

Health Services Marketing in India: the Relevance of the Cultural Context

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Abstract

This research aims to analyze how culture impacts on international marketing strategy of a Swedish health service in India. It is examined how confidence in the market is achieved to establish and maintain trust and relationships to suggest the level of standardization and adaptation in the foreign market. A case study was conducted and inductive qualitative research method has been applied. Data have been collected in form of semi-structured interviews, direct observation and company documents. We found that the cultural dimensions of power distance, individualism/collectivism and masculinity and femininity impact on trust development, relationships and standardization and adaptation. The study highlights the importance of cultural context in marketing health services. It is revealed that respect to the human face and social responsibility for regional development are required to cultivate relationships and develop trust and networks. The research contributes to international services marketing literature by developing a model of health services marketing from a cultural context. For future study it is suggested a comparison between more culturally distant countries to observe how culture influences development of marketing strategy in international business.

Keywords: health service, international marketing, cultural context, network, trust, Elekta, emerging markets.

Introduction

This research examines the international marketing process of an intricate health service that takes place in a different cultural context than the service-providing country. According to Zeithaml *et al.* (2006) marketing of services is complex when the market is far away from the home country because services are heterogeneous, intangible, perishable, and they are produced and consumed at the same time making their visibility difficult. Service providers need to understand the local culture to make their services perceptible. Berry and Bendapudi (2007) state that health services differ from other services because health service supply increases demand unlike other services and constitutes a service that people need but do not want to have. Comparing to other services they are similar in that they are intangible and people have difficulties to value their quality, they are performed differently of different professionals and are heterogeneous, they are directly linked to people and are inseparable and they are perishable and create value only if they are used. Health services need also adaptation to the individual patient's medical condition or preferences and providers must understand both the person and have medical knowledge. It can be argued that health services need to be customized to fit different people and environments which makes cultural understanding important in international marketing.

The purpose of this research is to investigate how culture impacts on international marketing of a Swedish health service in India, a culturally distant country to Sweden. It is examined how confidence in the market is achieved to establish and maintain trust and relationships to suggest standardization and adaptation to get the service accepted in the foreign market.

The following research question is addressed: How does culture affect trust, networks and marketing strategy in marketing health services?

Literature review

Fregidou-Malama and Hyder (2015) claim managers have to consider the local culture to make health services visible to customers and emphasize the importance of trust in different cultural contexts. Hofstede (1991) recognizes national cultural dimensions based on cultural differences between

countries and considers cultural understanding critical for engaging in international business. He identifies four original cultural dimensions; power distance, individualism/collectivism, masculinity and femininity and uncertainty avoidance, as programmed values in peoples mind giving a special character to thinking, feeling and acting (Hofstede *et al.* 2010).

By reviewing the role of national cultures and Hofstede’s framework (Steenkamp, 2001) means that it has been influential in investigating marketing issues like advertisement, product development and consumers’ perceptions of quality. Fang (2003) criticizes Hofstede’s model as static and difficult to use because culture is dynamic phenomenon. Despite this argumentation we base our theoretical framework on national cultural dimensions considering the applicability and flexibility of the model and replications supporting its foundations (Hofstede and Minkov, 2011). The current study focuses on the impact of culture on the international marketing process of health services by integrating trust, networks, and standardization and adaptation.

Following Hofstede et al. (2010) Table 1 shows that Sweden and India differ in three dimensions of culture. Sweden scores low in power distance, collectivism and masculinity and India scores high in power distance, collectivism and masculinity. Both countries are characterized of weak uncertainty avoidance. The scores of the dimensions of culture show that in India inequality between people is expected and accepted, individuals are focused to compete with each other and they value relationship and put the interest of the group first.

Table 1: Scores for four dimensions of culture for Sweden and India

Dimension of culture	SWEDEN	INDIA
Power distance	31 (ranks 69-70)	77 (ranks 17-18)
Individualism/collectivism	71 (ranks 13-14)	48 (ranks 33)
Masculinity/femininity	5 (rank 76)	56 (rank 30)
Uncertainty Avoidance	29 (ranks 72-73)	40 (ranks 67)

Source: Adapted from Hofstede *et al.* (2010).

Theoretical framework

Investigated Elekta’s Marketing Strategy in different emerging markets Fregidou-Malama and Hyder (2015) developed a theoretical model based on empirical studies. Our theoretical view stands on cultural theories, business networks, trust and theories on marketing strategies. The theoretical model (Figure 1) consists of four constructs and shows that the cultural context affects relationships and trust development. Culture, relationships and trust interact with marketing strategy and impact on how the service can be standardized or adapted to the foreign market.

Emphasizing the process of marketing we examine in an empirical study Elekta’s marketing strategy in the emerging market of India.

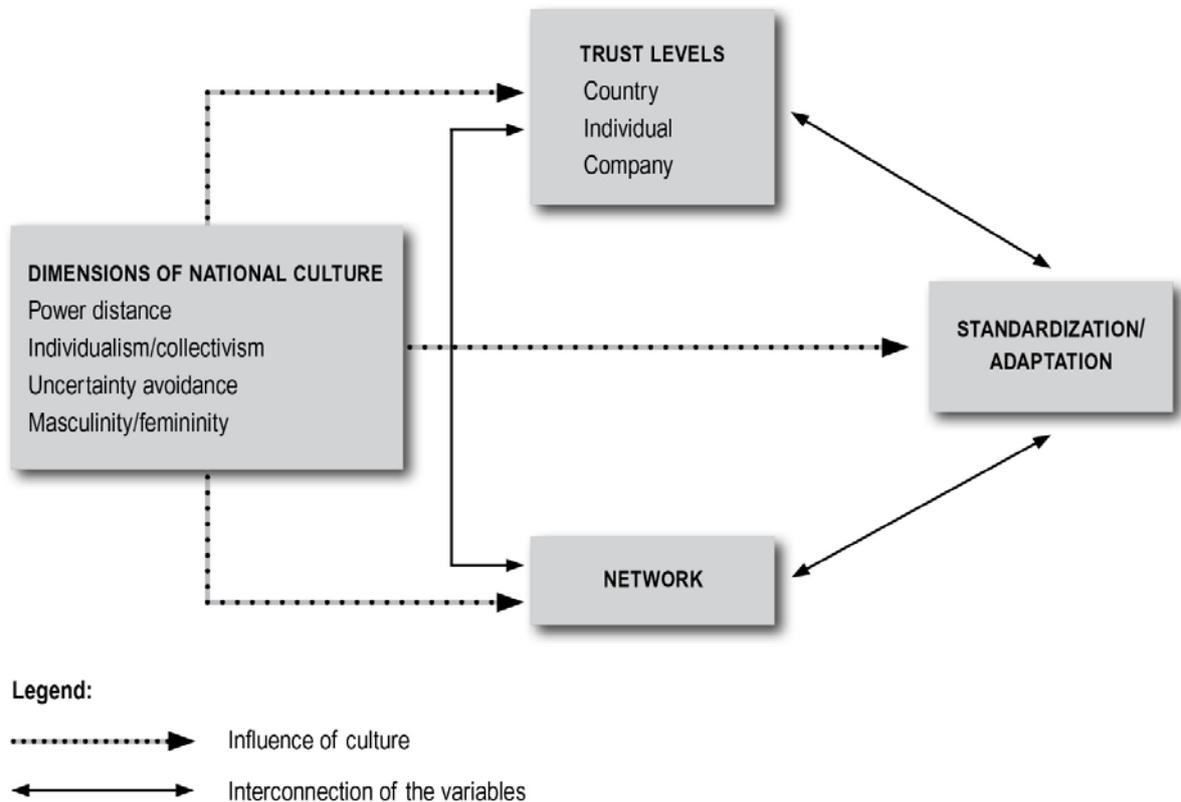


Figure 1: The process of International Services Marketing

Source: Fregidou-Malama and Hyder, 2015, p. 532.

Methodology

We apply an inductive qualitative method and a case study, on Elekta, a Swedish company offering innovations in cancer treatment. Elekta has subsidiaries in 24 countries (Elekta, 2014) and its aim is to enhance people’s lives and improve patient care. In 2005, a subsidiary was established in India to market medical services and serve neighboring countries.

The unit of analysis in this study is Elekta in India and data have been collected in the form of semi-structured interviews, direct observation by visiting the company and one customer, participation in a learning session for knowledge transfer and review of company documents to allow triangulation (Eisenhardt, 1989). Four people were interviewed in the company’s office in India 2013 and one in a customer/user in a hospital. The interviews were tape recorded and lasted about 1-2 hours. We also discussed with several engineers in the company’s location and in the hospital. The learning session was organized by a Swedish expert from the head quarter and several employees, most of them engineers, participated. This session helped to observe the relationship between head quarter and employees and between employees and how they focus on quality issues and the transfer of knowledge. The hospital visit helped to experience the way the engineers consider the maintenance of the service, their relationship with the customers/users and the way the service is used.

The professional roles of the respondents were as follows: Vice president of Elekta in India, Financial director, Services director, Human resource manager, Physicist/customer, Engineer, Swedish expert on quality issues and how to communicate the quality and maintain safety. Reviewing documents developed our perception on factors Elekta consider important in relation to the Indian context.

We compared the research data searching similarities and dissimilarities to identify four themes namely; cultural context, network development, trust and adaptation/standardization. We facilitated then linking to theories (Yin, 2014) when discussing and interpreting the findings.

Findings

The study shows that innovative image of the service offering and after service maintenance are means for competition in the health care private and public market. Standardization of prices and service processes, transfer of Know-how to enhance service quality, head quarter support and service contracts develop commitment and trust. Personal relationships with governmental authorities, doctors and interaction with customers are regarded important and should be adapted to and follow local traditions.

It is further demonstrated that moral and emotional issues, respect to the human face, offering hospitals and doctors participation in conferences and research, sharing knowledge with Elekta users, hierarchy and social responsibility to boost regional development are required to develop relationships, trust and networks. It argues that word-of-mouth, discretion, and diplomacy support the possibility of success for service providers and the acceptance of the health service by local customers. Our study reveals that the collectivistic characteristic of the Indian culture demands adaptation to the needs of the Indian health care market and of the Indian people. The masculine Indian culture allows people to be proud and require sharing of and transfer of knowledge and profits. They negotiate, do not accept high prices but offer their own competence to disseminate the innovation of the suppling health service. The advantages of the Indian context offering the possibility to work sixty days per month are highlighted and also the expertise of Indian people. Our case indicates that cultural context matters and it is imperative when marketing health services in international markets.

Our findings suggest (Hofstede et al. (2010) that the cultural dimensions of power distance, individualism/collectivism and masculinity/femininity impact on trust development, relationships and standardization and adaptation.

Contribution of the study and concluding remarks

Our research contributes to the International services marketing literature by developing a conceptual model and extending understanding of internationalization of health services marketing based on culture context. It relates the firm's marketing strategy with trust and relationships on the micro level. Standardization of the service processes is necessary to maintain service quality, and adaptation is required as recognition of respect to local traditions and the advantages of the local context. The research shows that managers should establish relationships and networks to gain trust and legitimacy in the local market. Managers should keep the concept intact and adapt other parts of the marketing mix by using local people.

Our study is limited to one company in the services industry and the health sector and to a qualitative method and does not integrate patients. For future studies, we suggest a comparison between more culturally distant countries and a combination of a quantitative and qualitative method to observe how culture influences the development of marketing strategy in international business. Future studies can also apply our conceptual framework in other industries or in culturally similar countries to uncover other theoretical insights.

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