UNIVERSITY OF GÄVLE

Department of Business Administration

Title: **SERVICES MARKETING IN A CROSS CULTURAL ENVIRONMENT: the case of Brazil**

Author: **PHILIP HACHMEISTER**
ANDRIAN SATRIO

15 credits

Bachelor Thesis
Business Administration

Department of Business Administration
Examiner: Akmal S. Hyder, PhD
Supervisor: Maria Fregidou-Malama, PhD

UNIVERSITY OF GÄVLE
Business Administration
Bachelor Thesis

Title : SERVICES MARKETING IN A CROSS CULTURAL
ENVIRONMENT: the case of Brazil
Assignment : Final assignment for bachelor degree in Business Administration
Supervisor : Maria Fregidou-Malama PhD.
Examiner : Akmal S. Hyder PhD.
Authors : Andrian Satrio and Philip Hachmeister
Date : May 2009
Email : Andrian.Satrio@Gmail.com and P.Hachmeister@Gmail.com
ID : efk07aso and efk07phr

ABSTRACT

Aim: Despite the domestic and international importance of services the research about the internationalization of services it is limited. Compared to products, services differ in nature. They are intangible and heterogeneous, meaning they are usually consumed at the point of purchase and are performed, as well as perceived differently. When a service provider wants to market its offerings in culturally distant country, the local country's culture is an important factor during the process of adaptation/standardization of the service. What is acceptable in one country might not be acceptable in another. Thus, this study aims to identify how adaptation/standardization of a service in a foreign country takes place, how the problems of intangibility and heterogeneity are handled.

Method: This study presents the single case of the Swedish medical systems company Elekta and its efforts to market its Gamma Knife Technology, a neurosurgical method, to Brazil. It is based on secondary data, in form of topic related books, scientific articles and internet sources, only. For gathering primary data, an exploratory research design was chosen to conduct a qualitative research. Structured interviews were chosen to acquire data since they are particularly helpful when dealing with complex issues. The interviews were sent in form of email questionnaires to a contact person at Elekta's head quarter in Sweden, as well as the Swedish/Brazilian co-operation. However, both interviewees did not respond contrary to prior agreements.

Result & conclusion: The analysis of the findings revealed that, according to Hofstede's Five Cultural Dimensions both countries differ greatly in culture. Whilst some service characteristics are likely to be fully or mainly standardized, others will have to be adapted in order to fit the local culture. The service itself, as well as the service's process, its people involved and its physical evidence offer great potential for standardization, whereas pricing and promotion tend to be affected strongly by income and language and thus, is likely to require adaptation. Clearly, the local culture plays an important role during the process of adaptation/standardization. Cultural adaption can make service offering more tangible by reducing the gap of misunderstanding. Service providers should standardise service offerings, ideas, values and beliefs connected to the quality of a service and adapt factors related to the market. Standardisation and adaptation can both be implemented successfully in the market. A balanced combination makes services more homogenous and tangible.

Suggestion for further research: There is limited research available concerning the internationalization of services, with special regards to the process of adaptation /standardization. This study is based only on a single case, without primary research. Further research in Trust and Networking is required to complete the model. Furthermore, lacking primary sources from both companies, further research regarding of how both companies are providing services are required.

Contribution of the thesis: This work seeks to make a contribution towards a clearer understanding of international services marketing and the process of adaptation/standardization of services. It emphasizes on the importance of culture during the process of adaptation/standardization with regards to the intangibility and heterogeneity of services. It is based on previous research conduct by Hyder & Fregidou-Malama (2007) focusing on the adaptation/standardization of Elekta's services in Egypt.

Key words: International services marketing, service, adaptation, standardization, culture, intangibility and heterogeneity

TABLE OF CONTENTS

1. INTRODUCTION

The 21st century will be the "century of services", as well as the "century of international services", as globalization continues (Clark and Rajaratnam, 1999). In 2006, the world trade in commercial services exported, had a value of $2.755 trillion. The world trade in commercial services imported was $2.65 trillion. In addition, the world's growth rate for commercial services has been 12 percent (www.wto.org, 2008). As cited in the world fact book in 2007, the service sector represented over 60 percent of the world's gross domestic product (GDP) and almost 80 percent of the US's (www.cia.gov, 2007).

Despite its domestic and international importance, empirical research focussing on the internationalisation of services, remains limited (Grönroos, 1999; Javalgi et al., 2003). An explanation lies in the nature and characteristics of services, which make marketing and studying them difficult. Because services are intangible, and have to be produced and consumed simultaneously, communicating them readily is complicated. Moreover, the involvement of people in the service production results in heterogeneity, which makes a uniform service quality delivery problematic. Offering services across national borders complicates these issues, since people in other countries are culturally different and the same service element can, therefore, be perceived differently.

However, in recent years, the amount of research on international services, which are defined as "deeds, performances, efforts, conducted across national boundaries in critical contact with foreign cultures" (Clark et al., as cited in Hyder & Fregidou-Malama, 2007), has increased. Examples include, among others, *an empirical examination of factors influencing the internationalization of service firms* (Javalgi et al., 2003), *inter-organisational relationships in professional services (*Liang and Lian, 2005*)* and *services marketing in a cross-cultural environment* (Hyder and Fregidou-Malama, 2007).

In addition, it is useful to understand how service firms select new markets. Grönroos (1999) identified three general entry modes: (1) client-following mode, (2) market-seeking mode, and (3) electronic marketing mode. Moreover, being aware of the type of services and how it can be delivered to customers abroad is also important. Lovelock, as cited in Hyder & Fregidou-Malama (2007), identified three categories of services:

(1)   People-processing services – each customer is directly involved in service delivery, targeted at the customer's physical person (e.g. haircut)

(2)   Possession-processing services – target a certain customer's physical object (e.g. plumbing)

(3)   Information-based services – target either customers' minds (mental-stimulus processing) or at their intangible assets (information processing) (e.g. theatre)

Moreover, marketing services successfully across cultures requires that communication, discussions and adaptations/standardisations go well. Therefore, service providers need to be aware of local tastes, preferences and habits. However, awareness is not enough if the cultural distance between service provider and user is wide. Thus, both sides may need to adapt, meaning that the service provider needs to adjust to the local environment as well as the users have to except certain standardisations (Hyder and Fregidou-Malama, 2007).

Hyder and Fregidou-Malama (2007) developed a specific model to define the issues of adapting/standardising services, as well as trust and networking in culturally distant country, through handling the problems of intangibility and heterogeneity. They argue that successful adaptation/standardisation, trust and network development can jointly overcome the challenges of intangibility and heterogeneity to facilitate the service marketing internationalisation process. Adaptation/standardisation is, therefore, being placed in the centre of their theoretical framework, because it leads to development of both, trust and network. The model is applied by illustrating a single case study of the Swedish-Egyptian medical service joint-venture Gamma Knife.

Gamma Knife is a Swedish neurosurgical technology, developed by Elekta, to treat brain tumours without making incisions in a patient's skull. This technology has allowed the volume of brain treatments to increase up to 40% (www.gammaknife.globalhospital.com, 2008). The joint-venture between Sweden and Egypt made the Gamma Knife treatment available in Egypt.

Culture is very important, if a company wants to be able to understand the local market. Without culture, misunderstanding can be perceived by the audience, possibly causing disallowing the information to be transferred successfully. The obvious visible parts of culture are apparent: *language, behaviour* and *style* (Funakawa. A., 1997, p. 16-17). Taking these three parts into consideration, it is obvious that the Swedish and Brazilian language, behaviour and styles are different from one and another. Looking at Hofstede's Cultural Dimensions, all five dimensions have shown completely different outcomes (www.geert-hofstede.com, 2008). Moreover, to know the do's and the don'ts can prevent misunderstanding and misperception. Funakawa (1997) points out that culture can be seen in business and business in culture. Thus, in order to be successful in a foreign market, understanding the local culture is a key essential to be successful.

As Hyder and Fregidou-Malama (2007) argue, adaptation/standardisation is influenced by culture and leads to the development of both, trust and network. Clearly, adaptation/standardisation is another critical success factor. A service that works domestically might not work internationally without certain adaptation and standardisation, regardless of trust and networks available. They identified, in the single case study of Gamma Knife in Egypt, that the joint-venture has adapted as well as standardised parts of its service, in order to be successful. As a result, trust and network are strengthened. Recently, Elekta started introducing its Gamma Knife technology to Brazil.

Taking this information into consideration, led us to the idea of addressing the following research questions:

- How does adaptation/standardisation of services take place in a culturally distant country?
- How are the occurring problems of intangibility and heterogeneity handled?

To answer these questions, the single case study of Elekta in Brazil will be illustrated. Primary information will be gathered in forms of structured E-mail interviews with Elekta employees, directly involved in the service process. In addition, secondary information will be collected by reviewing books, articles and websites. Further research could reveal the connection between trust, network and adaptation/standardisation in Brazil and could then be compared with Hyder and Fregidou-Malama's (2007) findings. The limitations of this study

are concerning the amount of interviews that will be done, and the lack of access to the companies. Two interviews will be handed out to Elekta in Stockholm, Sweden, as well as to the Swedish/Brazilian Corporation in Sao Paolo. E-mail interviews will be conducted. This implies that the interviewees' facial expressions will not be available and, thus, digging deeper when uncertainty occurred, will not take place. Furthermore, neither one of the companies will be visited. Therefore, additional interviews with personnel, e.g. doctors and nurses, to get a better understanding of the company's service culture is not possible. Thus, the study is limited in itself. A greater primary research would help to further clarify the adaptation/standardisation of services. Moreover, the study only presents on case. Though it is presented in an in-depth manner, it is not necessarily possible to apply finding one-to-one to different cases and situations. Further research needs to be conducted to create a clearer picture of the overall adaptation/standardisation of service in culturally distant countries.

2.   THEORETICAL BACKGROUND

Marketing is the concept of fulfilling the basic needs, wants and demands by exchanging products and value with others, in a social, managerial process (Kotler, 2005, p.6). Therefore, companies use this concept to base their management philosophy on:

'…*achieving organisational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do (Kotler, 2005, p.16)*'

To fulfill this philosophy, a company has to choose its overall marketing strategy by planning the details of its *marketing mix*. The marketing mix is a controllable tactical tool that a company blends (mix), to respond to the desire of the targeted market. It consists of 4 P's: *Product*, what a customer wants and needs, *Price*, the cost to the customer, *Place*, to offer the product for customer's convenience and *Promotion*, to communicate product offerings to the customer (Kotler, 2005, p. 33-34). These elements appear as a core decision variable in any marketing plan. Furthermore, it also implies that the mix of these variables can point out an optimum outcome for a given market segment, at a given point in time. However, this marketing tool requires some modification when it is applied to services. The marketing mix grows from 4 to 7 P's by adding *People, Physical evidence* and *Process. People* include all human actors, who play a part and are able to influence the buyer's perception in the service delivery process. In addition, services are produced and consumed simultaneously, thus, the service delivery people such as, clerks, nurses etc. are involved in real-time promotion of the service (Zeithaml, 2003, p.23). *Physical Evidence* is the environment in which the service is delivered and where the service provider and customer interact. The *Process* describes the actual procedures, mechanisms, and the flow of activities by which the service is delivered (Zeithaml, 2003, p.23-24).

Knight (1999) has reviewed international services marketing research, which has been conducted during 1980-1998. He identified only 124, mostly narrowly defined articles, regarding international services marketing. The retailing and banking sectors were dominating, while only three reports regarding healthcare were discovered. The most important and challenging factors in the internationalisation process of services were, among

others, intensive customer contact, extensive customisation requirements, cultural adaptation and the degree of tangibility and heterogeneity.

Globally operating companies that standardise their brand names, packaging and communication are more successful (Levitt 1983 cited in Širaliova & Angelis 2006). This has lead to a discussion of whether to adapt or standardise when going internationally. Other authors, such as Quelch and Hoff, have argued against Levitt's standardisation theory. They suggested, as cited by Širaliova and Angelis (2006), adapted pricing and promotion strategies but standardised packaging and brand policies. In other words, companies have to modify pricing and promotion strategies according to local tastes, habits and preferences, while packaging and branding policies can remain the same for all markets. Širaliova and Angelis (2006) argue that *'the question is not whether to standardise or adapt a marketing program but the degree of adaptation'*. In their research of standardising or adapting marketing programs in the Baltic States, they discovered that a moderate level of standardisation is appropriate by interviewing both, managers and customers. Therefore, one can assume that companies definitely need to somehow adapt to local foreign cultures, whereby some variables of the extended marketing mix may require more adaptation than others. Hyder and Fregidou-Malama (2007) point out that, although being a major factor, adaptation/standardisation in services marketing has not been focused on. In addition, Boddewyn and Grosse (1995) argue that more knowledge on the practices of service firms is needed, since most research has dealt with manufactures, apart from the greater standardisation that international franchisors seem to have.

Marketing services successfully across cultures requires communication, discussions and adaptation/standardisation to go well (Hyder & Fregidou-Malama 2007). Thus, service providers need to familiarize themselves with the local culture, its tastes, habits and preferences. Culture is learned in a social environment and, therefore, at least partly shared by the people who live or lived within it. It contains the unwritten rules of the current social game. Hofstede (2005, p. 4-8) argues that the manifestations or expressions of culture are based on symbols, heroes, rituals, practices and values. In addition, he created a model to classify national cultures by identifying five dimensions, in which the cultures are ranked. The dimensions are: power distance index, individualism, masculinity, uncertainty avoidance index and long term orientation.

In order to describe the theoretical part in more depth, the conceptual framework developed by Hyder and Fregidou-Malama (2007), which was designed to illustrate the relationship of adaptation/standardisation, trust and network by focussing on issues of intangibility and heterogeneity, is being used.

2.1 Theoretical Framework

The framework, proposed by Hyder and Fregidou-Malama (2007, p. 9), consists of three variables adaptation/standardisation, trust and network. These variables jointly act to overcome the challenges of intangibility and heterogeneity, in order to facilitate the service marketing internationalisation process. They assume intangibility and heterogeneity to be the two service characteristics most challenging in international service marketing. Adaptation/standardisation forms the central point of their framework, because it leads to the development of both, trust and network (see figure 1). They argue that trust will be created by both; the service producer's will to provide quality offerings as a part of standardisation, as well as by responding to local customs, needs and values. Moreover, network development is often a local requirement when entering another country. However, *'trust and network affect each other and help to reduce intangibility and heterogeneity'* (Hyder & Fregidou-Malama 2007, p. 9). Resulting implications of the intangibility of services are the inability to store or patent them, as well as display or communicate them easily, which makes pricing difficult (Zeithaml et al., 2003, p. 20-21). In addition, the heterogeneity of services implies that people are usually involved in producing them. Therefore, the service delivery and customer satisfaction depend on employee actions. The service quality depends on many uncontrollable factors, like the consumer's ability to articulate his/her needs, or the ability and willingness of personnel to satisfy those needs. This implies that there is no guarantee that the service delivered, will match what was planned or promoted. Successful adaptation, as well as standardisation, may help consumers to articulate their needs and wants, and service providers to understand and satisfy those needs and wants (Hyder & Fregidou-Malama 2007, p. 13).

Figure 1: The process of international service marketing
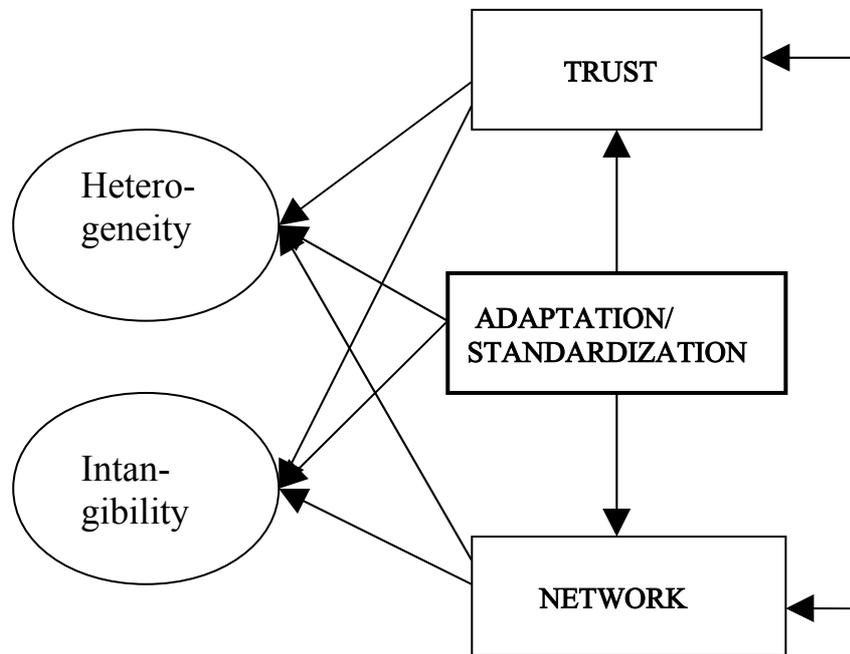
Hyder, A. & Fregidou-Malama, M. (2007, p. 9)

In order to emphasize on the importance of culture, Funakawa (1997, p.53) argues that in conventional management theory, a business strategy must take the 'Three C's' into consideration: *the corporation, the customer and the competitor*. However, Shintaro Hori, director and vice president of Bain & Co. in Japan, as cited in Funakawa (1997), added on the *community*, as the environment of the company. Furthermore, the four C's should be connected by a fifth C, which is *communication*. This C is to guarantee understanding from each factor through continuous communication. Finally, all these are then "*wrapped*" in the sixth C, which is also the most important one: *culture* (see figure 2). Thus, without cultural understanding, none of these C's will be able to function optimally.

In other words, for a company it is important to understand itself, the customers and the competitors, in order to survive in the market. The community should also be taken into consideration, due to the need of corporate social responsibility of the company both, domestically and internationally. The community is the environment where the company is situated in. If locals perceive the company in a negative way, it can lose customers or complications arise in doing business, due to negative publicity. Obvious reasons to

communicate with competitors are, e.g. to measure their strength and weaknesses, to identify the market position of the company and to find out whether possible strategic alliances can be established. Communication is essential in gathering information and to avoid misunderstanding.

Figure 2: the 'Six C's' – model
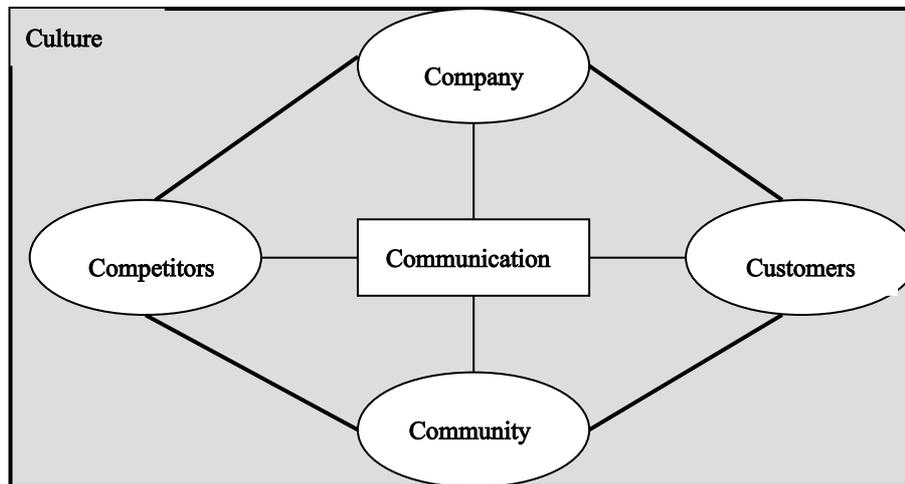
Funakawa Atsushi (1997, p. 54)

However, since this research only focuses on the adaptation/standardisation of a service in a culturally distant country, in relation to tangibility and heterogeneity, and therefore, does not specifically focus on trust and network, only adaptation/standardisation as well as culture is illustrated. By using the framework presented by Hyder and Fregidou-Malama (2007) as a basis, and adding up Funakawa's (1997) "six C's" to emphasise on the importance of culture, a new framework has been created. It focuses specifically at the way adaptation/standardisation solves the problems occurring due to heterogeneity and intangibility (see figure 3). Therefore, the variables trust and network have been deleted from its original source. At the same time, however, this new framework takes culture as a, at all-times, significant variable into consideration.

Figure 3: How culture affects the adaptation/standardisation process
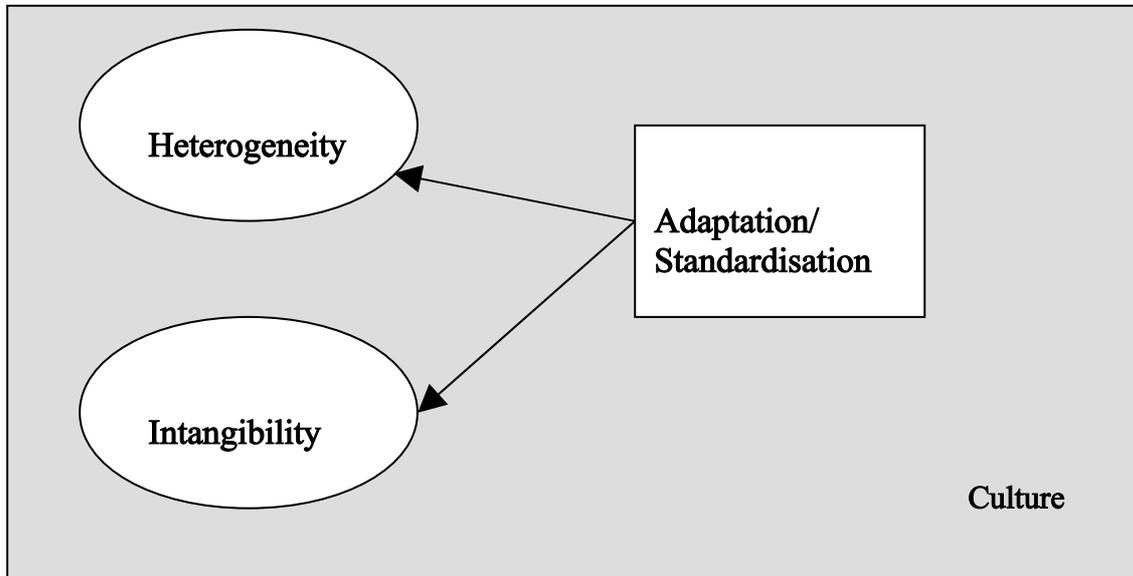
Adaptation/standardisation is, as in the framework presented by Hyder and Fregidou-Malama (2007), the central variable. It is used to deal with the occurring problems of heterogeneity and intangibility of services. This process is, at all times, influenced and affected by various types of culture, among others, the target country's culture, organisational culture, and the company's home country culture. Adaptation/standardisation, the framework's two variables, is now explained in greater depth.

2.1.1 Adaptation/Standardisation

McLaughlin and Fitzsimmons (1996) argue that key areas of front room and back room management, such as joint venturing, materials management, purchasing new product development, motivation, training, work force scheduling and environmental management, are likely to require adaptation from country to country, as services are globalized. Samiee (1999) states that the likelihood of cultural incompatibility is greater, since services inherently involve some level of human resources. E.g. for-profit funeral services in Islamic nations will probably not be well-received (Ibid). Hyder and Fregidou-Malama (2007, p. 10) build up on McLaughlin and Fitzsimmons (1996) by pointing out that *'the greater the cultural difference,*

the greater the need for adaptation'. De Búrca et al., as cited by Hyder and Fregidou-Malama (2007, p 10.), suggest that executives must not forsake their own ways and totally conform to the other culture. Instead, they must be aware of local customs and be willing to accommodate those differences that cause misunderstanding. They raise the question of whether only the service provider or both, the service provider and the local customer should adapt. However, Roper (2005) points out that a totally polycentric approach fails to allow the utilisation and exploitation of knowledge and expertise accumulated by a multinational company. She argues that the perfect approach involves the challenging integration of different levels or extent of standardisation/adaptation across and within marketing activities and refers to "glocalisation". Svensson (2001) describes a "glocal strategy approach", which he proposes as a compromise to reflect the aspirations of a global strategy approach, while simultaneously acknowledging the necessity for local adaptations and tailoring of business activities (i.e. "glocalisation").

Taylor, as cited by Vignali (2001, p. 98) who presents a study of McDonald's extended marketing mix, supports the view that companies should use both, internationalisation and globalisation elements to create a competitive advantage:

> *'…it is important to heed the maxim "think global, act local". The firm must ensure that its structure fits in with its international environment, while at the same time, have the internal flexibility required to implement its strategic goal.'*

Onkvisit and Shaw (2004, p. 301-302) agree by arguing that service providers need to standardise, as well as to adapt, when entering foreign markets. Širaliova and Angelis (2006) have come to a similar conclusion when analysing multinational corporations operating in the Baltic countries. Clearly, companies need to be aware of local tastes, habits and preferences. Complete adaptation or standardisation seems to be inappropriate. Therefore, companies have to find ways to standardise parts of their offerings, as well as to adapt to local requirements.

2.1.2 Culture

Hyder and Fregidou-Malama (2007, p. 12) argue that the local culture plays an essential role in providing services. Thus, it is important to understand the culture and to find

out how a company should standardize and adapt its service, to satisfy local customers. After the adaptation/standardisation process, a new service culture can be manifested in the foreign market. The culture of the company's origin and the foreign market meet, and create a new culture by combining both cultures (Hyder & Fregidou-Malama, 2007, page 13).

As cultural knowledge is one of the key necessities for the success in providing a service in a foreign country, a company which is successful domestically, is not necessarily successful internationally. Therefore, it is recommendable that in-depth research regarding the target country's culture is being done, before a company introduces its service. Moreover, culture can be seen in business and vice versa. In other words, culture influences business. Adler (cited in Funakawa, 1997, page 59) points out that in 24 academic and professional journals documented, only less than five percent referred to either international or domestic multiculturalism, and emphasises on how management researchers ignored the influence of culture on organisations. Moreover, American researchers, who conducted research in America only, assumed that their findings can be considered universally (Funakawa 1997, p. 14-15). Thus, despite culture is an essential factor for a company to be able to survive in foreign market, many management researchers have not put enough stress on it. Since culture is invisible and intangible, it is complex to understand and has many-sided constructs. However, culture is convertible in visible and tangible aspects, by manifesting the culture itself in business management. In addition, it is possible to define culture systematically, making it less difficult to understand and as a company, to survive in foreign markets (Funakawa 1997, p. 14-15).

Hofstede (2005, p.22-23) has studied a large body of survey data, focussing on the values of people in more than fifty countries around the world. The people were employees of local subsidiaries of IBM, one of the largest multinational corporations. Although at first sight the survey revealed that it was a perfectly matched sample, the survey also revealed that the only mismatch was the nationality related differences in their answers, which stood out unusually clearly. The answers for solutions towards common problems were different from country to country in the following areas: social inequality, including the relationship with authority, the relationship between individual and the group, concept of masculinity and femininity, and ways of dealing with uncertainty. These results covered the areas which Inkeles and Levinson, as cited in Hofstede (2005 p.22-23), predicted twenty years ago.

From these four basic problem areas, the dimensions of culture, an aspect of culture that can be measured, were represented. The dimensions are: *Power Distance, Collectivism versus Individualism, Femininity versus Masculinity and Uncertainty Avoidance*. The fifth dimension, *Long-Term Orientation* with associated values of thrift and perseverance *versus Short-Term Orientation* with associated values of respect for tradition, fulfilling social obligations, and protecting one's 'face', was added later on, after a study among students in 23 countries around the world, by using a questionnaire that was designed by Chinese scholars (www.Geert-Hofstede.com, 2008 & Hofstede, 2005, p.29-31). The most basic dimension and also the least controversial out of the five dimensions of Hofstede, is the cultural dimension individualism versus collectivism, which is discussed broadly in the book *Riding the Waves of Culture* by Trompenaars and Hampden-Turner. This is also a reason why the book is preferred by some, since confliction is rarely in this dimension which makes it less difficult (Hofstede, 2005, p. 32-33). Therefore, Hofstede's five dimensions will be used to analyse the targeted research country: Brazil.

Heterogeneity and intangibility are the two service characteristics to be most challenging in international services marketing (Hyder & Fregidou-Malama, 2007). Since the involvement of the human factor, heterogeneity entails that service delivery and customer satisfaction depend on employee actions. Moreover, service quality depends on many uncontrollable factors, such as, the customer's abilities to communicate his/her needs and the ability and willingness of personnel to satisfy those needs. In general, there is no guarantee that the service delivered matches what was planned and promoted. Furthermore, intangibility implies that service providers cannot store nor patent their offerings. In addition, it can be difficult to display and communicate service offerings effectively and efficiently. Successful adaptation/standardisation, therefore, may help customers to articulate their needs and service providers to satisfy those needs. In addition, it can make displaying and communicating service offers more effectively and efficiently. However, in order to adapt/standardise successfully, service providers have to realise the importance of culture and, therefore, familiarise themselves with locals tastes, habits and preferences.

3.   METHODOLOGY

This study deals with the internationalisation process of services in a culturally distant country, as well as continues the research done by Hyder and Fregidou-Malama in 2007. They agreed with Alexander and Myers (2000 as cited in Hyder & Fregidou-Malama 2007, p. 14), who also treated the internationalisation of retailing as a process. Knight (1999) argued that international services are complex, and recognised a lack of research in that particular field. An *exploratory research design* was chosen in order to develop a profound understanding of the research topic and to obtain in-depth data about the research object, since exploratory research is particularly useful when the information available is very little (Hair et al., 2003). The research study is *qualitative* since such techniques are often part of an explanatory design. *Qualitative research* represents a description of things that is made without assigning numbers directly and offers the possibility of probing deeply into an issue (Hair et al., 2003).

Therefore, a single case study has been applied to collect data by going into depth of the research. Gummesson (2005, 2007) pointed out that case study research is systemic, as well as holistic, and gives rich accounts of the relationships and interactions between a host of events and factors. He considered cases central in management research. The illustrated single case study deals with the marketing of a Swedish neurosurgical method, Gamma Knife, to Brazil. When researching the marketing of Gamma Knife to Egypt, Hyder and Fregidou-Malama (2007, p. 15) presented: *the complex and unique nature of the core service, well-known service concept marketed in many countries and cultural distance between Sweden and Egypt,* as further features that justify a single case study. Since this study aims to continue their research, their argumentation can be used as a basis. Therefore, the case of marketing Gamma Knife in Brazil also covers similar, partly modified as well as new features, which further justify why a single case study 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
- Similar research approach simplifies comparisons

This study is based on qualitative data in form of secondary and primary data (see appendix A). Secondary data has an advantage towards time and finance, because the data is usually ready to use and researcher can go further to find the answers of the research problem (Blumberg et al., 2005). It has been collected through topic related books, scientific journals, and websites. Secondary literature on the research topic has been reviewed in order build up a theoretical structure which functions as a clear and comprehensive basis of the thesis. The secondary information acquired was of specific use to get an insight in the field of study. This information assisted in how to approach the primary research and design, its contents and its conduction with regards to the questions. The primary research should have been conducted with the help of structured in-depth interviews, as a suitable form of qualitative research. Interviews are particularly helpful when dealing with complex or sensitive issues and when open-ended questions are used (Hair et al., 2003). An in-depth interview is an one-to-one discussion for which responds are chosen carefully because of their specialized insight (Hair et al., 2003).

Thus, data collection was supposed to take place in form of two structured qualitative E-mail interviews that have been send directly to the interviewees. One of them is located at the company's head quarters in Sweden, while the other one is working for the Brazilian corporation. As Blumberg *et al.* (2005) argued quality is the essential character of the study rather than the amount of it. The interviewees have been selected for their direct involvement in the business operation of Gamma Knife in Brazil. The questionnaire sent by email, included around 35 questions and answering it took approximately 30-45 minutes. It has been designed to discover the degree of adaptation/standardisation of the service in Brazil. The questions were formulated in a neutral manner in order to not influence the interviewees opinion. The interviewees were encouraged to fully express their opinions. After collecting all the relevant data, it should have been analysed in order to understand the respondents' perspectives. At the end, that data would have been arranged under three headings within the final section of the empirical part. These three headings were chosen to be called: *The Swedish/Brazilian Corporation, Adapting/Standardising the Service*, and *Final Remarks*. In addition, the findings of the research were to be linked, discussed and interpreted in relation to the theoretical framework and relevant theories.

However, complications prevented the primary data collection from happening. In the beginning, contact with Elekta (see appendix B) had been established with the help of Professor Hyder and Professor Fregidou-Malama, who had done previous research on Elekta and the adaptation/standardisation of services in culturally distant countries. Both, the Swedish head quarters and the Swedish/Brazilian co-operation agreed on participating in the research. Then, the Swedish head quarters were kindly asked for a suitable time to meet and conduct the interview. The same was done for the Brazilian counterpart with regards to a suitable time to send the email interview. Since that time, neither of the two contact persons was reachable any longer. Several emails have been sent and calls have been made in order to ask for availability but emails, as well as call, were not answered. There research thus was conducted only with secondary information.

The interview questions were used as the bases of the information findings. A desk research was conducted to gathered information in order to answer the questions. In addition, cultural aspects had been taken into consideration in order to emphasize the differences in culture of both corporations. Identifying the working ethics, language and other cultural related issues had an essentials value to form the empirical findings.

4. EMPIRICAL FINDINGS

This study illustrates the single case of the Swedish medical systems company Elekta and its efforts to market its Gamma Knife Technology, a neurosurgical method, to Brazil. The study aims to reveal the degree of adaptation/standardisation necessary, to overcome the problems related to heterogeneity and intangibility of services, and therefore, to market Gamma Knife successfully by taking the importance of culture into consideration. Therefore, this section has been divided into three sections. The first one delivers background information about Elekta and its neurosurgical method Gamma Knife. The second section explains the questionnaire and, therefore, describes the reasons for asking the chosen questions. The third and last part of the empirical findings presents the collected data. Therefore, primary and secondary sources, i.e. a questionnaire sent by email, as well as books, scientific articles and websites have been used.

4.1 Company Profile Elekta

Elekta is an international medical-technology group, supplying advanced clinical solutions, comprehensive information systems and services for improved cancer care and management of brain disorders (www.elekta.com, May 15, 2008). It was originally founded by the Swedish neurosurgeon, Professor Lars Leksell, in 1972. Elekta's systems and solutions enjoy great acceptance, and are used at over 4,500 hospitals around the world to treat cancer with radiation therapy. The company has a vision by believing *'...that by working together we can fight serious disease and enhance quality of life* (www.elekta.com, May 15, 2008)*'*. In order to achieve that, it defined its mission *'…to always be the first choice'.* It wants to be the company that patients, healthcare professionals, employees, shareholders and other stakeholders first think of when they seek treatment, a supplier, employment or an investment opportunity. Elekta is a decentralised organisation with decision making processes, which give each manager and employee a considerable scope in making decisions regarding his/her

work. Five core values function as support for decision making and as general guidelines in the daily internal and external work. These five core values are:

- Long-term Customers

- Trust and Reliance

- Stretch Boundaries

- Careful with Resources

- Speed and Performance

Gamma Knife is a Swedish invention by Elekta. A Leksell Gamma Knife is neurosurgical device used to treat brain tumours with radiation therapy (www.wikipedia.org, May 19th, 2008). Therefore, the Gamma Knife surgery is an alternative or can be complementary to open surgery (www.gammaknife.org, May 15, 2008). It is the most accepted and widely used radio-surgery treatment in the world. About half a million people have been treated with Gamma Knife surgery. In the last five years, the number of patients treated using Gamma Knife surgery has increased by 300%. Over 30,000 patients are being treated world wide, every year, using Gamma Knife Technology.

4.2 Explanation of the Questionnaire

This section is devoted to give reasons why specific questions were asked (see appendix A). The aim of the questionnaire was to discover the degree of adaptation/standardisation regarding Elekta's Swedish/Brazilian Corporation. Answering it required approximately 30-45 minutes. It consisted of three broad topics, *the Swedish/Brazilian Corporation*, *adapting/standardising the service*, and *final questions*. The first part, *the Swedish/Brazilian Corporation*, started off broadly, included ten questions and aimed for receiving more general information about the corporation, which inevitably helped to create a clearer picture. Therefore, questions asking for, among others, reasons for choosing Brazil, obstacles for entering the market, as well as turnover and profits, were included. The second part of the questionnaire, *adapting/standardising the service*, went into more detail and focussed on the core service, as well as related features. It was, therefore, separated again into two parts. The first one was called *medical treatment and staffing policies*, and was followed by

marketing/pricing. Medical treatment and staffing policies included specific questions about daily routines regarding medical treatments, e.g. doctor-patient contact, and staffing policies, e.g. working procedures. *Marketing/pricing* aimed for revealing information about the corporation's advertising and pricing strategies, which could also be used to determine their degree of adaptation/standardisation. The last part of the questionnaire, *final questions*, became more broadly again and was a mix of questions, designed to gather final information, which haven't been revealed earlier. Examples are common do's and don'ts in Brazil or the company's future planning.

4.3 The Gamma Knife Case

Before entering any kind of market, the local culture has to be fully analysed in order to know the local tastes, habits and preferences. Using Hofstede's Cultural Dimensions (www.geert-hofstede.com, April 2008), Brazil has scored 76 for Uncertainty Avoidance, meaning that the society has a low level of tolerance towards uncertainty. Strict rules, laws, policies and regulation are adopted and implemented to be in control and to avoid or eliminate the unexpected as much as possible. This dimension is Brazil's highest score of Hofstede's Dimensions, meaning that the society is very risk adverse and does not readily accept changes. This explains the importance of committing both, time and money resources towards relationships, which is the key to business success in Brazil (www.cyborlink.com, April 2008). As for Sweden, it scored much lower for the uncertainty avoidance. The society has a high level of tolerance towards uncertainty, according to Hofstede's Cultural Dimensions (www.geert-hofstede.com, May 2009). The Swedish society prefers as few rules as possible and can be perceived to be more tolerant of differences in opinion. Furthermore, it accepts other cultures more easily than its Brazilian counterpart. Another factor that Hofstede has emphasized on is that Brazil is considered to be an unstructured country, meaning that the chances of situation changes are bigger than in structured Sweden.

This also explains the high score for the Brazilian Long-Term Orientation Dimension (65), which signifies that the society has respect for tradition and supports a strong work ethic, where, e.g. long-term employment is rewarded. As Brazilians are less open for changes, strict guidelines should be introduced in order for them to feel comfortable in a company.

Furthermore, long term employment can guarantee employee loyalty towards a company. Sweden can be perceived as a Short Term Orientation country, the society perceived their job as fulfilling the social obligations.

Practically all Latin American countries are considered to be less individualistic, thus, close long-term commitment to the members of a certain group, to the family, extended family or extended relationships are manifested within the society. Loyalty in collectivistic cultures, such as Brazil, is supreme. It even over-rides most other social rules. However, Brazil has scored 38 in the Individualism Dimension, which is higher than the average (21) of other Latin American countries (www.geert-hofstede.com, April 2008). Hence, Brazilians tend to be individualistic. Companies should therefore also consider rewarding personal achievements to encourage working esteem of the employees. As for Sweden, the society has had a significantly higher score than the Brazilian one, which implies that the society has a loose commitment towards a certain group and extended family (www.geert-hofstede.com, May 2009).

Less powerful Brazilian society members accept the power above them. Thus, unequally distributed power can be expected. As result, the society prefers to make appointments at least two weeks in advance and unarranged calls at business or government offices are not favourable (www.cyborlink.com, April 2008). Brazil scored 69 in the Power Distance Dimension (www.geert-hofstede.com, April 2008). In the Swedish society, members accept less distance between levels of power. The power is distributed more equally with the result that unarranged calls are more acceptable and appointments can be arranged within a shorter period of time.

For the Masculinity Dimension, Brazil has scored 49, meaning that the society has both, characteristics of masculinity, which are assertive, tough and focused on material success, and characteristics of femininity, which are modest, tender and concerned with the quality of life (www.geert-hofstede.com & www.andrews.edu, April 2008). Moreover, business meetings usually start with a casual chat and businesses tend to be casual about time and work. However, in San Paulo and Rio de Janeiro being casual refers to personal and social events, not business. In addition, in both cities meetings tend to start on time (www.cyborglink.com). Knowing this, the organisational structure preferred by Brazilians tends to be hierarchical. For a company, it is important to have a strict appointment system,

such as how to make appointments and the strictness of punctuality etc. This is to prevent chaos and to be perceived seriously by the society. The Swedish society on the other hand has scored very low on the Masculinity dimension, meaning that in this society, characteristics of femininity, like modesty, tenderness and concern, are more important with regards to the quality of life (www.geert-hofstede.com, May 2009).

Organisation management cannot overemphasize the value of, and need for cross-cultural communication skills. These are the ones that enable any mission statement, vision or strategy to become reality (Funakawa. 1997, p.53-55). Meaning that, understanding culture is not enough, especially that Brazil and Sweden have scored the opposite for all five cultural dimensions of Hofstede. A good communication between cultures can minimize or avoid misunderstanding, which can lead to less faults within the organisation and, thus, lead to higher productivity. Therefore, language barriers have to be diminished. Furthermore, marketing campaigns will not work without any adaptation towards the local culture such as, adapting the language, the heroes, symbols etc. Only then the message can be transferred to the audience successfully (Solberg, 2001, p. 5). The front line employees have to be able to communicate with the customers. As Portuguese is the main language in Brazil, they have to master it in order to avoid misunderstanding. Additionally, marketing campaigns should be done in Portuguese for audience to understand the message fully and without confusion. As English is also used in Brazil, (www.cia.gov, world fact book, & www.wikipedia.com, April 2008) internal communication could be done in English, which would make it less difficult for non-Portuguese speaking expatriates to perform their duty. However, communication with customers should be done in Portuguese, which makes it less easy for foreign doctors to work in Brazil. Nevertheless, this obstacle could be tackled by having English speaking nurses, who can translate into Portuguese to the patients.

Adapting/Standardising the Service

In Swedish business culture, it is important that people feel like being part of the team, rather than being concerned about the individual reputation. Therefore, Swedish Leksell Gamma Knife Centers try to create teamwork by including all categories of employees. For example, it is common that nurses and doctors are sitting and drinking coffee together, as well as having friendly conversations while taking a break. In addition, Swedish Leksell Gamma Knife Centers offer good compensation to satisfied employees and to create the service-

oriented attitude needed in order to always adhere times and schedules, maintain service quality and give every patient the feeling of being important. Moreover, to respect the privacy of patients, doctor-patient discussions are commonly being held privately.

5. DISCUSSION

In this part, the results are discussed and linked with the theoretical framework and relevant theories. It serves as the basis for the conclusions, which is going to be the last chapter of this paper. After establishing contact with both, Elektra's head quarters in Sweden as well as the Swedish/Brazilian co-operation (see appendix A and B), a promise about their participation in this research was reached. It was agreed that an interview at Elekta's head quarters, as well as an Email interview with the Swedish/Brazilian co-operation were to take place. However, after reaching that agreement, it has not been possible to get in contact with either of the two organisations. Multiple communication attempts using email and telephone have not been successful. Both organisations suddenly became unreachable without giving any reason, or replying to any form of communication. Thus, the analysis is exclusively based on secondary findings. Therefore, the company's websites were used as well as other relevant secondary data.

To relate the above mentioned situation with Hofstede's Dimensions, both organisations are located in fairly individualistic countries, where individuals are expected to take care of themselves. Brazil has a high Uncertainty Avoiding, thus, strict rules and regulations exist which might prevent the interviewee from providing feedback. The possibility of the interview being too detailed and revealing too much company information may have lead to receiving management approval. In Sweden, however, is an uncertainty accepting country, where phlegmatic and contemplative factors might be the reasons for the interviewee not to response to the interview. After the interview was received and thoroughly studied by the interviewee, he/she might have perceived it as too in-depth. Furthermore, for both organisations the interview has only short term value, which can be perceived as less important for the Swedish/Brazilian co-operation in Sao Paolo. The Masculine characteristics, like assertiveness and competitiveness, can also be a possible reason as to why the interviewees have not replied. This implies that the organisations would have been afraid that the information given would diminish their competitive position. Nonetheless, unlike its Brazilian counterpart, the Swedish culture is perceived as feminine and short term oriented. It

is possible that the interviewee from Sweden had been affected by other cultures resulting in the interviewee to be less Swedish culture oriented.

From both organisation's point of view, the possibility exist that both interviewees had not have enough time to answer the interview, due to their individual working loads. Additionally, one of Elekta's core values is 'trust and reliance', which makes it even less understandable why they have stopped communicating.

5.1 Adaptation/Standardisation and Heterogeneity

Services are heterogenic, because people are involved in producing them. This implies that service delivery, as well as customer satisfaction, depend on the performance of employees. Moreover, service quality is affected by many factors including, the customer's ability to communicate his/her needs, as well as the ability and willingness of service personnel to satisfy those needs. Thus, there is no guarantee that the service delivered actually matches the service offered. It is highly likely that many parts of the core service, e.g. the medical treatment itself, are standardised. For example, the actual procedures of using the Gamma Knife and performing the surgery probably include many standardised steps. Another example for a likely standardisation is the services' process, meaning that not only the service itself is likely to be adapted, but also the procedures all around it. This implies the collection of information before the treatment, the activities to be performed at the day of treatment, etc. The details, however, might then very well be adapted to local habits. In addition, other standardisations are likely to be found, including issues like caring, e.g. standardised routines of nurses, timing, e.g. when do patients leave their rooms and go the anaesthesia, before undergoing a surgery, and communicating, e.g. how guidelines as to how personnel is dealing with patients, other employees and other stakeholders.

Nonetheless, there can also be adaptations, especially towards the local culture and environment. For example, food offered is likely to be adapted to the local culture. Taking the different climate compared to Sweden, into consideration, breakfast-, lunch-, and dinner time might differ from Swedish times, and could therefore also be adapted. Doctor-patient conversations is likely to be held quite differently compared to Sweden since in Sweden it will be only between the doctor and patient and maybe very close relatives. However, in

Brazil it is very well possible that many more family members will be present, due to their more collectivistic attitude towards families and life. Another point is teamwork. It is again likely, that the company followed suggestions from Sweden and adopted a teamwork-oriented service culture, where employees of all categories have friendly conversations and take breaks together, without losing status. On the other hand, Hofstede's Cultural Dimensions suggest imply a higher degree of power distance, which could very well affect the entire Swedish idea of teamwork. Thus, doctors and nurses might take brakes together, and may not even want that in the first place. Another part of the service likely to be adapted is the pricing of it. Not only do insurance coverings differ between countries but also income. What is affordable to pay, either personally or with the help of insurance, might not be affordable in Brazil. If pricing remains unchanged it is therefore likely to attract a different kind of target group than in Sweden.

Although complete homogeneity is not possible, the high degree of standardisation in the service delivery positively affects customer satisfaction, since a high quality is offered. Therefore, the company's service offerings are likely to be very qualitative and homogenous.

5.2 Adaptation/Standardisation and Intangibility

Services cannot be stored or patented. Furthermore, they cannot easily be displayed or communicated, and pricing is difficult. In other words, services are intangible, which implies that they cannot be touched or made visible easily. In order to make them more tangible, the company cannot rely completely on standardisation. Obvious areas of adaptation are to be found within the promotion and people of the company's extended marketing mix. The company has to first of all change the advertisement into Portuguese, since it is the official language used in Brazil. However, taking the fairly collectivistic Brazilian culture into consideration, other adaptations concerning promotion are possible. For example, pictures included within the advertisement might show many people, representing the concept of having close relationships with the extended family rather than only, say spouse and children. Another example for adaptation promotion is the website. Not only does it need to be changed into Portuguese, it might also have to offer different information, for example, concerning doctors who will perform the treatment. Since it is common practice for doctors in Brazil,

contrary to Sweden, to spend some time to really get to know their patients, on the website, doctors might have to be presented with picture and additional information to also socially convince the patient that he or she will be the right person to perform the treatment.

Thus, the way personnel behave towards patients and relatives is likely to be adapted as well. Referring back to Brazilians collectivistic culture, it likely to be that personnel spends extra time on getting to know patients and relatives and, therefore, creates some kind of warm and friendly atmosphere. Therefore, one can expect that also additional family members be part of doctor-patient conversations, which would be quite the opposite of what is common practice in Sweden. Other factors concerning the display, e.g. the physical evidence are likely to be standardised. The interior design, the furniture, the uniforms offer great possibilities for standardisation, which can result in lower service-production, management and marketing costs. Nonetheless, there is also the possibility of minor adaptations. For example the colour of uniforms may be exclusively white, or a certain type medical personnel will wear a certain colour to make it easier for patients to recognise their function. Moreover, it is expected that the company tries to promote itself as a whole rather than single specialists located within the centre. This standardisation aims to communicate the idea of offering a complete solution for problems rather than a treatment.

All of this will help to make the company appear more visible and thus, more tangible.

6. CONCLUSION AND IMPLICATION

This study focussed on answering (1) how adaptation/standardisation of services takes place in culturally distant countries. The key to success is getting the balance between standardisation and adaptation (Hyder & Fregidou-Malama, 2007; Langton, and Roper et al., as cited in Hyder & Fregidou-Malama, 2007). Cleary, the study shows that both, adaptation and standardisation can be implemented successfully within the market. Therefore, adaptation/standardisation plays an important role in services marketing, especially in the internationalisation process. A balanced combination makes services more homogenous and tangible, and thus, increases the likelihood of success for service providers.

(2) How problems related to heterogeneity and intangibility of services are handled. The service to be performed, as well as the service's process, it's physical evidence and the people involved in it offer great potential for standardisation. Whereas the service itself is likely to be entirely standardised, some of the key parts of the service's process might undergo slight adaptations, for the example the way patients are addressed. Staffs members are likely to be hired according to standardised procedures receive standardised training but might also face adaptations. Additionally, the service's physical evidence in Brazil is likely to be similar to the one in Sweden but might entail minor adaptations as well. A possible example would be the colour of staff uniforms. On the other hand, pricing and promotion are likely to be adapted to match Brazilian culture and preferences and conditions. The most obvious promotional adaptation is language. To make advertisement understandable to local people, it needs to be in their native language. In addition, emotional as well as rational advertisement approaches might have different meanings in different countries. Another adaptation likely to happen is the setting of a new price for the service, since per capita income differs greatly between the two countries.

These two service characteristics have been found to be most challenging when marketing services internationally. An attempt is made to illustrate how possible solutions to the research questions can help dealing with the complexity of these two service characteristics. Heterogeneity and intangibility are basic problems when marketing services domestically as well as internationally. However, they can at least partly be dealt with by a

mix of adaptation/standardisation. Different cultures increase the difficulty of displaying and communicating service offering effectively to the customer. Cultural adaptation can, therefore, help service providers to make their offerings more tangible by reducing the gap of misunderstanding between the interacting parties, i.e. local customers and service providers. Cultural adaptation is also the first step towards a new service culture. The study proposes that a foreign company's service offerings, ideas, values and beliefs connected to the quality of a service, are to be standardised, while factors related to the market, e.g. advertising and pricing should be based on the local culture, i.e. local tastes, habits and preferences.

In addition, this study has implications for management. Before entering a market, managers must completely familiarise themselves with the local culture. It is important to fully recognise, analyse and understand local tastes, habits and preferences. For example, a more collectivistic country like Brazil requires a different way of communication. Warm- and friendliness within communication is important. However, at the same time it is essential not to change too much of the basic service concept. The core service offering and factors related to quality should basically be the same all over the world. If a market requires too much adaptation towards the core service, and therefore, would affect the quality, it is recommendable for managers not to enter this market but search for other, more suitable ones.

This study presented a single case and is limited. It was based on Hyder and Fregidou-Malama (2007)'s research, who analysed the export of the Gamma Knife Technology to Egypt. It only covers their main aspect and does not research the aspects of trust and network. In addition, due to lack of time and accessibility, both companies have not been visited and interviews with front line employees, to receive a better idea about the company's culture, could not be conducted. Moreover, both organisations were not available for research contrary to previous agreements. Thus, this study is only based on secondary data. Therefore further research about Brazil and the Swedish/Brazilian co-operation is necessary to complete the picture, which then can also be compared to Hyder and Fregidou-Malama's findings. This will then help to create a better picture as to how international marketing of services works. In addition, this study, as well as Hyder and Fregidou-Malama's, focus on the healthcare sector. Thus, researching the internationalisation process of a different service sector will provide both, scientists as well as managers, with even more information. This will help to sharpen the picture as to how international services marketing works and how service providers should use adaptation/standardisation to create their marketing mix in order to be successful.

This study was designed for Gamma knife situated in Brazil and Sweden. Unfortunately, the lack of primary research will prevent this to be in-depth so further studies implementing the corporate findings will benefit both corporations is required. Second, the study was researched to provide information regarding Gamma Knife case for Hyder and Fregidiou-Malama for Brazilian target country, to complete Hyder and Fregidiou-Malama model, further research in Trust and Network is required. Furthermore, the study might be useful for companies that will provide their services in a cultural distant country. The findings and approaches can be use as template to focus on adaptation/standardisation and heterogeneity and intangibility of services.

REFERENCES

Literature:

- Blumberg, B., Cooper, D.R., & Schindler, P.S., *Business Research Methods*, First Edition, Madrid, McGraw-Hill Education Limited, ISBN 007710742X

- Boddewyn, J.J. & Grosse, R., 1995, "American marketing in the European Union", standardization's uneven progress (1973-1993)", *European Journal of Marketing*, Vol. 29, No. 12, p. 38-39

- Funakawa, A., 1997, *Transcultural Management – A new Approach for Global Organizations*, First Edition, San Francisco, Jossey Bass Business and Management Series, ISBN 0-7879-0323-X

- Gummesson, E., 2007, "Case study research and network theory: birds of feather", *Qualitative in Organizations and Management: an International Journal,* Vol. 2, No. 3, p. 228

- Gummesson, E., 2005, "Qualitative research in marketing, road-map for a wilderness of complexity and unpredictability", *European Journal of Marketing,* Vol. 39, No. 3/4, p. 322

- Grönroos, C., 1999, "Internationalization strategies for services", *Journal of Services Marketing*, Vol. 13, No.4/5, p. 290-297

- Hair, J.F. et al., 2003, *Essentials of Business Research Methods*, International Edition, Hoboken, USA, John Wiley & Sons, Inc., ISBN 0-471-27136-5

- Hofstede, G. & Hofstede, G.J., 2005, Cultures *and Organizations – Software of the Mind*, Second Edition, New York, The McGraw-Hill Companies, ISBN 0-07-143959-5

- Hyder, A. & Fregidou-Malama, M., 2007, "Services marketing in a cross-cultural environment: The case of Egypt", p. 1-33

- Javalgi, R.G., Griffith, D.A. and White, D.S., 2003, "An empirical examination of factors influencing the internationalization of service firms", *Journal of Services Marketing*, Vol. 17, No. 2, p. 185-187

- Knight, G., 1999, "International services marketing: review of research, 1980-1998", Vol. 13, No. 4/5, p. 348-353, 356-357

- Kotler, P., Wong, V., Saunders, J., & Armstrong, G., 2005, *Principles of Marketing*, Fourth Edition, Essex, Pearson Education Limited, ISBN 0-273-68456-6

- Laing, A.W. and Lian, P.C.S., 2005, "Inter-organizational relationships in professional services: Towards a typology of service relationships", *Journal of Services Marketing*, Vol. 19, No. 2, p. 114-27

- McLaughlin, C.P., & Fitzsimmons, J.A., 1996, "Strategies for globalizing service operations", *International Journal of Service Industry Management*, Vol. 7, No. 4, p. 55-56

  - Onkvisit, S. & Shaw, J.J., 2004, *International Marketing – Analysis and Strategy*, Fourth Edition, London, Routledge – Tailor & Francis Group, ISBN 0-415-31132-2

- Roper, A., 2005, "Marketing standardization: tour operations in the Nordic region", *European Journal of Marketing*, Vol. 39, No. 5/6, p. 517-518

- Samiee, S., 1999, "The internationalization of services: Trends, obstacles and issues", *Journal of Services Marketing*, Vol. 13, No. 4/5, p. 326-327

- Širaliova, J. & Angelis, J.J., 2006, "Marketing strategy in the Baltics: standardize or adapt?", *Baltic Journal of Management,* Vol. 1, No. 2, p. 170, 181-184

  - Solberg, C.A., 2001, "The perennial issue of Adaptation or Standardization of International Marketing Communication: Organizational Contingencies and Performance, *Journal of International Marketing*, Volume 10, No. 3, p. 5

  - Svensson, G., 2001, "'Glocalization'of business activities: a 'glocal strategy' approach, *Management Decision* 39/1, No. 6-18, p. 16

  - Vignali, C., 2001, "McDonald's: 'think global, act local' – the marketing mix", *British Food Journal,* Vol. 103, No. 2, p. 98

  - Zeithaml, V.A. & Bitner, M.J., 2003, *Services Marketing – Integrating Customer Focus Across The Firm*, Third Edition, New York, The McGraw-Hill Companies, ISBN 0-07-119914-4

Internet:

  - Andrews University, Hofstede Masculinity/ Femininity, [Online]. Available at: http://www.andrews.edu/~tidwell/bsad560/HofstedeMasculinity.html, [Accessed 20 April 2008]

  - Central Intelligence Agency, Brazil, [Online]. Available at: https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html#Econ, [Accessed 20 April 2008]

  - Changing Minds, Hofstede's cultural factors, [Online]. Availabe at: http://changingminds.org/explanations/culture/hofstede_culture.htm, [Accessed 26 April 2008]

- Elekta, Who are we?, [Online]. Available at: http://www.elekta.com/corporate_international_who_are_we.php, [Accessed 15 May 2008]

- Gamma Knife, Why Gamma Knife surgery?, [Online]. Available at: http://www.gammaknife.org/gksl_why.html, [Accessed 15 May 2008]

- Geert Hofstede, Cultural Dimensions, [Online]. Available at: http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=11&culture2=86, [Accessed 9 May 2008]

- Global Hostpital, History of Gamma Knife, [Online]. Available at: http://gammaknife.globalhospital.com/default.asp?h=288&m=291&u=314, [Accessed 20 April 2008]

- Joni Nicol, Brazil Business Etiquette, Cross Cultural Communication, and Geert Hofstede.[Online]. Available at: http://www.cyborlink.com/besite/brazil.htm, [Accessed 20 April 2008]

- Wikipedia, Elekta, [Online]. Available at: http://en.wikipedia.org/wiki/Elekta#cite_note-0, [Accessed 15 May 2008]

- World Trade Organisation, 2007, Trade in commercial service by category 2007, Table III.1+ Table III.2, [Online]. Available at: http://www.wto.org/english/res_e/statis_e/its2007_e/its07_trade_category_e.htm, [Accessed 20 April 2008]

1.)   The Swedish/Brazilian Corporation

- o   Why was Brazil chosen for introducing the Gamma Knife technology?

- o   How has the Swedish/Brazilian Corporation been established?

- o   Did you have to do something with the service offerings to get it accepted and used in Brazil?

- o   Has bureaucracy been an obstacle for entering the market?

- o   Have there been any other complications?

- o   Are there any Swedes, i.e. employees from the Elekta's headquarters?

  - ⤷   If yes, which position do they hold?

- o   How big is the company? How many employees are working for it?

- o   How many patients can be accommodated?

- o   How many patients are being treated every year?

- o   Can you give financial information about turnover and profits?

2.)   Adapting/standardising the service

Medical treatment and staffing policies

- o   How do you ensure a constantly high level of service quality? How do you ensure that employees of all categories, i.e. doctors, nurses, etc., always deliver the service in the same, qualitative way?

- o   Is there a great difference in power regarding different categories of employees? E.g. do doctors decide absolutely everything or do nurses have control over some areas?

- o   Do employees from different categories have breaks together, e.g. doctors and nurses having a coffee and a chat, without loosing status?

- o   Is teamwork among all categories of employees promoted or is individual achievement preferred?

- o   How does compensation of employees look like? Is there a reward system and if yes, how does it look like?

- o   Are relatives allowed to be present during patient-doctor discussions?

- How do employees address and talk to patients, relatives? Do they act very professional and formal or do they take some time for discussions and be more informal?

- Do you get any guidelines from the Elekta's Swedish headquarters regarding your medical treatment and staffing policies?

Marketing/pricing

- How do you display and communicate your service offerings? What kind of advertisement is being used?

- What is the chosen advertisement emphasising on? What is important for you to tell potential customers in order to convince them?

- How does the chosen advertisement look like? Are the pictures or only text? What is illustrated on those pictures? Etc.

- Are customers attracted to come and visit the centre or a certain doctor?

- Which factors determine your pricing strategies? How do you set your prices?

- Do you get any guidelines from the Elekta's Swedish headquarters regarding your advertisement and pricing?

3.)   Final questions

- What things are used by the company without any change of the Swedish concept, i.e. are done exactly as in Sweden?

- What would be your advice for company in order for business to be successful in Brazil?

- What are common do's and don'ts in Brazil?

- What is the future planning of the company?

- Do you have any additional information to add on this E-mail interview?

- What is your name?

- What is your current position and title within the company?

- Since when did you work for the company?

This is a copy of an email sent to the contact person Mr. Nordstrom of Elekta Sweden on Wed, May 14, 2008 12:06 pm:

"Dear Mr. Nordstrom,

As you already know, my partner Philip Hachmeister and I are currently helping professor Akmal Hyder and assistant professor Maria Fregidou-Malama with their research about Elekta and Gamma Knife, by writing a thesis about the company's activities in Brazil. Maria has been in contact with you regarding the possibility of conducting an interview. For your convenience I have attached our questionnaire. Answering it will take approximately 30-45 minutes. Please take as much time as you need. We are grateful and thank you very much for your help and co-operation. Have a nice day.

Kind regards,

Andrian Satrio