta products is hence very complex and very competitive. This underlines also the Hofstede dimension MAS, where Germany scores 66 and is a masculine competitive culture. Another fact that shows the high masculinity of Germany is from the demand of products that Germany asks for from Elekta. They ask mostly the top of the lines products of Elekta. Private hospital fight for the best products in order to stay competitive and competition is the force that drives them to become better. On the other side in Sweden the force that drives the society to become better is the quality of life that they seek and the caring for others mentality that they have. This is the reason why they have public hospitals and this is the reason why also they have high quality products. The difference is that in Germany the competition makes the selling of products faster than in Sweden that the procedures are slower because also of the collective way of making decisions characteristic of a society that has low power distance.

The relationship of Elekta and its customers focuses on long-term relationships, and so do the customers of Germany demand a long-term relationship with Elekta. Strandberg highlights
that German customers are long-term customers, they are not willing to change provider and are interested to keep the satisfying relationship with Elekta. This is also result of the customers answers, since they don’t intend to change to another provider, all customers want to keep their relationship with Elekta. This is contrary to the score of Germany, 31 within the LTO index of Hofstede. Hofstede’s score intends Germany to be a short-term oriented culture, which we can note confirm.

Due to the Hofstede dimension of Indulgence, Germany scores 40 and is a restraint culture. This indicates that they live to work and don’t stress free time and indulgence as high as for example the Swedish culture, who score 78. But no connection of the results and the dimension can be drawn within this study.

5.2. Relationships & Services Marketing

Relationships are the basis for service providers to offer their service product and to communicate and interact with the customer. Especially in the health care sector it is important to establish a good and long-term relationship with the customer. Relationships create trust and reduce uncertainty and risk.

The level of uncertainty for service providers and their customers rises when the services are performed on an international market (Hyder and Fregidou-Malama, 2009). As we see in the case of Elekta, which performs on an international market, they seek to build close and long-lasting relationships with their customers in Germany.

According to Berry (2002) is the core service the main aspect of relationship marketing, which attracts the customer through high service quality and additional service. Elekta does design their core product with additional values, as they include the trainings into the purchase process of an Elekta device. Furthermore is Elekta known for their quality products and the satisfied customers.

Gummesson (1994) defines relationships as the interaction between buyer and seller, which can grow into a network (Gummesson, 1994). Kjellstrom highlights the importance of building and maintaining a good and long-lasting relationship with the customers of Elekta, also due to the sensitivity and high value of the devices. Elekta markets their service throughout local presence on fairs, events and shows. Elekta keeps contact with their customer, building networks and trust to keep them satisfied.
5.2.1. Network

According to the network model of Anderson et al. (1994) a network includes actors, activities and resources. This model can be applied to the network building of Elekta in Germany. The actors are embodied by Elekta and its subsidiaries in Germany and the customers. The activities within the network include events, feedback, customer support, sales, marketing, help centres. These activities handle the resource, which are the Elekta devices and its services. The network is important for Elekta in order to keep their customers satisfied and up-to-date. Since the product of Elekta involves a high risk level, hence they are costly and serve a sensible area of cancer treatment, the relationship to the customers throughout networking is important. The customers of Elekta also value the close relationship of Elekta with them and are satisfied with- though there is space for improvement when it comes to customer service and marketing activities.

As Batonda and Perry (2003) suggest each party should be culturally sensitive and be able to adjust or modify to business culture and national culture. Having knowledge and understanding of the company’s or national culture, helps to establish a common ground, develop personal relationships, build and sustain a business network (Batonda and Perry, 2013). Kjellstrom explains that the employees which are sent to Germany or abroad are trained about the cultural differences and what they can expect in the foreign country. Mostly for example sales or marketing methods are the same and can be applied internationally, but still need cultural sensitivity. Even the cultural difference between Germany and Sweden is low, the employees (from Sweden) are still trained beforehand. After they performed successfully, Elekta rather employs local people, since this is cheaper and more effective, since they are familiar with the German culture and the German way of doing business. Kjellstrom stated that it is the training (both of employees and customers) which Elekta provides is what differentiates Elekta from the competitors.

The network of Elekta and its customer is maintained through different methods. Elekta believes that for a good communication and a successful network, there must be communication and feedback throughout all the members of the network. Furthermore Elekta organizes an annual survey, to get regularly feedback from their customers. The network is a both way communication, which tries to create satisfied customers and a successful selling company.
5.2.2. Trust

Donaldson and O’Toole (2007) argue that depending on the level of trust and commitment, different types of relationships can be established, for example partnerships, friendships or competitiveness and form a network. Trust is built upon actions, such as keeping promises, performing competently and showing the willingness to add value. Trust and trustworthy behaviour is needed to establish a trustful relationship (Donaldson and O’Toole, 2007). Morgan and Hunt (1994) highlight the connection of relationship and trust, “relationships exist through the retention of trust and commitment” (Morgan and Hunt (1994) cited in Osarenkhoe and Bennani, 2007).

Relationships should be considered as strategic, long-lasting and important for a company, which seeks for the planning of the customer relationship processes within as well as out of a company.

We stress the importance of building a highly trusted and long-term relationship with the customers of Elekta. Since the area of health care and cancer research is sensitive and the devices are costly, the relationships need to be maintained and improved. They need to satisfy the customer and offer assistance and immediate help when this is needed, since the patients of the customer should not be waiting for their treatment. Time is a crucial factor. Therefore does Elekta work constantly on improving the relationship with the customer. If a new customer has been acquired, the local responsible take over and manage this customer account.

Furthermore do researchers (Koschate-Fischer et al., 2012; Zeugner-Roth & Zabkar, 2011; Yu et al., 2013; Michaelis ,2008) state that the country of origin of products or services do influence trust and especially purchase decisions. The countries reputation can create advantages and disadvantages. Michaelis et al. (2008) highlight further that COO has impact on the trust of the customer in a product or company, which is crucial to build relationships. While COO information is phrased throughout “Made in…”, it influences the decision-making of the customers (Michaelis et al., 2008). In our study we see that the customers do not connect Elekta with Sweden, because Elekta, even though a Swedish company, is a big multinational company. For example are the factories not only situated in Sweden, but also in other places. This has been also approved by their customers. They all agreed on that they don’t connect Elekta with Swedish quality and the COO does not matter to them. The experience with the devices, its quality and the additional services are what they connect with Elekta, not Sweden. While all customer respondents are not intended in changing the company, it shows their satisfaction and trust in Elekta and their relationship for the future. Although there are always ways to
improve as Bislich stresses that “Elekta provides a good technical support, but one thing that should be improved is financial issues. Wirtz mentions that one advantage is the direct contact to research and nice Linac- hardware. But the disadvantage is slow processes (as a company), a slow running organization and too many planning-systems. Wirtz continues that he is satisfied with the cooperation and the one thing that he would like to improve is the value of portal dosimetry. But mentioning these ideas about improvement not only to Elekta, but also to us, shows a high level trust which the respondents have in Elekta to even manage these issues, they mentioned.

The respondents show a high level of trust also throughout the fact, that they do not use competitive devices, besides Lampe (2013) who uses a TomoHD. They argue that Elekta has been chosen, because of the good price and good service and their faith in the technology.

In addition this also shows the awareness about the satisfaction of the German customers. He argues that this is due to “because we (Elekta) have the biggest market share now in Germany and year after year we sell more than our competitors”.

5.3. Adaptation/standardisation

International services can due to their characteristics and the importance of those characteristics, influence decisions when a company wants to internationalize. First of all the decision has to be made, of choosing the target market due to the characteristics of the service product and how the service product can be performed most efficient.

As Chung (2007) states, for a standardized marketing approach of a foreign market it is important to compare the home market characteristics with the foreign market characteristics. Managers have to identify the standardized factors and to build a standardized marketing approach. It has been identified that the firm size, the international experience of the firm, the customers characteristics, its legal environment, the cultural distance and the nature of the products play a moderating role in a firm’s adoption of a particular approach and its performance, as measured by market share and sales growth, which is dependent on the relevant marketing program elements (i.e. product, price, promotion and place) (Chung et. al., 2012). According to this we found two existing core differences between Sweden and Germany. First, there exist differences between the Swedish health system and the German health system. Sweden has a public health care and Germany has a private and public health care system. The interaction between Elekta and these two health care systems is different. According to Kjellstrom “One of the differences is that Sweden has more public hospitals than the Germans, where the private sector dominates. The selection of the customers in Sweden is more
complex because of the public sector. There is a specific way how they choose products. In Germany the private hospitals are more direct. They can pick up the phone and say I want this. So simple”.

The second main difference is the perception of the corporate image from the people of the two countries. According to Kjellstrom and Strandberg, Swedish people don’t like Swedish products. This made it a challenge for Elekta in the beginning to approach the local Swedish customers. The opposite has happened in Germany. They prefer German products so again in the beginning it was difficult to attract customers on the German market. But since a big competitor, the German company Siemens left the market, they opened opportunities for Elekta. Accordingly to the high German demand of high quality, Elekta decided to standardize their product and offer high quality, which was demanded on the German market. They succeeded, and became market leader. On the other hand their adapter their service through offering German speaking instruction and manuals.

5.4. Adaptation/standardisation, trust, networks and intangibility

Throughout the answers of the respondents, we see in Figure 6 that Elekta establishes trust by building long-term relationships, offering training and retraining facilities, establishing customer service centres, keeping high quality standards and a good price-service ratio. Trust is the essence of networks. Elekta uses network to build trust and also to communicate with their customers. Figure 6 shows that Elekta uses network through organizing trainings, annual User Meetings, Quality circles, Feedback communication channels and surveys not only to keep the customers satisfied and up-to-date but also to enable a two-way communication and get feedback. This also ensures the immediate reaction to problems or dissatisfaction and ways to overcome this. Through both trust and networks Elekta reduces the uncertainty and hence the intangibility of the product.

According to Kjellstrom Elekta adapts their service to the local environment, which is the German language in manuals, instructions and trainings. They further establish, as shown in Figure 6, local service centres offices and distributors in order to be able to react as fast as possible to the customer demands. Zeithaml states that trust is only established where actions takes place and that adaptation is such an action to create trust (Zeithaml et al., 2009). Adaptation is influencing trust, since adapted products are perceived more trustworthy and on the other side does trust influence the adaptation, hence only trusted products can be developed
further and adapted to local customs, when there exist a good and trustworthy communication within the network. This also shows the influence of networks with adaptation and the other way round. Adaptation influences networks, in such a way that the resources within the network are adapted to the local environment. Adaptation helps, through adapting to local needs and preferences to overcome the intangibility of the service and creates in line with trust and network a more tangible service to the customers.

5.5. Adaptation/standardisation, trust, networks and heterogeneity

Standardization on the other hand is established on the German market in the way that Elekta offers standardized products and their training, prices and a standardized way to enter new markets as listed in Figure 6. While Lampe mentions that the standardized communication channels for feedback or service support are too slow and long and could need adaptation. Standardized products are easier to be communicated in a network, hence the trust level is low, since a standardised service can create high uncertainty on the customer side. This shows that standardization influences the level of trust for a product and the actions within the network. But on the other side do standardized international products can create trust in the brand of the company and makes the product known, recognized and purchased internationally. Therefore standardisation is applied to overcome the hurdle of heterogeneity in that way that some aspects of the Elekta products and services are standardized, like the products, prices and the market entry. Furthermore are these factors helping Elekta to overcome the heterogeneity of the product, through the user meetings and the steady trainings, the product and its service become better understood and hence more homogeneous. The product itself stays heterogeneous, but the customers’ perception of the product becomes more homogeneous with a higher level of trust and a good network environment.

5.6. Empirical Results and Hofstede Dimensions

Below we summarize the key results of the respondents’ answers and how they affect the Hofstede dimensions as well as which dimension is affected. The key result is listed under the Hofstede dimension which it is connected with and from which respondent is was mentioned. We don’t include the sixth dimension, since no obvious connection could be concluded from the answers to the IVR dimension.
### Table 4: Empirical Results and Hofstede Dimensions

<table>
<thead>
<tr>
<th>Hofstede Dimensions</th>
<th>PDI</th>
<th>IDV</th>
<th>MAS</th>
<th>UAI</th>
<th>LTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolf Kjellstrom</td>
<td>-decision made by key people</td>
<td>-private hospitals</td>
<td>-demand for high quality products</td>
<td>-demanding and using German-speaking manuals and instructions</td>
<td>-long term relationships</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Anna-Carin Strandberg</td>
<td>-Germans need to have permission from a supervisor</td>
<td>-direct, honest communication</td>
<td>-high competition between private hospitals</td>
<td>-strongly rely on the expertise and knowledge of Elekta and its training</td>
<td>-long term relationships</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Oliver Bislich</td>
<td>-decisions made by supervisors of the department</td>
<td>-direct, honest communication</td>
<td>-price important, but ready to pay more for better equipment</td>
<td>-training and re-training are planned</td>
<td>-close relationship with Elekta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-price important, but ready to pay more for better equipment</td>
<td>-machines used by specialist</td>
<td>-trust is important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-quality is essential</td>
<td></td>
<td>-annual meetings</td>
</tr>
<tr>
<td>Dr Holger Wirtz</td>
<td>-decisions made by supervisors of the department</td>
<td>-friendly, honest relationship</td>
<td>-high quality products</td>
<td>-training and re-training are planned</td>
<td>-close relationship with Elekta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-manuals are in German</td>
<td>-trust is important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-user meetings</td>
</tr>
<tr>
<td>Dr Matthias Lampe</td>
<td>-decisions made by supervisors of the department</td>
<td>-fast communication</td>
<td>-high quality products</td>
<td>-training and re-training are planned</td>
<td>-close relationship with Elekta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-trust is important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Elekta support the meetings</td>
</tr>
</tbody>
</table>

Source: Own Construction

### 5.7. The process of International Services Marketing of Elekta in Germany

In order to summarize the findings according to the presented network model we will sum up how the factors of trust, network and adaptation/standardisation are influenced by each other and the German culture and how they are used to overcome heterogeneity and intangibility and help to create a more homogeneous and tangible service product.
As mentioned by Fregidou-Malama and Hyder (2011) to overcome possible barriers of services like the intangibility or heterogeneity, such factors as adaption/standardization, trust, networks and culture need to be considered. They argue further that adaptation/standardization is central in their model facilitating trust and networks. While through standardization of services, service quality can be provided, an adaptation can facilitate the response to local culture, needs and values (Freguidou-Malama and Hyder, 2011). The findings of the previous studies, which are summarized in table 2 have shown that trust is established through service quality, COO, expertise, training and experience, networks are established through maintaining good relationship with different parties, organizing international and regular events, meetings, trainings and networks. This study shows that service quality, training, customer care and satisfied customers are applied to build a trustworthy relationship with the customer. This leads to the network factors, which is maintained through the organization of annual User-Meetings, Quality circles, customer feedback and a good relationship.

In the previous studies, Elekta has adapted their legislations (allowing family member to be part of the process), the price, the recruitment systems, payment method, restrictions and added services. In Germany Elekta adapted the language of the manuals and instructions and their trainings into German, they build local service centres and distributors.

On the other hand Elekta standardized the service, product and price, the trainings, and the service quality, market entry and their sales and marketing, according to the previous studies. In Germany Elekta did also standardize their training, products and service and also have the same marketing and sales as in other countries within Europe and AFLAME. The devices of Elekta are rather standardized, while the added services are adapted to the local needs and preferences. It is to be recognized that the mix of adaptation and standardisation needs to be balanced in order to overcome both service characteristics, heterogeneity and intangibility. In addition are trust and networks influencing each other as well as adaptation and standardisation decisions, which further can in combination overcome heterogeneity and intangibility and create a service product to be perceived as more homogeneous and tangible.

In the study of Brazil (Fregidou-Malama and Hyder, 2011) and Hong Kong (Gutehall, 2013) the cultural factor has been researched. These studies show the importance of the following cultural issues such as conflicts, formal/ informal relationships, local customers, the willingness to protest, negotiation and hierarchical issues. In the case of Brazil Fregidou-Malama and Hyder (2011) add the cultural factor and found that the Hofstede dimensions PDI, IDV and UAI did affect the marketing of Elekta. They mention that the local culture influences the
degree of adaptation, while the culture of the home country helps to standardize the service and they highlight further that culture is crucial to build trust and networks, for the adaptation/standardization decision and affects the marketing (Fregidou-Malama and Hyder, 2011).

While the cultural aspect has not been discussed consciously with the customers, but we can see that Elekta is aware about the importance of culture within a business context. Elekta trains the employees accordingly before they are sent abroad. Fregidou-Malama and Hyder also mention how important it is to consider culture and the differences when international services (Fregidou-Malama and Hyder, 2011).

Hyder (2010) states also that culture and trust are crucial to build relationships and develop networks (Hyder, 2010). Kjellstrom mentions that the German culture is not much different from the Swedish culture, which makes the approach easier and comparable to the Swedish market.

We recognize that the Hofstede dimensions of IDV, UAI, MAS can be approved with the results of our study, while it is also obvious that these factors influence the level of trust and network and the degree of adaptation/standardization of Elekta.

We disagree with the Hofstede dimensions for Germany of PDI and LTO. The results show that there exists a high power distance on the German business market and the German customers are long-term oriented. For the IVR dimension no connection could be found.

Figure 6 illustrates the standardization and adaptation factors among the other factors, trust, network and how they, under influence of the German customers culture overcome heterogeneity and intangibility and create a service product which is more homogeneous and tangible for the customers. Each factor shows the results of the interviews and questionnaires, which influence the process of international services marketing and minimize heterogeneity as well as intangibility of the service product of Elekta.
Figure 6: The process of International Services Marketing of Elekta in Germany

**TRUST:**
- long-term cooperation
- local training/ retraining by Elekta
- customer Service
- high level of satisfaction with Elekta equipment
- quality is more important than price
- good price/service-value

**ADAPTATION/**
- german as manual and trainings language
- local service centres
- local distributors

**STANDARDIZATION**
- standardized training
- standardized product
- slow/long communication processes

**NETWORK**
- annual User-Meetings,
- Quality circles
- Feedback
- Friendly relationship

**Dimensions of GERMAN National Culture**

High PDI → hard to reach decision makers

IDV → direct and straight communication, honest

UAI → rely on expertise to overcome uncertainty

MAS → highly competitive; private/public hospitals

LTO → patience, Long-term-relationships

**Heterogeneity → Homogeneity**

Intangibility → Tangibility

Source: Own construction
6. CONCLUSION

Within the last chapter, the study is concluded through answering the research questions and the purpose of the research. Furthermore the implications of the study and suggestions for further research are given.

6.1. Discussion of research questions

We will conclude the study on how culture influences the factors trust, network and adaptation/standardization in order to overcome heterogeneity and intangibility and create a homogeneous and tangible health service on the international market Germany. Therefore the research questions of this study will be answered.

1) How does Elekta AB adapt or standardize their service in a culturally different market, such as Germany in order to overcome heterogeneity and intangibility?

Elekta adapts to the German market through providing local contacts for the customers like service or support centres and local distributors. Furthermore the manuals and instructions on how the Elekta products should be used are translated into German, as well as the trainings which are placed locally. On the other side, does Elekta standardize their trainings, which are held internationally. The trainings location, language and content depend on the product and the kind of training which is organized. But in general are the trainings standardized, talking about the same procedure, content and duration in every country. The products of Elekta offered on the German market are the same in Germany as in Sweden, the product portfolio has been standardized. Though due to standardized communication channels, the communication has been mentioned as rather slow and long. Further is the sales and marketing strategy as well as the market entry mode the same for the region of Europe and AFLAME, which includes Germany as well as Sweden. Adaptation and standardization are having influence on the level of trust which the customer has in Elekta and the level of network which can be established.

Adaptation motivates trust and hence makes the service to be perceived more tangible by the customer, since trust diminishes uncertainty. For example are manuals and instructions of the machines in Germany translated to German which eliminated any uncertainty when the machines need to be operated.

Standardization can overcome the hurdle of the homogeneity of a service. Hence the products of Elekta are standardized the customer can demand and purchase that homogeneous product
and with it the services offered by Elekta, which are standardized trainings and service centres.

2) How does trust play a role to overcome service characteristics such as intangibility and heterogeneity?

Trust is key for Elekta and the relationship to their customers. Trust is the basis to built relationships and Elekta aims to establish long term relationship. Through a high level of trust, barriers due to uncertainty and the lack of knowledge can be erased by trust. This links trust to be connected to overcome the intangibility of services and hence make the customers of Elekta trust the company and make the service a tangible product of this relationship.

3) How does Elekta AB use networks to address the customer to handle intangibility and heterogeneity?

Networks are based on trust and relationship. Trust and network are dependent on each other. Network needs a good level of trust while trust needs networks to keep the relationships going. Elekta uses networking through organizing events, meetings on a regular basis. Service centres as well as feedback channels are established to communicate with the customers and offer help, when needed. Trust and network influence adaptation and standardization as they can ease the customer’s perception of the service, when trust and networking takes place. Networks are used to overcome both intangibility and heterogeneity through establishing and maintaining relationships. Through trainings and meetings the customers getting to know Elekta and its products better and it becomes familiar to them. This motivates a tangible and homogeneous perception of the service.

Due to research question 1, there exists a mixture of adaptation and standardization on the German market. It is important to find the balance between both factors in order to be able to build the highest trust as possible and to use the networks in the most effective way. Then the service characteristics can be overcome and a homonegneous and tangible service is delivered.

The culture of Germany has been found to be high in power distance since decision makers are hard to be contacted. This is contrary to the PDI index of Hofstede, since due to his IBM study Germany is a low power distant country and also short-term oriented (LTO). As mentioned before did our research show different results, such as a high power distance and German customers and employees, which are both aiming to build long term relationships with
Elekta and their products. This is a challenge for networking the establishment of trust, especially when Elekta tries to acquire new customers. Further is the competitive environment in Germany an issue of masculinity (MAS) and it needs networking and trust as well as a well developed product to become market leader on the German market, where Elekta succeeded in. The trainings and events are well established and accepted by the German customers also due to their high uncertainty avoidance. The German customers are honest and direct, but ones they are customers they will be for a long-term. The customers of Elekta are interested to keep the relationship with Elekta on a long horizon and not willing to change.

From the research, we saw that culture has impact on the market and although some cultural characteristics are the same, small differences can greatly affect how people react, communicate or do business. This is because every cultural dimension has its own characteristics and every dimension has an impact on all the other dimensions separately and combined. Thus we note that although Germany is a competitive country they have high uncertainty avoidance (UAI) and that sometimes makes them sceptical when they have to make a decision or take action. Because of these reasons, in this study, we tried to measure all the cultural dimensions of Hofstede. Every market and every country has a different impact from the cultural dimensions and that is why we investigated this market with all the cultural variables and explain how these variable affect trust, networking, intangibility, heterogeneity and finally how all these will affect the decision of the company to standardize or how much to adapt their products.

We can conclude that we agree with the Hofstede dimensions of MAS, IDV and UAI, since our study shows that the index of the German culture agrees with our findings. While the dimensions of PDI and LTO are different. We found German customers and employees with a high power distance and long-term orientation, in comparison to Hofstede’s low power distance and short-term orientation of the German culture. For IVR, Indulgence versus Restraint, we couldn’t find any related conclusion. We can assume that these findings are also due to the sensitivity of the field of the study, the health care sector which is costly and connected to cancer research. This makes the whole topic sensible.

6.2. Critical reflections and suggestions for further research

The target audience of this study are among others, preliminary master level students, teachers and researchers from the field of business administration and services marketing as well as
companies. Hence they should provide sufficient background knowledge to understand the topic. The theories have been widely discussed and explained.

This study is the 9th within a research project. All studies applied the model and it can be said, that the model shows some results, although it cannot be generalized. This is due to the fact that the cases as well as this study handle one company in one certain country on a very specialised and sensitive field. The results can be achieved in case the same research of the same company in the same company with the same research background would be conducted again. A generalization is still far off, since we consider nine cases not as enough to make general conclusions yet, which indicates further research suggestions.

Further could the research be continued into more countries, within and out of Europe, which is needed to increase the possibility of generalization of the research project.

Since our study continued the work of Fregidou-Malama and Hyder amongst the other studies which have also been part of the research project, this study helps to widen the results of the research project further. Germany is a central European country and this area has not been part of the research project yet, hence does this study give a good new insight into the Elekta market performance in central Europe. Further does Germany built an important market for Elekta and therefore we can highlight our study as a crucial one for Elekta and its success. Another good aspect of this study is the two perspectives given, by the respondents. We got answers from both sides of the Elekta business in Germany. One side are the customers of the Elekta service and products and the other side is Elekta itself, where the respondents were interviewed in the headquarters in Stockholm. The combination and comparison of the two view point are enriching the results of this study and make it reliable. The results show also, to which degree the cultural dimensions of Hofstede are still valid and if in the case of Elekta they can be considered valid or not. Furthermore can this study give insight for Elekta and similar companies how they succeed with their services marketing and recognize potential areas for improvement.

6.3. Managerial, Theoretical and Societal implications

Below we present implications for this study, separated into managerial, theoretical and societal implications.

6.3.1 Managerial Implications

This study contributes to the field international marketing research and how services, especially health care services, are influenced by culture and the adaptation/ standardization deci-
sion. Further does this study extends the existing studies and theories to give a broader picture of the interaction of adaptation/standardization, trust and networks and culture and their influence on the international service within a foreign market.

It is shown that the model can be adapted to further research of other countries, where a service should be established. It can be subject for further research to examine if the model can be applied in other service industries as well.

6.3.2. Theoretical Implications

The contribution of this thesis from an academic perspective is that it researched and showed that indeed culture affects marketing and it is not something that theorists can neglect. We analyse culture with Hofstede dimensions and we found that all dimensions more or less have an impact on trust, networking, and adaptation/standardization of the product/service when you do business internationally. This research is part of Fregidou-Malama and Hyder (2011) research that has been conducted in different countries. So this research is an extension to previous research but also unique as the role of culture and how it affects the Elekta marketing process in Germany has not been examined or investigated. Also our contribution to the previous research that has been done by Fregidou-Malama and Hyder is that we investigate also the dimension of Long-term/Short-term orientation and indulgence vs. restraint and how these dimensions affects business among the other cultural dimensions.

6.3.3. Societal Implications

The study contributes further research and increases the overall understanding of how people communicate and interact and how their cultural background affects them. By investigating cultural dimensions and differences in different countries, that the characteristics of culture are different more or less, we might gain deeper knowledge about the cultural interactions and also how to manage cultural differences better.
REFERENCES

a) Written References

1. Books


2. Articles


b) Internet


c) Interviews


APPENDICES

Appendix a) Questionnaire

1. Questionnaire 1: Elekta Customers

General Questions

1) How long have you been working at the Radiation Therapy Centre?
2) What is your position and responsibilities?

Medical Equipment and staff

3) How long have you been using Elekta equipment?
4) Who started the cooperation between your company and Elekta?
5) Which Elekta equipment do you use at the moment?
6) In which language is the equipment used?
   - Is your staff trained to use the equipment in that language?
7) Has there been training for the use of the equipment?
8) Who held/organized the trainings?
9) Where did that training take place?
10) How long did the training take?
11) Is there re-training planned?

Networking

12) Are there meetings or events organized? If yes by whom?
13) How are you informed by events, meetings, equipment, innovations or updates?
14) Do you give feedback or ideas of improvement to Elekta?
15) How do you cooperate with Elekta?
16) Searching for possible solutions, how can you get in contact with Elekta? How fast do they answer in general?
17) How would you describe your relationship to Elekta?

Trust

18) Could there be possible changes of equipment or environment to meet your requirements better? Which?
19) Is the price influencing the choice of equipment or less important?
20) Did the country of origin, Sweden, influence your choice of equipment and first negotiations?
   - Or the company name or brand?
21) What are the advantages or disadvantages of using the Elekta equipment and the cooperation?
22) Are you satisfied with the cooperation?
23) Is there anything what you would like to improve?

**Competitors**

24) Are there other companies of which you use similar equipment?
25) Why do you, don’t you use them besides Elekta?
26) Why did you choose Elekta to work with in the beginning?
27) Do you connect Elekta with Swedish quality?

**Patients**

28) Do you think Sweden as country of origin of the equipment has an influence on the trust and confidence of the patients?

**Future**

29) What challenges or perspectives of the cooperation do you see in the future?
30) Do you have something else to add?

**Thank you very much for your time and patience to answers our questions!**
2. Questionnaire 2: Elekta employees

*Questionnaire for Elekta.*

**General questions**

1. Briefly discuss your major function in the company.
2. Why did you choose the German market initially?
3. Briefly describe the implementation process of Elekta in Germany.
   - When?
   - How long?
   - Which hospitals?
4. What makes Elekta special?
5. How do you keep contact to the German subsidiaries? How is the Elekta Germany organized?

**Adaptation/Standardization and Culture**

6. Do you offer the same products/services as in Sweden?
7. Which product do you enter new markets with?
   - Are any core products absent? Why?
   - Are there any differences in how the different products/services are marketed?
   - What are the market shares for the different core products?
8. What do you consider as important when entering the German market?
9. What are the obstacles when entering the German market?
10. Do you made changes for the German market? If yes, what changes?
11. Which changes were the most important?
12. How is do you adapt the service of Elekta on the German market?
13. What is different from the Swedish Market?
14. How did you decide about which pricing strategy to choose?
15. Do you think that studying culture of new Swedish markets when entering them play important role?
16. How different is the approach of the german customers and the swedish customers?
17. How culture influences business?
18. Is there a different corporate culture in Elekta in Germany and Elekta in Sweden?

**Marketing**

19. How are Elektas products and services promoted in Germany?
20. How do you try to increase the awareness about Elekta?
21. What kind of training do you offer to customers in Germany?
22. How long does the training take?
23. Is there re-training planned?
24. Where does the training take place?
25. Who finances and organized the trainings?
26. Who operates the machines? Do they need special qualifications or knowledge?

**Network and Trust**
27. Trust and long term relationships with customers are one of Elekta’s values
   - How do you build trust?
   - How do you create relationships and how do you maintain them?
28. Do you think your customer rely on Elektas product and service quality?
   - If yes, why?
29. How are you networking on the German market?
30. Are there any events, meetings organized for current or future customers?
31. Can customer give feedback? If yes, how?
32. Do you establish Service Centres?
33. Are the German customers satisfied with the quality and price of Elektas products and services?
34. Which role does Sweden play, as country of origin on the German market and the network?

**Competitors**
35. Are there companies on the German market offering the same services or products?
36. Is there a high competition between the customers/hospitals on the German market?

**Future**
37. What challenges do you think Elekta will meet in the future? What are the future plans on the German market?
38. Is there anything you like to add? Something important, that you think didnt cover the following variables of Elekta: relationships, networking, trust, adaptation/standardization, culture

**Thank you for your time and answering these questions!**
Appendix b) Interview and Questionnaire Results

1. Interview Rolf Kjellstrom, 30\textsuperscript{th} December 2013

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Rolf Kjellstrom</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position</strong></td>
<td>Vice President for Sales and Marketing of the Neuroscience product division in Europe for Elekta AB</td>
</tr>
<tr>
<td><strong>Interviewer</strong></td>
<td>Katrina Dietrich &amp; Giorgos Angelakis</td>
</tr>
<tr>
<td><strong>Interview type</strong></td>
<td>Semi-structured interview, voice-recorded</td>
</tr>
<tr>
<td><strong>When and Where</strong></td>
<td>30\textsuperscript{th} December 2013, Stockholm</td>
</tr>
<tr>
<td><strong>Time and Duration</strong></td>
<td>13.00; approximatly 45 min</td>
</tr>
</tbody>
</table>

**General Questions**

Rolf Kjellstrom is vice president for sales and marketing of the neuroscience product division in Europe and his office is situated in the headquarter of Elekta in Stockholm.

Elekta has more than 50 offices around the world and are using a matrix organization structure, which categorizes the market in product areas and regions. Elekta categorizes the world in three different regions North America, Europe and Asia. The region of Europe includes also the Middle East and South America.

The company was founded in 1972 and one of the first foreign markets to which they expanded to, was the German market in the early 80s. In the beginning they cooperated with distributors who knew the market, in order to promote and sell the product, because Elekta did not have any legal entity or company in Germany. One reason why Germany has been chosen is because in neurosurgery Germans was and still is a very developed market place. Further its rather small distance to Sweden made it easier, than to start elsewhere. Elekta started to get established in Germany in 1997, when they bought a part of Philips Medical Systems. At the time the acquisition was made Elekta had 45-50 employees in Germany, which lead to creating a local subsidiary in Hamburg, Germany. So from this time on, Elekta was present on the
The best approach to expand to a foreign market is when a market becomes big enough Elekta tries to open their own subsidiary. The typical way to do that is to start with a distributor and afterwards Elekta usually starts up a company in a foreign country. It is easier to start up a company than to acquire one. The problem with the distributors is that they have also limited time and other companies to distribute as well and they will sell what is most convenient. Some equipment of Elekta needs up to two or three years to be sold, hence they need to devote time to this selling, which distributors cannot devote. Elekta wants to create a local organization, so everyone who is send from Sweden, is only a temporary solution to get things up and running because it is too expensive.

The biggest challenge in the beginning, when entering the German market was the competition, since one of the biggest competitors of Elekta was Siemens in Germany. At that time Siemens had the biggest market share in oncology. The biggest challenge for Elekta was to overcome the leader. Back in 1997 they where seven competitors and Siemens was the market leader. Nowadays on the same market there are only two, Elekta and Variant. The reason why Siemens market share shrank is because they did not invest enough in this field and Siemens had problems to deliver in a reliable manner.

**Adaptation/Standardisation and cultural differences**

The next set of questions dealt with the standardization or adaptations of marketing and products to the different demands on the German market. In general not many things were changed. The product catalogue is the same as in Sweden and the same devices are available in Germany as they are in Sweden. The only detail which has been adapted is the language of the catalogue, which is German. A special characteristic of the German market is, it is a highly compatible market, which makes the customers look for the top products that Elekta offers.

“There are not so many differences. One problem that we had in Sweden is that Swedes do not like Swedish products. They prefer products from other countries. It was thus equally difficult to sell our products to a country that preferred to buy products made in Germany. But this has changed now. We have been well established. We have changed the way that Germans chooses and rather than buy from the United States, they choose to buy something European. They trust the image of the company now” (Kjellstrom, 2013).
It is a big part of promoting Elekta to be present on international events, fairs and meetings on a regular and continuous basis. One shows the potential customers, what you offer and you try to start a relationship. In Germany there is one big event, which is organized by the DEGRO (Deutsche Gesellschaft für Onkologie, which means German association for radiooncology) which is a yearly oncolgy meeting. These meeting are a useful for initial approaches to start communicating with the customers. The core of marketing is relationship building. When a relationship is established, the person responsible for this account or the product area and sales people have to develop and maintain it. Due to the nature of the machines that are sold by Elekta, long term relationship has to be built. Customers need to feel the closeness to the seller, Elekta, that the company is interested in them and that they are kept up to date. Elekta uses regularly newsletters for this as well as email and personal continuous contact.

Network

Elekta in Germany communicates with the head office in Sweden is quite often through phones, mail and regular visits. As a service provider Elekta offers a lot of training programs to the customers. The trainings are included with the purchase of an Elekta device and the type of training as well as its duration depends on the machine. If it is small equipment, it is done locally, but if it is for example for Gamma Knife, trainings facilities are based in Sweden and in Germany.

Elekta collaborates with a number of universities all over the world and people can be sent to courses organized by professors. Because as a company like Elekta is not allowed to teach medicine, hence Elekta has to do that in cooperation with clinical partners. Elekta also provides a catalogue about the different types of training which are offered. Training is very important when a customer purchases a device of this complexity. It is the training which Elekta provides, is what differentiates Elekta from the competitors. About the training of Elekta employees, which are sent abroad.

“We teach them sales techniques which include cultural differences. There are definitely cultural differences and one has to be sensitive to these differences while the selling technique is in general the same. Culturally Germany and Sweden are similar” (Kjellstrom, 2013).

One difference between Sweden and Germany, is the separation of public and private hospitals in Germany. This reasons why the private hospitals in Germany are direct and state cleary what devices they want, while in Sweden the public hospitals have to get in line what the government wants and handle accordingly, also with purchasing devices. Elekta believes that
for a good communication and a successful network, there must be communication and feedback throughout all the members of the network. Elekta organizes an annual survey, to get regularly feedback. But it is considered too often, too long and takes too much time of the customer to participate. It will be changed to a survey, conducted every two years.

“We need to simplify it, to make it easier to make the key points. Also gamma knife meetings are organized every two years. The concept is to gather the users together and so they can make their scientific presentations and see this as a continued scientific learning activity where the users can learn from each other. The Society of gamma knife organizes this but it is supported by Elekta” (Kjellstrom, 2013).

Trust

About the level of satisfaction of the German customers with Elekta he answers:

“Yes because we (Elekta) have the biggest market share now in Germany and year after year we sell more than our competitors”

Elekta has technicians, who are established in different parts of the world. Which is due to the machines, they need to function and perform every day which often results in a need of maintenance. The sensitivity of the health care sector and especially radiation does not allow any delay of patients’ treatment. Typically a service engineer is located in a city and has the responsibility for a number of health care centres. People do not connect Elekta with Sweden, because Elekta, even though a Swedish company, is a big multinational company. For example are the factories not only situated in Sweden, but also in other places.

Future

We want to keep maintaining the high quality and the good communication with the customers that Elekta has and which enables the biggest market share they posses right now on the German market.
2. Interview Anna-Carin Strandberg, 10\textsuperscript{th} January 2014

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Anna-Carin Strandberg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>Business Unit Manager Nordic &amp; Baltic countries for Elekta AB</td>
</tr>
<tr>
<td>Interviewer</td>
<td>Katrina Dietrich &amp; Giorgos Angelakis</td>
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<tr>
<td>Interview type</td>
<td>Semi-structured interview, voice-recorded</td>
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<tr>
<td>When and Where</td>
<td>10\textsuperscript{th} January 2014, Stockholm</td>
</tr>
<tr>
<td>Time and Duration</td>
<td>13.00; approximately 45 min</td>
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\textbf{General Questions}

On January 10\textsuperscript{th}, we interviewed Anna Carin Strandberg. Her position is that of business unit manager in Nordic and Baltic countries. She belongs to the European and AFLAME, which includes Africa, Latin America and the Middle East, division of the organization. Inside the Europe organization they have created a new area which is called Europe North and they have their office in Germany. Strandberg belongs to this area. Strandberg was asked how independent the offices of Elekta in Germany are. Strandberg told us that legally Elekta in Germany is independent but strategically they are not. Elekta Europe plans the strategy and marketing. There is a part of the organization inside Elekta Europe that plans the strategies for each business area, for example, Neuroscience business area or oncology business area etc. Strandberg continues by saying that the strategies come from the top of management and are the same for each sector but some adjustments have to be made locally to fit in the different regions.

\textbf{Adaptation/Standardisation and cultural differences}

About the similarities and dissimilarities of the German market and Swedish market, Strandberg highlights that Germany is tender driven and a very formal market. One difference between Germany and Sweden is that the hospital sector in Germany is split between private and public owned hospitals, while Swedish hospitals are public owned and. So they have to follow different strategies than those for the public hospitals in Sweden. This indicates that private hospitals purchase what they want, whenever they want to. The process at public hos-
pitals takes much longer. Mentioning more differences between the two markets Strandberg continued that Varian is the leader in the Swedish market and in Germany Elekta is market leader. Swedish people are not willing to buy Swedish products and this is a big problem for us. You have to be much better that the competition in order to succeed in Sweden if you are a Swedish company. On the other hand, in Germany there is a problem because Germans trust and like German products. Strandberg states that Germany is a country that acknowledges seniority and they give weight to rank. In Germany you know better who the decision maker is, but it takes a long time to be able to reach them. In Sweden you have to have the whole department that works there to accept the decision or to decide on the products. Germans have a more vertical culture and Sweden has more horizontal. One needs to have permission from a supervisor but in Sweden people are freer to make some decisions.

Network

Strandberg stresses that is important to show that you support the doctors. They are in contact with them they organize annual meetings about oncology, radiology etc. There is a help desk that is located in the UK but also hospitals have the numbers of their local engineer. Also they can call directly to Elekta if they have a bigger problem.

Strandberg states about the training and use of products. Many people use the machines from different positions. All of them have to make a short training that is held by Elekta and varies around 2-3 weeks. Once a year they also do sales training in order to improve their selling techniques and they gather from all around Europe. There are adjustments depending to the language but they are small. The main selling and marketing techniques are the same.

Trust

Trust is a key. This is Strandberg’s answer. Especially in our sector that the products are long term products we need trust to maintain the relationships. In Germany they trust interpersonal relationships more so if you become friends with someone this is a key for the success of the business. On the other hand, in Sweden it is more a combination of both trust of the company and trust in personal relationships.

The trust that we develop and the satisfaction that we offer with our products have given us the ability to have a good relationship with our customers. If they have any kind of problem they will tell us. Also a good thing with the German people is that they are very direct.
Strandberg has been asked if the country of origin plays any role. The origin of the company does not play any role when the people choose the product. This is why Sweden as a brand name doesn’t offer any characteristics to the products as for example the German brands offer to the German products. Made in Germany is a big brand. And this is a reason why Germans also trust German products.

3. Questionnaire Results

Table A

<table>
<thead>
<tr>
<th>Questions</th>
<th>Respondents</th>
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<tbody>
<tr>
<td></td>
<td>Oliver Bislich</td>
</tr>
<tr>
<td></td>
<td>Medical Physicist (DGMP)</td>
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<td></td>
<td>Radiation Centre Hamburg</td>
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<td></td>
<td>Holger Wirtz</td>
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<tr>
<td></td>
<td>Medical Physicist</td>
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<td>Centre for Radiation Oncology</td>
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<td>Singen</td>
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<td>Matthias Lampe</td>
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<tr>
<td></td>
<td>Dr.</td>
</tr>
<tr>
<td></td>
<td>Physician for Radiation Oncology</td>
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<tr>
<td></td>
<td>Diagnostic Therapeutic Centre, Berlin</td>
</tr>
</tbody>
</table>

General Questions

1) Work duration

| 2007-2010 Bremen | 7 years                          | Since Aug, 2012 |
| 2010 till now Hamburg | 24 years in total | |

2) Position

| Medical Physicist | Medical Physicist; team-leader; CTO | Physician |

Medical Equipment and staff

3) Use of Elekta Equipment

| 7 years | 7 years | Since Aug, 2012 |

4) Cooperation start

| Head of department | Himself | Dr. Herm & himself |

5) Equipment in use

<table>
<thead>
<tr>
<th>Linac Synergy IviewGT/ XVI;</th>
<th>Synergy x6; x10; x15 imrt;</th>
<th>Oncentra Synergy with Agility, IView, XVI</th>
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<tbody>
<tr>
<td>Linac Precise SL15; Mosaiq IMPAC</td>
<td>Vmat XVI Mosaiq</td>
<td>XVI Mosaiq</td>
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<td>---</td>
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</tr>
<tr>
<td><strong>6) Language</strong></td>
<td><strong>- language training</strong></td>
<td><strong>German; manuals in German and English</strong></td>
</tr>
<tr>
<td></td>
<td><strong>German also trained in german</strong></td>
<td><strong>German, yes</strong></td>
</tr>
<tr>
<td><strong>7) Training</strong></td>
<td>Yes</td>
<td>Yes, it is mandatory</td>
</tr>
<tr>
<td></td>
<td>Yes, it is required by German law (Medizin-Produktgesetz)</td>
<td></td>
</tr>
<tr>
<td><strong>8) By whom</strong></td>
<td>Elekta</td>
<td>Elekta and him</td>
</tr>
<tr>
<td></td>
<td>Elekta</td>
<td>Elekta</td>
</tr>
<tr>
<td><strong>9) Where?</strong></td>
<td>In local department</td>
<td>Locally</td>
</tr>
<tr>
<td></td>
<td>On site, local</td>
<td></td>
</tr>
<tr>
<td><strong>10) Duration</strong></td>
<td>2-4 days</td>
<td>1-2 weeks</td>
</tr>
<tr>
<td></td>
<td>For all products 2 weeks</td>
<td></td>
</tr>
<tr>
<td><strong>11) Re-training</strong></td>
<td>No</td>
<td>All the time</td>
</tr>
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<td></td>
<td>Yes in April, 2014</td>
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**Networking**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tr>
<td><strong>12) Meetings/Events</strong></td>
<td><strong>by whom</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual user-meeting by Elekta in Frankfurt; Annual meeting of heads of department</td>
<td></td>
</tr>
<tr>
<td></td>
<td>User-meetings; Quality circles</td>
<td>Yes, by the DTZ PET-Symposium Support group meeting</td>
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<tr>
<td><strong>13) Information channel</strong></td>
<td>Email</td>
<td>Internet, Email</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>14) Feedback</strong></td>
<td>Yes in user-meetings</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Yes, there's a close contact</td>
<td></td>
</tr>
<tr>
<td><strong>15) Cooperation format</strong></td>
<td>/</td>
<td>Very well</td>
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<tr>
<td></td>
<td>Represent Elekta in Berlin</td>
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</tr>
<tr>
<td><strong>16) Contact channel to Elekta (Customer Service)</strong></td>
<td>Customer-Support-Centre via Phone or Email Within minutes to days Bigger problems ➔ higher authorities</td>
<td>Sales-engineers; product-specialists</td>
</tr>
<tr>
<td></td>
<td>Answer within minutes, BUT problems, long waiting for answer by customers</td>
<td></td>
</tr>
<tr>
<td><strong>17) Relationship Image</strong></td>
<td>Working with elekta technicians ➔ good relationship</td>
<td>Friendly, honest</td>
</tr>
<tr>
<td></td>
<td>Very good</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
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<td>---</td>
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<tr>
<td><strong>18) Equipment changes</strong></td>
<td>No, very satisfied</td>
<td>No, not now; maybe in 3-5 years</td>
</tr>
<tr>
<td><strong>19) Price influence</strong></td>
<td>Price important, but ready to pay more for better equipment</td>
<td>Is always important</td>
</tr>
<tr>
<td><strong>20) Country of Origin</strong></td>
<td>Doesn’t matter; Quality is essential</td>
<td>No</td>
</tr>
<tr>
<td><strong>21) Advantages/ Disadvantages</strong></td>
<td>Very stable, only a few failures, Elekta provides good technical support</td>
<td>A: direct contact to research, nice linac-hardware; DA: slow process, slow running organisation, too much planning systems</td>
</tr>
<tr>
<td><strong>22) Satisfied</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>23) Improvement</strong></td>
<td>Financial issues</td>
<td>Value of portal dosimetry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitors</th>
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<tbody>
<tr>
<td><strong>24) Other companies in use</strong></td>
</tr>
<tr>
<td><strong>25) Why used?</strong></td>
</tr>
<tr>
<td><strong>26) Why Elekta</strong></td>
</tr>
<tr>
<td><strong>27) Elekta= Swedish quality</strong></td>
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<p>| Patients |</p>
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<tbody>
<tr>
<td><strong>28) COO influences patient</strong></td>
<td>Patients don’t know about Elekta</td>
<td>No</td>
<td>No, Elekta is not present in the media; Varian and Accuray is</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>29) challenges/ perspectives</strong></td>
<td>Keep the good quality</td>
<td>Research collaboration with VMAT-QA</td>
<td>Varian has better marketing, but not so good products. Hence Elekta needs to improve marketing</td>
</tr>
<tr>
<td><strong>30) additions</strong></td>
<td>The machines we use (Linear accelerators) are from ELEKTA (Sweden) but they are build in Crawley (England). So, for me I don’t connect our machines (and ELEKTA) with Sweden, but with England.</td>
<td></td>
<td>Improve the marketing and service, Elekta had the best product, the best people and the best community</td>
</tr>
</tbody>
</table>
Appendix c) Elekta AB

Elekta AB is “the global human care company pioneering significant innovations and clinical solutions for treating brain disorders and cancer” (Elekta AB, 2013)

The company was founded by Lars Leksell, a Professor of Neurosurgery at the Swedish Karolinska Institute in Stockholm. Nowadays the products of Elekta for oncology and neurosurgery are used worldwide in 6,000 hospitals, which enabled a daily average of diagnosing, treating or following-up help of more than 100,000 patients. The head quarter of Elekta is situated in Stockholm, Sweden. Around 3,400 employees work for Elekta worldwide (Elekta AB, 2013).

The core area of the company develops sophisticated state of the art tools and treatment planning systems for radiation therapy, radio surgery and brachytherapy, as well as workflow enhancing software systems across the spectrum of cancer care.

Elektas aim is to improve, lengthen and to possibly save the live of patients and to enable a future today, throughout limiting and spreading the limits of technology and science, providing intelligent and resource-efficient solutions to healthcare providers as well as patients. Elekta is the world leader in clinical solutions for radio surgery and radiation therapy. Throughout Elektas systems radiation oncologists and neurosurgeons are given the potential to treat tumours aggressively. Elekta enables through the reduction of hospitalization costs and the implementation of less traumatic treatment possibilities for the patients, the demands of the healthcare systems are met (Elekta AB, 2013).

Elekta AB (2013) seeks to build long-term relationships with their customers, which are also truly collaborative. These relationships enhance the view of the customer more as a partner than only purchaser. Therefore the relationship are defining the solution delivery, which enables a new definition of clinical care and giving the future of human care a new perspective. To ensure those long-lasting relationships Elekta values trust and responsibility high. Elekta AB (2013) states “Trust is something that is hard earned and yet so easily lost.” 2013). Furthermore Elekta mentions that trust cannot exist, if there is no responsibility, which leads to an interconnection of trust, responsibility and long-term relationship which drive the relationship building of collaborations and research. Throughout the performance of shared responsibility and trust towards the customers and colleagues the best service and customer care can be achieved (Elekta AB, 2013).
Elekta AB faces currently Varian Medical Systems as a main competitor on the radiation therapy market, as well as niche players such as accuracy. In general Elekta AB is the world’s second biggest supplier of equipment for radiation therapy. Elekta is furthermore in the leading position for administrative software. On the intracranial radio surgery market, Leksell Gamma Knife (Elekta AB) is positioned. This product of Elekta is challenged by other treatment theories and linac-based solutions for radio surgery (Elekta AB, 2012/2013, p.70). In the European markets Elekta grew strongly on the markets in UK, Germany and Russia (Elekta AB, 2012/2013, p.71).

Appendix d) Business in Germany

Germany is the biggest market in Europe. It contributes to 20 percent of Europe GDP, and consist the 16% of the EU population. The German economy is highly industrialized and diversified and is equally focused on services and production. The German economy has not been affected so much from the economic crisis that hit the world and especially other members of the European Union. Germany has continued to export her products globally. From 2003 the export rate is growing about 8% every year. Germany took the place of United States and become export leader for 6 continued years in succession in 2009. Germany’s main trading partners are the European countries such as France, Italy, UK, the Netherlands and as well other international markets including the United States and China. German manufacturing companies represent 8.5% of the EU manufacturing turnover. Because of this more and more foreign companies are relocate their companies and they benefit from the country’s business framework. Exports are driven by Germany’s high innovative small and medium-sized companies. Its internationally large companies like Bayer, BASF, Daimler, Volkswagen or Siemens etc., form Germany’s manufacturing industrial base. Germany has a friendly environment for foreign direct investment (FDI). The German market is open for investments in all industry sectors, and company activities are free from law and regulations. German law makes no distinction between Germans and foreign companies regarding investments or the establishment of a company.

In the German market the most successful market entrants are those that offer high quality innovative products. Products, such as computers, health care, medical devices, synthetic materials. For this reason price is not the most important factor for the German buyer, given the German market’s demand for high quality and innovation. The German market is decentralized and diverse with the market characteristics to vary from federal state to state. Successful market strategies must consider the regional differences of the country. According to Kumar
et.al (2011) the changing business climate has lead to the idea that it is better to manage customers than products. Managers must focus more on CRM or in terms of global companies GCRM. A study was made so as to better understand GCRM. The outcome showed the development of CRM globally using a diffusion modelling framework. These results proved there are great prospects in GCRM with some adaptations according to regions. The new companies that have entered to the German market have to offer high-quality products and services. They define trust as a way to have less doubt in the various relationships which exist within a firm. In the research conducted in Britain and Germany it was demonstrated that trust between buyer and supplier does not happen automatically but rather it depends on stability within legal, political and social institutions (Lane & Bachmann, 1996)

Appendix e) Health Care in Germany

Germany consists of 16 states and the capital city is Berlin. Its land area is 357,021 square kilometres. The population is 80.3 million and it is the biggest country inside the European Union. Germany is the largest economic power of the European continent and a historic leader in many cultural, theoretical as well as technical fields. The growth rate accounts 0.7% for 2012 and a foreign trade balance of 188 billion Euros. It has the 4th largest economy in the world and the 5th biggest purchasing power parity (Moody’s Analytics, 2013). Germany is a global leader in many industrial sectors and it is the second largest exporter and third largest importer of products. It is a developed country with a high standard of living and it has one of the oldest health care systems in the world.

Germany has a universal multi-payer health care system, where about 90% of the population is insured by statutory health insurances (SHI). SHI budgets are raised mostly from income taxes. Some people are insured by private health insurance (PHI). High income or self-employed people can choose to not use SHIs. In 2009 77% of the health care budget came from the state and 23% raised from the private sector (both insurance and direct payments) (Montreal Economic Institute, 2009). In 2010, the German hospital sector had 2,064 hospitals that were divided in three categories, the private for-profit, private not-for-profit, mostly owned by religious organizations and the public ownership. The definition private hospital is used in Germany to describe hospitals which are not owned by any level or type of government. Hospitals in Germany compete with each other for patients. The patients have the option to choose where to be treated in any of the hospitals that work in the public health system. This patient-oriented system has good effects because it prevents waiting lists or prioritization of treatments. That type of ownership of German hospitals leads to better results in
treating the patients and lower percentage of medical or procedural errors. The results of Germany suggest that hospitals with private ownership provide higher quality care and investment levels and technological standards in comparison to a public hospital.

Germany’s large health care market and the growing international demand provide many business opportunities for the companies of this sector. This sector and their companies are growing and developing thanks to the close collaboration with the pharmaceutical and medical companies at both home and abroad. While the cost of doing business in Germany is relatively high, business can count on high levels of productivity, a quality workforce, high quality engineering, a top class infrastructure and also that Germany is in the heart of the Europe.