



**UNIVERSITY  
OF GÄVLE**

**Department of Business and Economic Studies**

**Health Care Services Marketing in a Cross-Cultural Context:  
Elekta in Brazil**

**by**

**Maria Fregidou-Malama Ph.D.**

**Akmal Hyder Ph.D.**

**Paper presented at: IMP 2011 – The 27<sup>th</sup> IMP Conference, The Impact of Globalization on  
Networks and Relationship Dynamics, 1-3 September 2011, John Anderson Building, University  
of Strathclyde, Glasgow, Scotland**

# **Health Care Services Marketing in a Cross-Cultural Context: Elekta in Brazil**

## **ABSTRACT**

### **Purpose of the paper**

This research deals with the Internationalization of health services focusing on two services characteristics intangibility and heterogeneity. The study analyzes how adaptation/standardization, trust and network development are achieved when marketing a Swedish health care service in Brazil, a culturally distant country to Sweden.

### **Literature addressed**

The theoretical framework of the study is based on theories on International Marketing Services, trust, networks and cultural differences. Adaptation/standardization is important when operating in a foreign market for acceptance of services, creating confidence in the foreign market and establishing contacts with the local environment. Networks are needed to get information and gain access to resources the firms need to run their activities. By creating trust long term business relationships can be developed. Using trust and networks can service providers communicate with customers and understand and satisfy their needs.

### **Research Method**

We apply a case study for data collection. A case on a Swedish invention for radio surgery, Gamma Knife in Brazil has been conducted in its real life context. Qualitative data have been collected in form of semi-structured interviews. Direct observation of the working environment and activities in Sweden has also been used as data source. We concentrate on the process of the marketing of the service.

### **Research Findings**

The study shows that cultural adaptation makes service characteristics tangible by increasing the understanding between service providers and local customers. It suggests that foreign company's service offerings, values and beliefs connected to the quality of the service are to be standardised. This standardisation communicates the offering both of a treatment and also of a learning process and helps the service to be visible and tangible. It further demonstrates that relationships related to the local market are to be adapted to customers' tastes, habits and preferences to develop trust and networks. The study suggest that a balanced combination of adaptation and standardisation makes services homogenous and tangible increasing the possibility of success for service providers and the acceptance of services by the local customers.

### **Main contribution**

The research contributes to the International services marketing literature developing a model of internationalization of health services marketing based on adaptation/standardization, trust and network, to overcome issues of intangibility and heterogeneity of services. Managers should recognize that marketing people-processing services requires development of local networks to gain trust, and legitimacy in the local market.

**Keywords:** Cultural Adaptation, Network, Intangibility, Heterogeneity, Trust, Gamma Knife, Health Service, Brazil.

## Introduction

International marketing of services is not a new phenomenon, and we can also see an increasing trend of multinational firms getting into the service sector both locally and internationally. Researchers however identify that marketing of services is complex, particularly when the market is far away from the home country (Hyder and Fregidou-Malama, 2009; Ziethaml et al. 2006)). In international marketing, a manager needs to deal with the local culture and face difficulty to present and make the services visible to customers who will ultimately accept the offerings. Hofstede (2010) in his initial work identified the existence of cultural differences among countries and pointed out the importance of cultural understanding in doing international business. With associates, Hofstede conducted several follow-up studies and came up with the same result but in a more elaborate form on the role of culture in international business (Hofstede et al., 2010). Czinkota and Ronkainen (2007) stress the significance of culture but also indicate that some similarity is taking place between international customers due to free movements and internet. The argument that *the world* is becoming homogenized may actually be true only for a limited number of products that have universal brand recognition and minimal product knowledge requirements for use (ibid.). We also believe that the statement holds, and it is a fact that most of the products and even services are not universal and therefore cultural aspect comes out as a central issue in international business and marketing.

International services are defined as “deeds, performances, efforts, conducted across national boundaries in critical contact with foreign cultures” (Clark et al., 1996). Services cannot be readily communicated because they are intangible, and have to be produced and consumed simultaneously (Hyder and Fregidou-Malama, 2009). In evaluation of performance, quality is usually considered as a measurement criterion and much research on services concentrate on this issue (Grönroos, 2000). Even quality cannot be instantly measured and therefore marketer has a tough job to convince that the services offered are going to meet the customer requirements. If the service is set for international market, issues concerning intangibility, quality, and demand for simultaneous production and consumption are likely to aggravate the situation (Hyder and Fregidou-Malama, 2009). The complexity is certainly augmented if services are combined with equipments as customers nowadays are seldom interested to buy pure goods or services, they demand complete solutions to their problems.

To develop a solid international marketing strategy, firms need to make an important decision on how to design the services to get them accepted in the foreign market. It is not usually possible to transfer the whole concept; certain adjustments to the offering are therefore required. Researchers have for a long time debated on the issue of standardization/adaptation while introducing products in the international market (Lages et al. 2008; Erdogmus et al. 2010). Roper (2005) finds that most of the literature on adaptation and standardization of the international marketing mix focus on two dimensions: cultural diversity versus the convergence of markets and economics of scale in marketing, research and development and production. This suggests that the situation is intricate and the firms need to carefully study the market to overcome the uncertainties.

Parkhe (1998) argues that trust is important whenever there is uncertainty, vulnerability, and absence of control. Håkansson and Snehota (2000) claim that trust is built up over time in a social exchange process whereby the parties learn, step by step, to trust each other. But coming in contact in the international market requires that the firm has old relationships with important parties otherwise it would not consider entering into the country. Relationships and networks are important

to build trust for each other (Ford, 2002). To sum up, it is necessary to understand the interplay between standardization/adaptation, trust and network in engaging in international marketing. This interplay is crucial if concerning marketing of services in a culturally distant area away from the host country. This paper concentrates on the marketing of a complex service and describes how it takes place in a different cultural environment.

Elekta is a Swedish human care company pioneering significant innovations and clinical solutions for treating cancer and brain disorders. It is the world leader in image guided and stereotactic clinical solutions for radio surgery and radiation therapy. (Elekta, 2011) Since four years it has established a wholly owned company in Brazil to offer medical services to the local customers as well as to serve other neighboring countries. Brazil has cultural differences with Sweden (Hofstede et al. 2010, Gesteland, 2005). The country includes 27 states and The Federal State of Brasilia and there is cultural diversity in the country (Cane and Rizowy, 2005). The complexity in transferring high technological medical care solution to a different cultural environment poses challenges to the management and also to the researchers to understand and articulate how it occurs. In this study, we focus on how Ekeka goes with standardization/adaptation of the service solution offered in the Brazilian market and how it builds network and trust there. Specifically, following research questions are addressed:

- 1) How does standardization/adaptation occur in marketing health care solution to the customers in Brazil?
- 2) How do network and trust development affect the marketing of health care in Brazil?
- 3) How does Elekta management deal with the influence of local culture in Brazil?

## **Theoretical background**

The theoretical part of this study is based on the work of Hyder and Fregidou-Malama (2009) who studied marketing of services in a cross-cultural environment. Their conceptual foundation is comprised of trust, adaptation/standardization and network. Although Hyder and Fregidou-Malama dealt with culture they did not focus much on this issue and elaborated how it functioned in the overall marketing services in an international context. In this article we do not only treat culture as a significant element of the international business but we see culture as an environment in which international business takes place. In other words, the variables trust, adaptation/standardization and network are products of culture which influence them in making the services heterogeneous/homogenous and tangible/intangible to the customers. We now discuss the variables.

### *Culture*

Newman and Nollen (1996) emphasize the need of fit between management and national culture. Hofstede defines culture as “the collective programming of mind that distinguishes the members of one group or category of people from others” (Hofstede, 2010) and means that culture is learned and its source is the social environment people grow up. Hofstede (1991) discusses four dimensions/aspects of national cultures, i.e. power distance, individualism/collectivism, masculinity/femininity and uncertainty avoidance. Power distance describes how countries handle the fact that people are unequal. The focus is on relations between people who have different status, for example boss and subordinates. Individualism describes the difference between cultures where ties are loose, each person takes care of himself and the closest family, and collectivism describes societies where people are integrated and acting in groups. Masculinity emphasises work goals like earnings, advancement and assertiveness. Femininity concerns friendly atmosphere, god relations with others

and nurturance. The dimension of uncertainty avoidance shows to what extent members of a culture feel threatened by uncertain and unknown situations. There are two more dimensions presented of Hofstede: Long versus Short term orientation and Indulgence versus Restraint (Hofstede et al. 2010).

In Hofstede's study (2010) every country is assigned a score which indicates the level of the cultural dimension in the country. There are scores for 76 countries and comparing the scores of the dimensions between countries gives similarities and differences in culture showing how people feel, think and act. Index scoring for the four dimensions of culture for Sweden and Brazil are as shown in table one:

**Table 1. Indexes for four dimensions of culture for Sweden and Brazil**

Dimension of culture	SWEDEN	BRAZIL
Power distance	31 (ranks 69-70)	69 (ranks 26)
Individualism/collectivism	71 (ranks 13-14)	38 (ranks 41-42)
Masculinity/femininity	5 (ranks 76)	49 (ranks 37)
Uncertainty Avoidance	29 (ranks 72-73)	76 (ranks 31-32)

Source: Hofstede et al., 2010, and own construction.

From table 1 we can see that Brazil is characterised of large power index while Sweden of small. Brazil is a collectivistic country while Sweden is individualistic. Brazil is a masculine country while Sweden is feminine and Brazil is characterised of high uncertainty avoidance while Sweden of low.

From a cultural viewpoint, Schneider & Barsoux (2003) emphasize learning across cultures when people from different countries interact to enhance innovation and creativity using the differences as competitive advantage. We argue that local culture plays a significant role in forming management practises, relationships and building trust between the collaborating partners. We assume that differences in national cultures call for differences in how to introduce the service concept to the market.

### *Trust*

Trust is seen as important for the effective development of a successful long-term business relationship (Ford, 2004; Madhok, 2006). Parkhe (1998) in a study of alliances presents three elements of trust: uncertainty, vulnerability and control. The greater the uncertainty surrounding future events and a partner's responses to those future events, the greater the trust required. In presence of vulnerability, trust is greatly required due to increase of potential loss in an alliance. The lower the control exercised by one partner over the other(s), the greater the trust required from that partner. Both these three elements are too relevant in marketing services in a culturally distant market but the marketer has a difficult task to deal with them. Michaelis et al. (2008) state that country of origin (COO) affects the way customers evaluate a product/service of high risk. They mean that country of origin develops initial trust and is relevant when a product/service enters the market. We argue that if these elements could be properly handled, it would be easier to lessen the impact of heterogeneous characteristic and also to make the services tangible. The reciprocal and self-enforcing nature of trust is generally noted: trust tends to evoke trust and distrust to evoke distrust (Blomqvist, 1997). This means there is no shortcut to developing trust – service providers must invest time, money and a great deal of tolerance (Hyder and Fredigou-Malama, 2009).

### *Network*

The term “network” refers to a set of nodes and relationships that connect them (Ojasalo, 2004). Ritter *et al.* (2004) recognize that firms are embedded in a network of ongoing business and non-business relationships that both enable and constraint the firm’s performance. Since firms cannot function in isolation (Batt and Purchase, 2004), they need to be involved in network to generate resources (Hyder and Fregidou-Malama, 2009). Networking is particularly significant in international marketing where the customers are different, economical and social environment poses various challenges and further political and regulatory bodies either make the business easy or difficult. The strength of the firm in the network depends on how well it is linked with the parties that are vital to achieve the organizational goals (Hyder, 2008). Johanson and Mattsson (1992) argue that a firm’s position in the network is dependent upon the nature of the direct and indirect relationships it has with other actors in the network. We argue that to make services visible and to reduce the impact of heterogeneity on services, the international market needs to employ both direct and indirect relations as complementary to each other.

### *Standardization/adaptation*

For over 40 years academicians and practitioners have debated the standardization versus adaptation of international marketing strategy (Ryans Jr et al. 2003). Standardization prevails when a multinational company markets its offerings over the national borders keeping the basic concept and marketing mix aspects unchanged. Adaptation demands that the company listens to the local market and adjusts its offerings to fit the need and aspirations of the local customers. In fact, adaption/standardization does not necessary apply to the whole product/service but usually deals with some part of it such as pricing, sales reduction, promotion, distribution and packaging. Branding and marketing mix are two issues which have been discussed relating to adaptation (Erdogmus et al. 2010; Lages et al. 2008). Papavassiliou and Stathakopoulos (1997) claim that no firms practically adopt full standardization or adaptation in international marketing, rather they find solutions in between the extremes. Schmidt et al. (2007) find that generally managers neglect, and perhaps under-value the role of intangible adaptations which include for example personnel/human resources and behavioral & organizational changes. We argue that combining standardization and adaptation and *fitting management practices* and national cultures enhances the quality of the marketing concept.

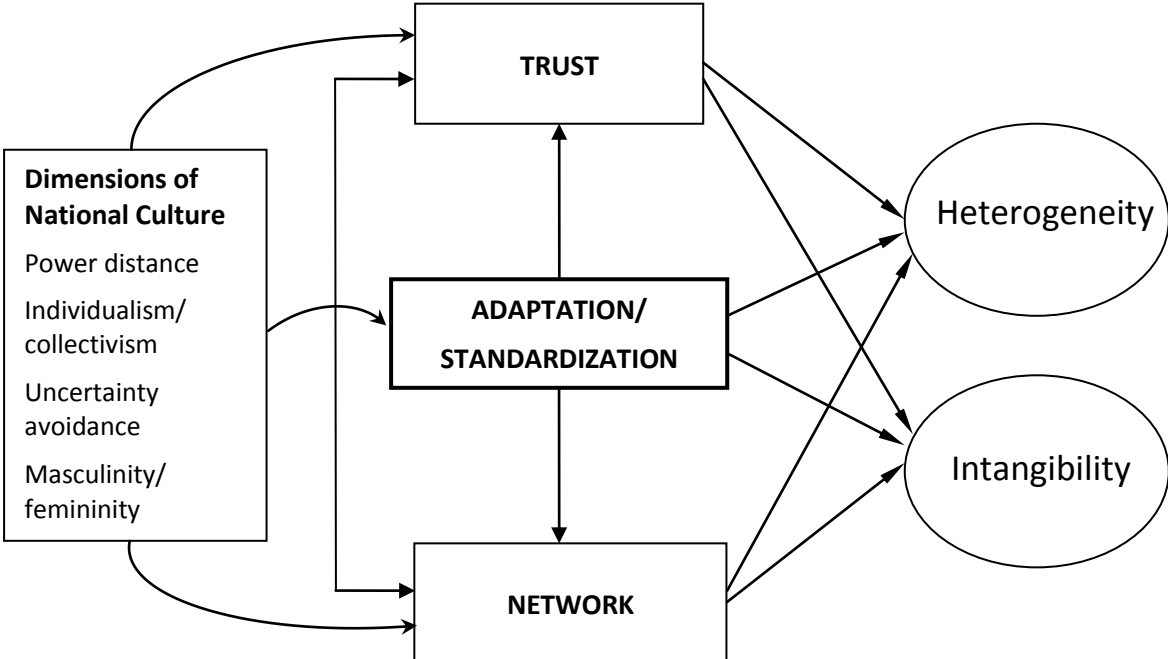
### *Theoretical framework*

Our proposed framework, *The process of international services marketing*, as illustrated by Figure 1, is composed of four variables: Adaptation/standardization, trust, networks and culture which interact to meet the challenges of intangibility and heterogeneity and facilitate the process of internationalization. Heterogeneity in services occurs due to frequent human involvement in developing and offering services. Intangibility in services exists because unlike goods services cannot be touched, felt or tasted which makes offerings perceived differently by different customers (Zeithaml et al., 2006). Adaptation/standardization is central in the model facilitating trust and networks. Standardization provides service quality and at the same time responses to local culture, needs and values. The market oriented organization responses to adaptation as requested of local networks (Nielsen et al., 2003) formal and informal. We assume that by building trust and networks the problems related to heterogeneity and intangibility can be substantially reduced.

Differences in cultural dimensions affect peoples’ behaviour and preference of a certain type of relationships and work in networks (Hofstede et al., 2010). By developing relationships, the firm can build trust between the collaborating partners. Relationships are seen as the cornerstones of networks

and therefore they build the foundation of the culture based model of the network (Håkansson and Johanson, 1992). In international networks, cultural differences play a substantial role in selecting and using a certain type of relationship because the influence of national culture is strong and long-lasting (Sirmon and Lane, 2004). To understand and deal with relationships in different cultural contexts, building trust has been emphasized. In addition to cultural and network theories, we therefore include trust developed in studying collaborative relations (such as Gulati, 1995; Zaheer and Zaheer, 2005). We suggest that cultural differences promote certain type of standardisation and adaptation, relationships and trust to develop tangibility and homogeneity of the service offerings. .

**Figure 1. The process of international services marketing**



- Key:**
- = Interconnection of the variables
  - = Representing high importance
  - = Influence on the variables and service characteristics
  - = Influence of culture

**Method**

Our aim with this research is to develop theory and the research questions and the theoretical model need a qualitative method to be answered and help us in theory building. Knight (1999) found that international services are complex and diverse. For data collection, we have thus applied

a case-study design to go into the depth of the research. Yin (2003) means that case study is an appropriate method to use when wanting to cover contextual conditions that are important. A case on Elekta in Brazil has been conducted to give a holistic description from different perspectives (Yin, 2003).

Zaheer et al. (1998) suggest in-depth case studies are important in understanding how trust is built over time. Hyder and Fregidou-Malama (2009) applied a similar approach to comprehend the role of trust and networks in a study of Gamma Knife in Egypt. Zeithaml et al., (2006) state that service like surgery has a credence quality that makes quality evaluation difficult.

The Gamma knife case covers several features which further justify why this case has been studied:

- Complex and unique nature of the core service
- Well-known service concept marketed in many countries
- Cultural distance between Sweden and Brazil

We collected data in the form of direct observation and unstructured qualitative interviews designed to increase our understanding of how Elekta markets a health care offering to Brazil. Three people including the Vice President of Elekta in Brazil (VPB), the Vice President of International Neuroscience Sales and Marketing (VPI) in the Swedish head office and a medical physicist at Karolinska University Hospital in Sweden (PhKS) who has been working as a consultant for Elekta, in countries where they started new operations, were interviewed in 2010 and 2011. These interviewees were selected for their direct involvement and knowledge on the business operation. The interviews were tape-recorded and lasted 1½ to 3 hours. One person was interviewed at a time.

The tape-recorded interviews were later transcribed. Considering the sensitivity around the cultural aspect, and to increase the credibility of the study, written sources of information like annual reports were also used. We have also visited the Gamma Knife establishment at Karolinska University Hospital for direct observation of the working environment and the activities of the Gamma Knife center. Using different sources, which constitute the data base, helped us for triangulation of the views expressed by the interviewees as suggested by Yin (2003).

We analyzed the research data by reading it through to understand the ongoing internationalization of the marketing process as the interviewees experienced it. The data were then reduced inductively under four categories, namely: The business concept, networks and service quality, adaptation to local context, and service culture and trust. By comparing the data in the categories we seek similarities and differences helping us to identify patterns illustrated in form of a figure following our theoretical model. In this kind of research, subjective interpretation is a necessity to capture the diversity and uniqueness of the issue under study (Gummesson, 2005). The findings of the research were discussed and interpreted in relation to the theoretical framework and have been linked with the relevant theories.

## **Presentation of the case: Gamma Knife in Brazil**

### *The business concept*

Brazil is a big market. Elekta started by using a third partner's distributor, a Spanish representation. This solution showed soon to be ineffective and they tried another solution. In 2007 Elekta started an own office in Sao Paulo which is owned 100%. The company sells and serves different markets in Latin America by using distributors in the countries they do not have employees. This establishment is the only one in Latin America. The company develops fast and Elekta was not prepared for that. Latin America has high rate of growth and Elekta got 55% of the market the last two years. For the Sao Paulo market they have a strategy for five Gamma Knife treatment facilities.



The company employs 36 people and all of them are local people. Elekta means that the most important is to have the right employees. They could employ a local person who was recruited from American competitors and had worked for them for eleven years. This person knows how to do business in Latin America. To employ local people is cheaper and is accepted by the customers better, accordingly they have also to be good as well in the mother company's language which is English.

To organize this operation Elekta presented a protocol on how to proceed which their local employee could follow in different steps.

### *Networks and service quality*

To enter to a new market Elekta investigates the market and the competitors. The company's mission is not only to provide high tech knowledge equipment, but also to provide a good service support to the customers in Brazil. The customers are hospitals and the users are medical doctors and medical physicists.

Elekta educates the employees and the users by using an education package. They give all people who offer the service the necessary training to learn how to use the medical technical equipment. The service technicians and sellers get expert help from people coming from Sweden to support. They for example are responsible to formulate contracts by adapting them to local rules or specifications. It takes about six months to register the equipment and during this time the employees go to Sweden for training.

They offer two kinds of training. One is called application training which is provided locally in Brazil or Argentina or Chile, through the local employees' team. The other is overseas training.

Elekta has agreements with treatment centres around the world like in France, Germany, UK, and United States. They send the customers to spend one week or two weeks, performing the treatments together with senior doctors that have already the necessary experience. They can follow the process and the protocol used for the treatment. They then invite the same groups, to come to Brazil, and treat the first patients. The customer training is followed-up after one month and two months, to check if they are comfortable with using the machines, and then they move ahead. The VPB stresses:

*We use not only the same way of treatment but also the same quality control which is a very important part of radiation therapy (VPB, 2011).*

### *Adaptation to local context*

Elekta can adapt the specifications of the equipment they sell depending on the country's development face of medical products, to be possible for the customers to use it. They offer different solutions depending on what the customer wants to buy. After that they educate them so they can get the best result with the equipment they have. The VPI emphasizes:

*Everything will be of highest quality because this branch is regulated and quality is the most important (VPI, 2010).*

In Brazil *everything* is different from Sweden, from the climate to how people react. Elekta had earlier problems with the Spanish representation they used in Brazil. When the Spanish were responsible for the business it was suspense between Europe and Latin America. They were seen as *big brother* because of historical reasons and even the language was a problem. Because of that Elekta uses local people with local knowledge and language. Elekta has good reputation and they employ people who are known in the business. The quality of the service is also enhanced by local people. The Vice president states:

*The challenge for us is the rapid growth. It goes fast and the challenge is how to get the organization to develop in relation to a growing market (VPI, 2010).*

Sweden has good reputation in Brazil for quality products, for not engaged in wars for centuries now and is not controversial as country to do business with. They discuss on a minister level often after the minister asks or the Swedish embassy can help. According to the vice president:

*The queen is our best seller, she is known and she speaks the language (VPI, 2010).*

There are not problems with the establishment process because of common interest to solve problems. There are common interest issues with politicians, ministers and hospital administrators. Elekta can for example be asked to plan for cancer treatment because countries often lack of experts.

What can affect the business are the country's economic situation or currency issues and Elekta has to be careful and understand if something will affect. It is important to investigate and understand the market potential and trade- or competition barriers. The barriers are often political decisions but there cannot be changes over a night.

Elekta has a vision and a mission. In the local subsidiaries there are established different legal entities with a local plan but in line with Elekta. The head office and the subsidiary discuss how fast the organization can develop and what is possible to do but the head office decides. The human resource organization in the headquarter helps with policies that should be the same for all subsidiaries. For the salaries there are local decisions.

When Elekta started in Brazil the competitors lowered their prices. Because of that Elekta put a basic price, hoping they could higher the price later.

### *Service culture and trust*

Elekta develops cooperation and relations with experts on clinical issues. The medical doctors, who are neurosurgeons or radiation oncologists, receive training from different institutions in Brazil for example the National cancer institute and The Sao Paulo State University. There are several universities providing this kind of training and Elekta puts medical doctoral students there. This is important because of competition on the Gamma Knife market and the need for safe treatment.

They also relate to hospitals, outside Brazil. They have development agreements, with for example The University of Texas MD Anderson Cancer Center, and Karolinska University Hospital in Stockholm. When they sent the employees for training, they have training programmes to support them. Elekta's idea is to develop a training centre in Brazil in the future to support the Latin American market.

Elekta relates to the Brazilian Government to get permission from the Nuclear Commission to use nuclear power, to the local government to get importing licenses, to Brazilian banks to confirm that the customer has the money to buy the medical equipment. The radiation power has to be checked and changed after used for seven years and Elekta needs the permission of the government and the authorities. The vice president explains:

*There is a hard bureaucratic process to bring the medical equipment in the country...it will take six months to one year to register a machine (VPB, 2011).*

For the registration process, the National Sanitary Agency goes to Sweden or England to check the factories where the part they will buy is made. There are also high importation taxes for the private

customers, about 40% of the price of the medical equipment. For the governmental institutions there are not taxes.

Relations with the doctors are important because they can tell if the equipment is reliable. They published a scientific article about a mental problem that was treated by Gamma Knife in Brazil in cooperation with Sweden. They are also involved in training development to enhance the quality of the treatment and the development of the equipment. To perform the treatment they have to do some accessories which have to be adapted. For those adaptations they use local company offers for the most. Today they can treat skin cancer and other diseases, not treated with the same equipment in Europe, which also gives value to the company.

Comparing with the Americans the business culture of Sweden is different. Americans never negotiate with Latin Americans; they say you need to do that and that. Latin American customers can have needs they do not have in America and you need to customise your treatment and the way you work, the vice president comments:

*We treat people different. Swedish/Europeans, treat you as a person, not as a number. There is a huge difference in treating people (VPB, 2011).*

This relationship is positive and good for the company. Brazilians today can informally ask the opinion of The Brazil office about issues not related to Elekta and the treatment, like rules Brazil has to follow when doing business with Sweden. They can also ask how the quality of a Swedish product or service is when they want to import something from Sweden.

## **Discussion**

In this section the results are discussed and linked to our theoretical model. Figure 2 illustrates how culture, standardization and adaptation, trust and networks contribute to reduce the impact of intangibility and heterogeneity on the process of services marketing.

### *Adaptation/standardisation, trust, networks and intangibility*

In Brazil the company started with the advantage of initial trust. We can see several examples of that in the study. The Brazilians did not rely on the Spanish representation because of historical and language reasons. They also distrust Americans because they expect them to adapt to the American way of doing business. They trust Sweden as a country of good quality products and honesty and friendliness. When the quality of a product/service is difficult to assess is Country of Origin an important factor to increase trustworthiness as Michaelis et al. (2008) argue, which the case of Elekta in Brazil is a good example for. To be a Swedish company helps Elekta to be trusted in Brazil and makes its offerings tangible. Those issues can also be linked to the high uncertainty avoidance index of the Brazilian culture scoring 76 in this dimension. Hofstede et al. (2010) state that laws and rules are important to avoid uncertainty in unknown situation and language can help to capture nuances in a communication between parts. Gesteland (2005) means that speaking Spanish in Brazil can be interpreted as the Spanish language is more important than the Portuguese.

Brazilians also trust the Swedish Queen who was grown up in Brazil and speaks the Portuguese language. In the case, we could see how Elekta emphasised the importance of language both for the customers in Brazil and for the Head office. Brazil is a high power distance country scoring 69 in this dimension (table 1) and they rely on authorities. Language also increases the understanding between negotiating parties and can according to Gesteland (2005) lead to establish trust as a precondition to successful business relations.

Brazil as shown in Hofstede's et al. (2010) ranking of countries according to dimensions of national cultures is a high uncertainty avoidance culture. This can explain their reliance on the standard quality

and the training and the help they can get from the head office. The standardisation of the service increases Brazilians trust to the service offering. Sneider and Barsoux (2003) also mean that formalisation and standardisation of policies and procedures reflect high uncertainty avoidance, which also our case indicates.

In the case also trust is ensured by using an educational training program on international level. The customers relate to international reputable centres and to practice the treatment. This can be linked to the dimension of collectivism and individualism thus according to Hofstede's et al. (2010) studies Brazil is a collectivistic country scoring 38 in this dimension. They value offering all employees the necessary education and use of skills. This makes it easier for Elekta to standardise their offerings giving individuals the same opportunity to contribute to the development of the company to provide quality service. Sneider and Barsoux (2003) state that training seminars across cultures provide communication between different nationalities and the development of skills for problem solving.

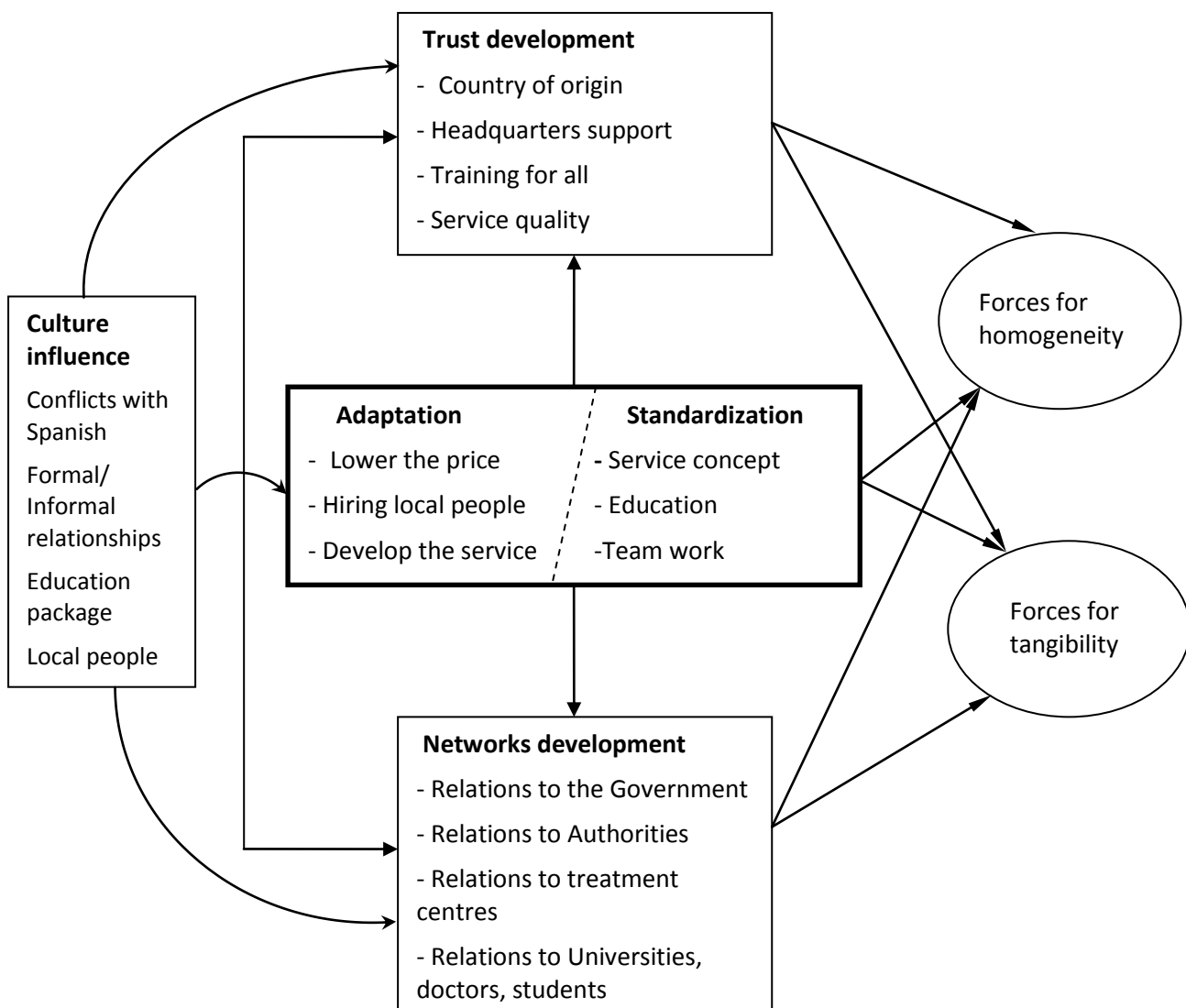
Elekta develops networks with the government, governmental and local authorities, hospitals and doctors. This is done to ensure support for importing licences, get access to the nuclear power needed, to get the doctors acceptance. They employ local people to win the trust of customers. All those formal networks address the problem of intangibility and Elekta's interest for the country and long term engagement. To develop trust is a long process and in the case we can see how Brazilians using informal relations trust the company when doing new business with Sweden. Thus the company and its product/service has been becoming tangible and trusting by standardizing some issues and adapting others. This is in line with Papavasiliou and Stathakopoulos (1977) who recognise that firms find solutions mixing standardisation and adaptation in international marketing.

#### *Adaptation/standardization, trust, network and heterogeneity*

Elekta encourages the using of the medical equipment for new treatment issues and the participation of the customers in the development of the service providing and the development of the medical equipment. Sweden is an individualistic country according to Hofstede's et al. (2010) classification scoring 71 in this dimension. It is important to consider individual participation and reputation and this is done by promoting team work around the world. They consider companies as part of their team and standardize training and education. They employ local people who speak Portuguese to avoid misunderstanding and facilitate communication with the customers. In a high power distance and collectivistic country, as Brazil (table 1), it is important that institutions are treated the same and get authority. It is also important that people are treated equally and feel as part of a team. By treating the customers/hospitals and the doctors in Brazil the same Elekta standardizes the quality of the service offering and makes it homogenous. Ritter et al. (2004) identify networks with other firms as important in enabling the generation of resources.

Networks with the government, authorities, medical doctors and hospitals are used to develop relationships facilitating the business operations. The standardization of the training is also used to homogenise the service offering. In a high power distance and collectivistic society like Brazil, problems can be solved using formal and informal relationships (Hofstede et al., 2010). Elekta adapts the business structure and operation by using local people and lower prices to attract the customers and meet their needs. The cultural adaptation used by Elekta has led to increased trust for the company. In the case, the informal asking of Elekta about how Brazil can handle situations when relating to business issues with Sweden shows that a perception of trusting the company institution has been created. The strategy Elekta uses is in accordance with Håkansson and Snehota (2000) who mean that trust is built up in a social exchange process where the parties learn to trust each other. Hyder and Fregidou-Malama (2009) have also shown that services providers need to invest time and

**Figure 2. Services Marketing process and the impact on service characteristics**



**Key:**

- $\longleftrightarrow$  = Interconnection between adaptation/standardization, trust and networks
- $\rule{1cm}{1pt}$  = Importance of emerging Standardization/Adaptation
- $\longrightarrow$  = Influence on intangibility and heterogeneity
- = Two components of Marketing Strategy
- $\curvearrowright$  = Influence of culture on adaptation/standardization, networks and trust

money to develop trust enhancing the customers' expectation of homogenous quality.

## Conclusions and limitations

Three research questions have been formulated in this study related to: *standardization/adaptation, networks and trust development* and *the effect of culture on those issues*. Two services characteristics, i.e. *intangibility and heterogeneity* have been assumed as the main problems when marketing health care practices.

The results show that Elekta in Brazil standardizes the service offering, the education of the employees and prioritizes team work. They adapt their price, hire local people and facilitate local research and development of the offerings. The standardizing aspects focus on the service concept of Elekta meanwhile the adaptation issues focus on marketing management. This combination of adaptation/standardization is a result of local culture influence and contributes to the development of trust and networks to make the offering tangible and transparent. The case of Elekta indicates that the aspect of masculinity/femininity may not always be important for marketing of services.

Elekta establishes formal and informal networks. The formal networks with government, authorities, international institutions, doctors and students focus on international issues while informal networks are part of the local context making the service providers credible. Thus this network development affects the trustworthiness of the firm and serves to overcome the intangibility and heterogeneity of the service offering.

The current study indicates that national cultures have been shown as influencing the marketing process. The dimensions of *power distance, individualism/collectivism, and uncertainty avoidance* have been affecting the management of the business. The culture of country of origin eases the standardization of the service while the local culture affects the adaptation in the market. This cultural adaptation reduces the communication gap between the providers and the users of the foreign service. It also contributes to innovations of the used service and enhances its qualities. Thus culture is important to build trust and networks, for the process of standardization and adaptation and contributes to making the service tangible and homogenous.

In summary, the case on Brazil suggests that market related adaptation should be based on local culture. Developing networks with key actors shows that the firm accepts the foreign culture and wants to adapt to it. This adaptation is in line with Perlmutter's (1969) thinking that the marketing function is polycentric. In this case this polycentric functioning leads to an alternative use of the service concept *meeting needs of the local customers*. It also leads to new development areas for the business offerings and increases the marketing competence of the company. Hofstede (2010) stresses the importance of concentration on local customers' values and preferences for International marketing. Culture is important for services marketing, leading to understanding on which parts of the offering can be standardized/adapted, for the development of trust and networks to support the international process enhancing homogeneity and tangibility.

Our research contributes to the International services marketing literature developing a model of internationalization of health services marketing based on adaptation/standardization, trust and network, to overcome issues of intangibility and heterogeneity of services. The study has also implications for management. As we understand it, managers should recognize that marketing people-processing services requires development of local networks to gain trust, and legitimacy in the local market.

This study is based on one case only, which is a limitation. To test the conceptual model comparative studies with Elekta cases in other distant countries to Sweden can be conducted. The results of the case studies can even be compared with the outcome of the current study to increase the understanding on how international marketing of health care services work. A cross sectional research is useful to study attitudes to and perceived risks and advantages of local adaptation of foreign firms when marketing services internationally. Furthermore, a comparison of international marketing between complex and moderately complex services can indicate how services can be designed and delivered to foreign markets.

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