



**LUND UNIVERSITY**  
School of Economics and Management

# **Establishing and Developing B2B Partnerships in Healthcare Services Industry**

*A case study of a Swedish healthcare provider*

## **Master Thesis**

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## **Abstract**

This study's purpose is to find out in what ways do healthcare providers in Sweden establish their B2B partnerships. This study seeks understanding of the practical deployment of relationship marketing as a process. To fulfill this purpose, in this study two theories are used – network theory and commitment-trust theory. It follows the qualitative research analytical design and the main tool for gathering empirical data are semi-structured interviews conducted with the representatives of Skåne Care, Swecare and the University Hospital in Lund and Malmö. The object of this study is Skåne Care and its B2B partnerships with the aforementioned healthcare organizations operating in the Swedish healthcare market.

The purpose of this research was accomplished and led to new findings on the importance of personal encounters in the beginning of the relationship establishment and lack of power plays in the relationships under study. These findings were followed by a couple of theoretical and practical implications.

**Keywords:** relationship marketing, healthcare services, healthcare marketing, Sweden, Skåne Care, Swecare, University Hospital in Lund and Malmö, network theory, commitment-trust theory, qualitative methods

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# **1. Introduction**

This chapter will provide our readers with the necessary background information on the setting of our research: healthcare services industry. It is important to lay foundation for our study first. In this way, we indirectly argue for the validity and necessity of our study.

## **1.1. Background**

### **1.1.1. The current state of the healthcare industry**

Healthcare industry was defined by Hartnett (2015, p.2) as a field “practiced by highly-trained professionals, [using] high-tech equipment, and [delivering] its services in multiple settings”. One of the most obvious natures of the healthcare industry is uncertainty, which is due to numerous reasons, including substantial changes in the market environment, compliance with laws and regulations, and a combination of numerous challenges (Bowden & Smits, 2012; Lipshitz, Popper & Friedman, 2002). Moreover, healthcare services are far-ranging in the both time and context perspectives. On the one hand, the product component of marketing mix can be referred to several relating issues, including the development, presentation, and management of the product (Grover, 2016). Applying this concept into the context of healthcare organizations, the tasks of healthcare settings then include offering patients diagnosis and treatment services, all-roundly improving the quality of services, which cover from emergency services, ambulance services, to pharmacy services for offering patients the best possible healthcare services, as well as providing education and training for medical students and medical care staffs; (Kotler, Shalowitz & Stevens, 2008). On the other hand, the integrated process of services in healthcare settings is delivering services to patients from the time that consumer is accepted to the hospital right away until the time of patient discharge (Grover, 2016).

Drucker (2002) claimed that big healthcare organizations may be one of the most complicated things, and good management can barely be carried out appropriately even in small healthcare settings. Stefl (2008) holds the similar view that the complicity of healthcare

institutions, as well as the high demands and requests of the executives in the healthcare industry have never been cut down over time. In order to adapt to the increasingly more complicated healthcare environment, it is essential for the practitioners in the current healthcare industry to process sufficiently sophisticated management knowledge and talent (Stefl, 2008).

In the current healthcare service market, except for the documented demand for internally focused functions within the healthcare organizations, the significance of the functions of effective marketing processes in the external area has also been increasingly recognized (Kennett, Henson, Crow & Hartman, 2005; Astuti & Nagase, 2016). The results of the research conducted by Kennett et al. (2005) were considered as compelling evidence to prove that the actual levels of business knowledge in the current healthcare industry are deemed insufficient for marketing practitioners to carry out marketing tasks adequately and successfully. Apparently, it is well recognized that treating patients as consumers is the key to success, especially in the healthcare service market, since the relationship development between patients and the healthcare providers begins when the patients feel that they have received something valuable (Astuti & Nagase, 2016).

However, on the other hand, deploying B2B relationship with organizations is another key to successful marketing approach in the current public healthcare service market. This approach shows that the majority of market consists of homogeneous groups with identifiable characteristics or similar service needs, which can be met by identifying detailed market needs and positioning the service offering within organizations so as to appeal to the specific targeted segments efficiently and stably. Unfortunately, the healthcare service market hasn't given more attention to these B2B relationship marketing processes. Thus, this present study aims to investigate in what way the long-term cooperative relationships within organizations were deployed in the healthcare service industry.

McNeill (2013) elaborated the complexity of healthcare services by referring to its mazy market dynamics, risk avoidance tradition, intricate structure, professional autonomy, as well as the ambiguity of verifying customers. However, even if there seems to me to be an intriguing ambiguity to identify customers, obviously, the more the opinions of customers or partners was

taken into consideration and acted upon by a healthcare organization, the better its performance will be, especially in terms of the efficiency in meeting customer's needs (Yannopoulos, Auh & Menguc, 2012).

### **1.1.2. Healthcare management**

Thompson, Buchbinder and Shanks (2016, p.2) presented an extensive overview of healthcare management by considering it as a profession and providing a definition: "the profession that provides leadership and direction to organizations that deliver personal health services, and to divisions, departments, units, or services within those organizations". They also argued that it is essential for the healthcare business practitioners to be certain of their roles, responsibilities, as well as their expecting executed functions in order to make informed decisions which are suitable in their business practices (Thompson, Buchbinder & Shanks, 2016).

When it comes to the details of healthcare management, Grover (2016) claimed that it is crucial that the aims of the organizations consistently match demands and desires of customers, since the desired purpose of marketing activities is creating, communicating and delivering value to target markets profitably. Grover (2016, p.139) elaborated the method of assuring healthcare services quality as "focusing on patient safety, by delivering effective and efficient treatment, timely delivery of treatment, and in an equitable manner".

According to Thompson (2007), when healthcare managers shaping organizations by making business decisions and implementing tasks, two domains, which can be termed internal domains and external domains, should be taken into considerations. Thompson, Buchbinder and Shanks (2016) indicated that except for the internal domains, which refer to the focus areas where the business practitioners deal with day in and day out and have the most control, such as service quality development and financial audit, the external domains, which exist outside, also dramatically influence the healthcare organization. Specifically, these factors include "community needs, population characteristics, and reimbursement from commercial insurers, as well as government plans such as the Children's Health Insurance Plans, medicare and medicaid" (Thompson, Buchbinder & Shanks, 2016, p. 3).

The affecting external pressure includes sources like related healthcare legislations and reform regulations, which make it as an essential requirement for healthcare organizations to transform their business models under the legislations and regulations they are operating (Bolch, 2012; Kellis & Rumberger, 2010; Vo, Bhaskar & Mihaylo, 2012).

### **1.1.3.Opportunities and challenges in the healthcare industry**

Many scholars agreed with the view that the healthcare industry tends to be a highly-sophisticated business with high risks (Kannampallil, Schauer, Cohen, & Patel, 2011; Rivard, Rosen & Carroll, 2006). Rethmeier (2010) stated that current healthcare institutions are operating in a dauntingly turbulent environment, which results in a variety of challenges that healthcare senior managers must face. Similarly, in Hartnett’s work, two key challenge factors for senior managers in healthcare settings were raised: “Health care is a multifaceted and complicated industry”, and “the health care industry is a relative latecomer to adopting new information communication technologies” (2015, p.2).

Furthermore, managers and leaders in the current healthcare institutions must take increasingly more influential aspects into their consideration when they are navigating landscapes, including a number of sophisticated social and political influence factors, such as “shrinking reimbursements, persistent shortages of health professionals, endless requirements to use performance and safety indicators, and prevailing calls for transparency” (Stefl, 2008, p. 361). Moreover, people have higher expectations for the executives of healthcare service organizations, simply put, managers were expected to accomplish more tasks with less resources (Stefl, 2008). Specifically, managers were expected to ensure that various tasks were implemented in the best available way for reaching the goals of the healthcare organization with the right resources, including both financial and human resources meanwhile (Thompson, Buchbinder & Shanks, 2016).

The vital influence of successful innovations in the healthcare industry has gathered increasingly more attention and interest from both healthcare service providers and scholars,



because of its vital implications in terms of both efficiency and effectiveness in the delivery of services in healthcare settings, as well as in the profit growth (Scanlon, Ghanayem, Atz & Cooper, 2009). According to the PwC report (PwC, 2016), 2017 may create strategic opportunities and trigger adaptations in the public healthcare industry. The latest PwC (2016) report shows that healthcare service systems need scenario plan for adapting the changes and challenges in the public healthcare service market. Also, education and advocacy will be critical, practitioners in healthcare industry need to explain the far-ranging consequences of certain actions, educating the administration critically on the interplay between premium costs, essential benefits and guaranteed issue (PwC, 2016).

The current trend of shifting towards value in healthcare service industry leaves little room for the previous old-fashioned top-bottom approach in marketing process. With the tightening economic conditions, shortage of critical resources like the number of available physicians, the value in healthcare service industry is being increasingly created by customer centricism, embracing the reality of consumer choice and focus on quality over quantity, and affordability (PwC, 2016). The mainstream marketing-oriented relationship shifts efforts of healthcare service providers in diverse ways. According to Astuti and Nagase (2016), relationship marketing in healthcare industry has changed from a focus on individual to longer-term relationships among the patients, physicians, and healthcare organizations. The perpetual interaction among parties represents an opportunity to convert a purchaser into a loyal customer, in the B2B perspective, from separate organizations or even competitors to long-term win-win partners. Just as suggested by Dick and Basu (1994), long term customers not only have immediate value in themselves, but they also generate enduring value and profitable growth.

In order to establish and maintain these long-lasting relationships, healthcare providers need to pay more attention to relationship marketing strategies. Unlike other industries, the healthcare industry has given less focus to these marketing processes (Weiss, 2010). However, in the increasingly competitive public healthcare service market, especially within segmented patient population, targeting the right chunk of a chosen segment and skillfully deploying B2B corporations within organizations are some of the most important marketing processes.

By adopting the processes of B2B relationship marketing, healthcare providers become more in tune with the demands of both their partners and the patient population, and thus stand better chance in the increasingly more competitive healthcare service market. Deploying available B2B relationship marketing tools leads to the specialization which results in cost cutting, especially shift cost, and increase in stable profits. Thus, it is interesting to find out the extent to which these marketing approaches are using in the healthcare industry.

#### **1.1.4.The future of healthcare industry**

The statistics collected by the Bureau of Labor Statistics revealed that healthcare management occupation might be one of the most rapidly increasing positions because of the ever-increasing diversity and high-speed expansion features of the healthcare industry, as well as some external market factors, such as the aging population and health insurance reform (Bureau of Labor Statistics, 2015). The Bureau of Labor Statistics (2015) predicted to see a 19 percent increase, which is much more rapidly than the average growth rate for all the group of occupations, in the employment of healthcare occupations in ten years, from 2014 to 2024.

According to Grover (2016, p.139), markets can be deemed at four levels, “the mass market, a segment market, a niche market, or a local market”, and identifying the most crucial target consumer groups and emerging needs in accordance to own resources and desired objectives is critical as the first step for the success of healthcare organizations. Moreover, as in the context of a service industry, in which consumers hold different expectations of services by the promises of healthcare providers, marketing activities in the healthcare industry is also about managing consumers’ expectations, in other words, managing the intangibles (Grover, 2016). Besides that, he pointed out that under the context of healthcare industry, the proper application of marketing principles is essential for healthcare settings successful functioning. As an essential tool, marketing contributes to “optimize the cost of services, expand the scale of operations, increase health consciousness, and change the attitudes of the service providers” (Grover, 2016, p.139). Specifically, he indicated it is a basic requirement for marketers and healthcare organizations to detect and catch the major trends in the healthcare environment frequently,

which is critical for developing competitive business strategies and achieving organizational success.

## **1.2. Purpose and research question**

Healthcare organizations in the current increasingly competitive market need to cultivate critical thinking, be vigilant to perceive and react to the potential challenges and opportunities sensitively (Day, 2011). Although the B2B relationship marketing plays a significant role in the current healthcare market, its deployment process has not been well studied by scholars theoretically. Besides, in practice, business practitioners are still in the exploration stage of deploying B2B cooperative relationships within organizations.

Therefore, on the one hand, by this research we seek for a comprehensive understanding of the functions and the deployment processes of B2B cooperative relationships in the current healthcare industry. Also, we aim to come up with several suggested marketing approaches for deploying B2B partnership between healthcare organizations, and hence achieve sustainable development in business practice. Specifically, we endeavored to investigate the healthcare industry through the research question: **how do healthcare providers build and develop cooperative relationships with organizations?**

## **1.3. Intended contribution**

### *Discussing knowledge gaps*

Our research efforts proved futile in finding a sound theoretical perspective in the field of B2B relationship marketing in healthcare services industry. As mentioned above, in an increasingly fragmented and competitive healthcare market we find it of immense importance to attempt bridging this gap with our study. In the previous section, we have shown that there has been more than enough research done and knowledge generated on B2C relationship marketing, especially from a customer-centric perspective. Meanwhile, a well-grounded theoretical study yielding implications for the practice of B2B relationship marketing in healthcare service is

lacking. Although the recognition of importance of B2B relationship marketing for service industry is constantly growing, it is still in its infancy as a concept in mainstream marketing literature. Importantly, through a thorough elaboration on the concept of relationship marketing we could establish a suitable theoretical framework for our inquiry which we are going to discuss in Chapter 4. We will present two theoretical viewpoints which serve as a basis for our analytical framework in our attempt to bridge the knowledge gap presented.

This pilot study aims to examine the extent to which the B2B relationship marketing tools are used to establish and develop partnerships with organizations by the healthcare service providers in Sweden. Moreover, we are aiming to find out how much attention is in fact given to these fundamental strategic B2B relationship marketing processes. With our research, we offer the starting point for a more in-depth investigation of the matter. Finally, on a broader scale, we aim to identify and bridge the potential gap between the theory and practice of the relationship marketing processes in B2B public healthcare service market.

## **1.4. Thesis outline**

The first chapter provided the essential background information on the current state of the healthcare service industry along with its current challenges and opportunities. It has also accounted for the issues of healthcare management and the future of healthcare industry. Having painted a general picture, it clarified our purpose and stated the research question, followed by discussing intended contribution and identified knowledge gaps. In the second chapter, we will present an overview of literature spanning from the issues of service marketing, through the emergence of relationship marketing concepts, finally placing it in the context of the B2B relationships in the healthcare industry. The third chapter will discuss our methodology – we present our research design, approach, and strategy along with the detailed account of our data collection technique and unavoidable research limitations. In the fourth chapter, we move on to discussing our chosen analytical framework. This is where we introduce the relevant concepts derived from the network theory and commitment-trust theory. The fifth chapter is devoted to a detailed discussion of the three organizations in our case study. A considerable portion of this chapter consists of excerpts from the conducted interviews. Having discussed our case study, we

delve into the analysis in our sixth chapter. This is where we systematize our findings in accordance with our method and theoretical framework. Finally, we provide our readers with our findings and conclusion of our study in the seventh chapter.

## **2. Literature review**

As we have already mentioned in the previous chapter, with this thesis we aim to look at the ways in which healthcare providers build and develop cooperative relationships with organizations. Having this in mind, we have used the tools made available to us by previous research conducted. Therefore, this chapter is devoted to presenting the themes identified in the literature on the topics of service marketing, relationship marketing and B2B marketing in service industry. We present the evolution of the concepts through time, starting with the first time that the concept of service industry marketing caught researchers' attention, through the emergence of relationship marketing notion in the 1970s all the way to the growing importance of services and relationships in the service networks in the increasingly fragmented and competitive markets of the new millennium.

### **2.1. Service marketing**

According to Baron (2010, p. 7) interest of both, academics and practitioners, in the marketing of services can be traced back to the 1960s and 1970s. First and foremost, the question most often asked was that of the nature of services and of how to approach them in research and business dealings. Nowadays, notably, the focus has changed and the main question concerns making services better than what they already are. To say the least, not only has service research earned its ground in the management and marketing literature but we can even witness its growth in importance example of which are the current debates on the service-dominant logic of marketing.

Denoting characteristics of services has been the key to operationalize the term theoretically and practically. The IHIP characteristics are: intangibility, heterogeneity, inseparability and perishability. While there were many debates surrounding the validity of the characteristic listed, the final agreement made it possible to focus on the implications they have on delivering and marketing services. Intangibility essentially means that services can be evaluated only during consumption, which increases the risk for the customer; heterogeneity

implies a lack of control over what is being offered; inseparability acknowledges customers as co-creators of the service; and finally, perishability tackles the issue of matching the demand with supply by modifying supply or attempts at influencing customer demand behavior. It is important to mention the IHIP characteristics of services as each and every one of them has opened up the stage for more debate and research and inspired researchers to find ways of making them work in favor of service managers and marketers. For example, it was the concept of inseparability that emboldened Vargo and Lusch in 2004 to proclaim their service-dominant logic of marketing, as opposed to product-dominant. Researchers focused on heterogeneity raised questions about the possibility of standardization in services which resulted in bringing efficiency, productivity and process into the language of services (Lovelock and Young, 1979; Shostack, 1984). To devise a risk reduction strategy for the consumers of services, linked closely with the intangibility characteristic, more emphasis was put on the physical environment of the services (Shostack, 1984), and that idea later resulted in the exploration of “servicescapes” (Bitner, 1992; Wakefield and Blodgett, 1994). Perishability proved the hardest issue to elaborate on theoretically, as main strategies for tackling it are either supply-demand modifications or price lowering initiatives. Nevertheless, it is a very valid consideration for all those involved in service production and offering.

Another important contribution of the service marketing researchers to the marketing literature is their questioning of the usefulness of the 4Ps marketing mix. The traditional marketing mix presented by McCarthy in 1960 consists of product, price, place and promotion and does not exhaust the full dimension of services dealings and offerings. It was primarily designed as a tool for navigating the marketing of goods and throughout the twentieth century Transactional Marketing remained a dominant paradigm (Grönroos, 1996; Aijo, 1996; Gummesson, 1987; Berry, 1983; Jackson, 1985). Research conducted on the service as process by Shostack, 1984, the human dimension of services by Bowen, 1986; Solomon, Surprenant, Czepiel and Gutman, 1985, and an attempt at emphasizing the tangibility of services made by Shostack in her 1977 article, resulted in an extended marketing mix, known as 7Ps. The components which couple product, price, place and promotion are process, people and physical evidence. Establishing the 7Ps model for service marketing was a final and potentially most obvious symbol of the fundamental difference between the marketing of service and the

marketing of goods. The goal of marketing a service is not simply to attract a customer, but to keep and maintain the customer, in short, to develop a long-term relationship with them (Bitner, Booms and Mohr, 1994; Cravens and Piercy, 1994; Grönroos, 1991; Gummesson, 1987). The main assumption voiced in the marketing literature of the time was that long-term strategy establishment combined with customer retention, will yield dividends (Berry, 1995;; Grönroos, 1990b; Parasuraman, Zeithaml and Berry, 1985). As noticed by Egan and Harker (2005, p. 11) “it was during this period of marketing uncertainty that relationship marketing first began to be discussed”.

Having sketched a brief overview of the historical development of service marketing as a researchable field of growing practical importance, we are now going to present theoretical developments in the field of relationship marketing.

## **2.2. Relationship marketing**

### *Emergence and definitions*

After service marketing has been acknowledged as “an established field within the marketing discipline” Brown, Fisk and Bitner (1994, p. 22), numerous themes like service quality, service encounters, internal marketing or relationship marketing have surfaced. The sole focus of this thesis is on the establishment and development of relationships in healthcare service industry. With this in mind, we shall start with a more general discussion on the emergence and importance of relationship marketing for service industry. We will later follow with linking it specifically to the B2B marketing efforts, finally arriving at a healthcare service perspectives of B2B marketing.

The paradigmatic shift in the approach to marketing dates to roughly 1970s. This is when the Transactional Marketing (TM) has lost its undivided primacy and the concept of Relationship Marketing (RM) in literature took off for good. Having said that, it should not be forgotten that both approaches are inextricably linked and that RM took its roots from TM. When introducing the concept, researchers in the field found themselves facing a challenge of providing a universal definition of relationship marketing. Coining of a term “Relationship Marketing” is ascribed to



Thomas (1976), but it is pointed by many that the first explicit use of it was made by Berry in 1983 (see Kotler, 1992; Grönroos, 1990b, 1991; Morgan and Hunt, 1994; Berry, 1995; Sheth and Parvatiyar, 1995; Turnbull and Wilson, 1989).

It is easy to see now that the main postulate of relationship marketing was switching to a more relational, as opposed to transactional, approach in marketing efforts, which would focus more on retaining customers (Berry 1995). Berry's own definition of relationship marketing holds that it is a collection of efforts aimed at "attracting, maintaining and – in multi-service organizations – enhancing customer relationships" (Berry 1983 cited in Berry, 2002, p. 61). Members of the Nordic School who have worked in the field of B2B marketing proposed a similar take on RM: "all activities by the firm to build, maintain and develop customer relations" (*Hammarkvist et al, 1982: cited Gummesson, 1987*). Furthermore, Grönroos (1994) has indicated that the concept of the relationship marketing extends into two fields: services marketing and industrial marketing. Relationship marketing as viewed by Grönroos (1994a) is relationship building and management. This is a critical innovative approach which even leads to a dramatic marketing paradigm shift in the long run, since it since it enriches people's perceptions of the fundamentals of marketing. Another remark found in literature valuable for our argument regarding relationship marketing comes again from Berry (2002) who suggested that rather than a strategy or a set of techniques, relationship marketing is a holistic integrative approach, combining a variety of constructs which can evolve the marketing competencies of a company.

Apart from coining the definitions of relationship marketing, literature has also made an attempt at suggesting strategies and tools for practicing RM by organizations. The concept of relationship marketing has extended into the service industry and proved a useful tool for explaining the emerging modern business trends appropriately (Webster, 1992). Kotler (1991, cited in Grönroos, 1994) stated that the main consideration of marketing is changing to a relationship focus by elaborating the emerging trend of marketing as "a movement away from a focus on exchange – in the narrow sense of transaction... toward[s] a focus on building value-laden relationships and marketing networks". Moreover, Kotler later suggested in his article postulating total marketing that "companies must move from a short-term transaction oriented goal to a long-term relationship-building goal". Similarly, Webster (1992, p.14) concluded that

“there has been a shift from a transaction to a relationship focus” in the development of marketing and business.

The suggested goal of relationship marketing “is achieved by a mutual exchange and fulfillment of promises” (Grönroos 1990a, p. 138). Moreover, relationship marketing requires systemic revamping, which means restart and design a composite approach to marketing for producing a compelling market offer that could win over the effect of the price incentive or any other entreaty of competitors (Berry, 2002). However, in service industry, while business leaders’ intuition allows them to realize that when customer loyalty increases, profits do too, too few companies “have systematically revamped their operations with customer loyalty in mind” (Reichheld, 1993, p. 64). According to Reichheld and Sasser (1990), long lasting relationships can decrease relationship costs for both customers and service providers. On the one hand, service suppliers can boost profits by retaining customers as the customer relationship lengthens and avoiding suffering extra quality costs. On the other hand, customers can benefit from the mutually satisfactory relationship by avoiding unnecessary transaction costs involved in shifting service providers (Kunst & Lemmink, 1992). Reducing the customer defection rates leads to amazing profit swings in companies, especially for service providers (Reichheld & Sasser, 1990). As the results reported in a study by Reichheld (1993), customer retention makes great contribution to a company’s profit growth, although the magnitude of the profits rising may vary from different industries and organizations. Reducing the defection rate just 5% generates 85% more profits in one bank's branch system, 50% more in an insurance brokerage, and 30% more in an auto-service chain. However, some scholars hold the view that simply customer retention would not enough be for a company’s stable profit growth. Storbacka (1993) argued by demonstrating the result of a research in the retail banking industry that although the customers are satisfied with the services they received, some long-lasting customer relationships do not help in the finances even in the long run. Grönroos (1994) claimed that for successful relationship marketing, rather than by simply reducing the customer defection rate, profitability analysis and proper segmentation are necessary prerequisites for business decisions. He later divided the process of relationship establishment into two parts, “to attract the customer and to build the relationship with that customer so that the economic goals of that relationship are

achieved” (Grönroos, 1994, p. 9). In short, intelligent relationship building and management is essential from the financial point of view.

In the realm of customer relationships growing and maintaining long-lasting relationships has received wide recognition. Heskett (1987) claimed that in the service market, rather than concentrating on growing market scale economies, understanding customers is more essential. Additionally, coordinating marketing and operations management in relationship marketing is one of the most essential strategies of successful service providers. Webster (1992, p.10) in his research on the changes in marketing focus concluded that “the focus shifts from products and firms as units to people, organizations, and the social processes that bind actors together in ongoing relationships”. Notably, Webster argued that subjects that have traditionally been of interest for the research of psychologists, organizational behaviorists, political economists and sociologists now should be considered of fundamental importance for the marketing theorists and practitioners.

In the light of the above examples, we can clearly see that marketing, especially the modern service marketing approaches, were considered as interactive processes for some time now, and that the relationship building and management have been seen as cornerstones of marketing practice (Bagozzi, 1975; Webster, 1992). It also has to be noted that there is a dualist approach to the market relationships. According to Sheth, Gardner and Garrett (1988, p. 78), the fundamental unit of marketing analysis are interactions, for example, market transactions. It is clearly stated in their book that repeated market transactions, which were called as relationship marketing, should be taken into consideration when defining the domain marketing approaches. They (1988, p. 194) pointed out instead of simply focusing on single market transactions or selling, “a continued relationship between the buyer and the seller” should be the key point. This view has been coupled by the non-economic perspective on the interactions brought by Grönroos (1994). According to him, while a single transaction or interaction cannot constitute the whole analysis of relationship marketing. Therefore, to overcome this conceptual obstacle, he concluded that the key issue and the unit of analysis for relationship marketing should be the relationships themselves, and the substances of establishing and managing relationships. Finally, it is important to mention that Relationship Marketing was *discovered*, not *invented*, as any

company is right in the middle of numerous connections which it has to manage successfully to ensure its own survival and competitiveness in the increasingly complex market.

### **2.3. Relationship marketing in service industry**

Ndubisi and Natarajan (2016: 227) remark that while RM has been previously studied in the context of “traditional service marketing and industrial marketing in the mid-1970s and early 1980s”, more recently the interest expanded to the numerous newer fields of social marketing, marketing research, logistics, real estate marketing, including healthcare marketing (Natarajan 2012; Ndubisi 2011). The importance of RM for services industry reflects the growing impact of services on national economies, both in advanced economies and emerging markets. The key learning from all the studies comes down to one main point: to grow customer loyalty and satisfaction, competitive advantage and organizational performance one needs to devote to the development and nourishing of long-term relationships with customers and partners.

In an increasingly competitive and rapidly evolving market of the new millennium knowledge expertise has become a main source of competitive advantage. The goal of firms is not only to create and sustain the existing knowledge but also to develop expertise through engaging in exchange with others. More than ever success of such exchanges depends “on the overall quality of inter- and intraorganizational collaboration, relationship management structures, and mechanisms at play in participating organizations” (Ndubisi and Natarajan (2016: 228). In other words, having a portfolio of strong relationships with reliable partners makes it easier for companies to overcome new challenges and forge ahead with greater confidence.

How is that possible? There are numerous benefits of a skillful deployment of RM. In a very direct sense, RM ensures repeat purchases or, in case of service, repeat collaboration and exchange between partners. Indirectly, RM becomes an antidote to opportunism (Ndubisi 2011) and contributes to the emergence of relationship trust and commitment, as well as relationship satisfaction (Ndubisi and Natarajan 2016: 228). These three elements ensure the stability and durability of a mutually rewarding business relationship. By navigating their networks skillfully and nourishing vital connections firms get access to exclusive information, innovative ideas, new

markets, better business solutions and adapt better to the ever-changing business environment. “In other words, the latitude, profundity, and potency of an organization’s business relationship can be decisive in ensuring success in the new era” (Ndubisi and Natarajaan 2016: 228).

## **2.4. Relationship marketing in B2B realm of service industry**

In this section, we attempt to link the two streams of our literature review – service industry and relationship marketing – by discussing the importance of RM for maintaining fruitful cooperation between service companies. This also provides a broader background for our later discussion of healthcare services industry in greater detail.

Ndubisi and Natarajaan (2016: 227) pointed out that previously research on RM focused mainly on B2C, Recently, however, the pool of studies centered around B2B relations is growing. A limited number of potential customer-firms is a single most important characteristic of B2B markets which encourages businesses to develop and nourish long-term relationships with their partners over time (Anderson and Narus, 1984, 1990). This is exactly what the paradigm of Transactional Marketing falls short in its encouragement of just getting a customer, selling an offering and moving to acquire a new customer. Relationship Marketing, as a paradigm, offers a space for marketing practitioners in which they can recognize the importance of increased levels of interaction between the partners, along with their individual requirements. From this perspective, a standardized marketing program becomes obsolete (Dabholkar, 1994), and a call for tailored relationships emerges. Companies then realize they face a challenge of managing their dyadic interactions.

There are two central concepts which help companies maintain their portfolios of interactions: promise and trust. They have been highlighted in literature as basic components of success in relationship marketing. Calonus (1988, cited in Blois & Parkinson, 1988) emphasized that relationship maintaining and enhancement relies on promises keeping, and promises are given and fulfilled mutually. Moorman, Deshpandé and Zaltman (1992, p.3) defined trust as “a willingness to rely on an exchange partner in whom one has confidence”. Grönroos (1990b) also stated that in a number of relationship marketing situations, all the partners in the partnership are

more likely to be both trustor and trustee in the meantime. Gummesson (1991) has summed up a process of establishing and maintaining relationships: “establishing a relationship involves giving promises, maintaining a relationship is based on fulfillment of promises; and, finally, enhancing a relationship means that a new set of promises is given with the fulfillment of earlier promises as a prerequisite”. Repeated exchanges over a period of time enable growth and strengthening of the relationship.

It is the rise of the consumer services sector and its growing importance in the business environment (the sector typically accounts for around 70% or more of the GNP of developed nations) that enabled the greater prominence of relationship marketing paradigm (Ellis, Tadjewski and Pressey, 2011; Gummesson, 1994; Grönroos, 1994). While still majority of the RM literature deals with the B2C connections, there is a growing need for supplying systematic studies on relationship building, refining and nourishing in a B2B context. Any organization should be concerned with a variety of its partnerships with internal customers, intermediaries, suppliers and institutions. In the light of B2B connections, it becomes of immense importance that companies start to compete on the development and quality of their long-term relationship with their stakeholders (Reichheld, 1996).

To date, some of the prominent studies in the field of RM role in service industry appeared in various service contexts. In their study of non-ownership services Ndubisi, Ehret, and Weitz (2016) studied the role of relational governance in overcoming uncertainties in the context of non-ownership services in the sharing economy. Their study shows that relational governance holds the potential for dealing with the uncertainty challenges, characteristic for the ownership. Dahlstrom and Nygaard (2016) have studied 416 franchises to find out the impact the co-branded alliances have on role stress and performance. They arrived at the conclusion that despite bringing many benefits (e.g. lower costs and better performance) co-branded units can also be problematic and less successful. Their ultimate finding is that co-branded alliance, which is one type of marketing relationships, produce psychological effects like role change stress. Muylle and Standaert (2016) studied the impact of the use of electronic sourcing tools. Using one of them, Electronic Reverse Auction (ERA), a buying organization can obtain the benefit of the lower price while still being able to preserve the quality its relationships with different suppliers.

The authors also point out to “the importance of procedural fairness in alleviating adverse quality outcomes” – which usage of an ERA provides. Another important article on B2B and RM authored by Jiang, Shiu, Henneberg, and Naude (2016) shows that there has been no systematic investigation conducted on the measurement issues of relationship quality. The main obstacle is lack of agreement on the dimensions of such measurement as well as its contents. As a result, authors propose a new monitoring tool composed of good reliability, convergent, discriminant, and nomological validity, and cross-industry transferability, which can be potentially used when investigating the relationship quality as a construct.

## **2.5. The context of healthcare services industry**

Indication of the importance of marketing approaches for healthcare service market was found in the study conducted by Kennett et al. (2005). The authors sought healthcare executives’ opinions on the perceived amount of knowledge a marketing manager would need to successfully perform key marketing tasks. “Developing relationships with other organizations to facilitate the delivery of services and products” was one of the eight tasks perceived to be the most requiring task for marketers in the healthcare industry (Kennett et al. 2005, p.420). Grover (2016) indicated that the aim of healthcare organizations’ promotions is enabling consumers to be aware of the existence and the quality level of the healthcare services they provided, which is also the desired objectives of the B2B relationship marketing promotional activities.

The members of the Healthcare Leadership Alliance (n.d. cited in Garman & Johnson, 2006), a financial group of six major professional associations in the healthcare field, generalized and summarized five key common competency domains from a variety of overlapping and complementary competencies for practicing managers in the healthcare industry. Garman and Johnson (2006) regarded that these common competencies posited by the Healthcare Leadership Alliance as a great contribution in the developing knowledge in the healthcare management area. They are “communication and relationship management, leadership, professionalism, knowledge of the healthcare environment, and business skills and knowledge” respectively (Stefl, 2003, cited in Stefl, 2008, p. 364). The first core competency therein, that is to say communication and relationship management, was later explained by Stefl (2008, p. 364) as “the ability to

communicate clearly and concisely with internal and external customers, to establish and maintain relationships, and to facilitate constructive interactions with individuals and groups”.

In the context of the complicated healthcare market experiencing decreasing stability, “closing the widening gap between the accelerating complexity of their markets and the limited ability of their organizations to respond demands new thinking about marketing capabilities” (Day, 2011, p.1) becomes of utmost importance. Nowadays, marketing is more relevant than ever before (Grover, 2016). Rather than holding onto the traditional transaction view of marketing, that of advertising and promoting products or services, nowadays organizations are moving to a new *relationship* view of marketing (Kotler, Shalowitz & Stevens, 2008). Thompson, Buchbinder and Shanks (2016) stated three levels of focus in effective healthcare management: self-level, unit or team level, and organization-wide level. Regarding to the third management focal area, organizational level, the authors indicated that effective collaboration is essential for ensuring the viability of organization and organization-wide performance.

Besides, with both complicated and dynamic characteristics, especially the complicity and the great scope of tasks implemented in provision of services, healthcare organizations’ aims cannot be reached simply by individual members of staff (Thompson, Buchbinder & Shanks, 2016). Furthermore, the essential services providing tasks within healthcare organizations particularly require the coordination of a number of highly specialized personnel cooperate seamlessly (Thompson, Buchbinder & Shanks, 2016).

### ***B2B relations in healthcare services industry***

Research on B2B relationships in healthcare services industry has concentrated primarily around the exchange between healthcare providers and their suppliers such as medical technology and pharmaceutical companies. Sohn, Seung, Seo and Kim have conducted their study on the importance of commitment in B2B exchanges happening in healthcare. They argued that “the mediating role of commitment in healthcare B2B transactions is ... arguably weaker than in other industries” (2013: 1381). It has to be noted that their research was conducted in Korea, where they scrutinized the buyer-seller relationships between physicians and sellers of



pharmaceutical drugs. They concluded that organizational commitment, in the long run, has greater influence on purchase decisions than individual commitment.

### ***Relationship marketing in healthcare services industry***

The most elaborate publication on RM in healthcare industry is a book by Ira J. Haimowitz “Healthcare Relationship Marketing” and was written as a “practical overview and resource guide for the design and measurement of pharmaceutical relationship marketing programs” (2011: xix). Consequently, it touches upon the subject of B2C exchange and involves patients as customers in the exchange process.

Kanbir and Nart (2012) in their study discuss the internal relationship marketing impact on employees’ competitive performance. They argue that skillful implementation of internal RM can aid employees’ performance which directly translates to the increase in competitive advantage, customer/patient retention and loyalty.

Articles by Wright and Taylor (2005) and Higgins, Gray and Bailey (2011) both discuss the uncovered potential of RM for facilitating development of relationships in public healthcare contexts. Wright and Taylor (2005) also propose what could be done in order to transform public healthcare from still predominantly supplier and product-driven to more relationship oriented. They also note that RM research has been mainly focused on the private sector and that moving it to the public sector creates challenges of applying concepts of “customers, customer retention, competitors, value and corporate strategy” (Wright and Taylor 2005: 207). Notably, these ambiguities emerge when discussing the relationships based on the for-profit exchange – buying and selling.

Higgins, Gray and Bailey (2011) have confirmed with their study that RM in healthcare industry has not yet developed into a truly customer focused RM like that found in commercial organizations. They also remark that “the manifestation of relationship marketing within the health service take a particular, and perhaps peculiar, form...” (ibid. 2011: 196).

## **2.6. Chapter summary**

This chapter's task was to systematize scientific inquiries in the fields of service marketing, relationship marketing and to put them in the context of B2B relationships building in healthcare services industry. The next chapter will discuss our methodological standpoint and the main principles guiding our data collection, sampling process and their relevance to the purpose of the present study.

### **3. Methodology**

In this chapter, we provide a detailed account of our methodological choices relating them to the purpose and object of our study. We reflect on our ontological and epistemological points of departure. We also present arguments supporting the chosen case as well as justifying the tools used to conduct this research.

#### **3.1. Research design**

Since the objective of the research is that of shedding the light on the current state of affairs in the deployment of the B2B relationship marketing activities in the healthcare service industry, we conducted a pilot study of a public healthcare providers in Skåne, Sweden. The major portion of information comes from primary data collected during semi-structured qualitative interviews with Mikael Rosén, the CEO of the Skåne Care, and his cooperators from other organizations.

Our ontological point of departure is that of constructivism and interpretivism. We first designed open-ended questions for semi-structured interviews with healthcare service providers, with a view of getting their inhibited insights and opinions about the practical establishment and management of the cooperative relationships within organizations in the field of healthcare service industry.

From the epistemological point of view, reality then becomes something than can be interpreted with gaining insight from outside. We used our data to discover the underlying meaning of the relationship marketing and managing activities in the B2B perspective of Skåne Care. It has been especially important, as on the surface it seemed the company, as a public healthcare service provider, would be interested in attracting more patients. However, only after the personal encounter with dr Rosén, we learnt that instead of attracting consumers at the end of the value chain, building and maintaining the win-win partnerships with other organizations is the top priority for Skåne Care.

### **3.2. Research approach**

From the theories and analyses in the previous studies, we can get knowledge about the observed effects of relationship marketing efforts implemented by healthcare providers under several certain conditions. However, the healthcare industry environment is changing constantly and rapidly because of a variety of affecting factors, including the emerging challenges, the shifting values of health care services, changing prevalence and public perceptions and many other uncertain conditions like political atmosphere to name a few. This issue becomes even more intriguing given the variety of healthcare providers, which differentiate a lot in their features and properties. Moreover, we cannot get access to the current perspectives of healthcare service providers towards the B2B cooperative relationship and effective relationship marketing efforts only by reviewing theoretical literature and previous studies.

Thus, it is necessary to conduct qualitative interviews with the representatives of healthcare service providers and other entities involved in the broadly understood healthcare service industry, who are implementing advanced marketing efforts to build and develop long lasting cooperative relationships. In addition to getting relevant insights from business practitioners in healthcare service market regarding their B2B relationship, we also presented them with two key concepts rooted in our chosen theoretical framework, namely relationship commitment and trust, in order to get an in-depth perspective (Hartnett, 2015). The comprehensive answers to the semi-structured interviews with flexible questions, as an appropriate sample of the direct insights of the practitioners in healthcare service industry, enabled us to realize the actual situation and deepen our understanding of the potential marketing efforts' effects. Therefore, this research design and data analyzing method contribute to increasing the level of generalizability and the external validity of the research findings.

This research investigates the deployment of the B2B relationships in the healthcare industry by studying the processes of partnership establishing and developing. We investigated several practical B2B partnership deploying cases embedded in a local health care organization, Skåne Care, by applying the theoretical framework constituted by the network theory, the trust-commitment theory, and the key mediating variable model of relationship marketing (Andersson

et al. 1994) (Morgan & Hunt, 1994). With these theories which contribute to explain and explore the features of the partnership between healthcare organizations, this research integrates the literature from the areas of relationship marketing and service marketing, as well as offers new insights into the deployment of B2B relationship marketing in the context of healthcare industry.

For investigating the functions and contributions of the B2B relationships between healthcare organizations, as well as obtaining comprehensive understanding about the process of B2B partnerships deployment in healthcare settings, this study applied a qualitative exploratory embedded case study research method. Specifically, we conducted semi-structured interviews with the primary stakeholders in every party of the B2B relationship for collecting the most insightful data and relevant archival to investigate the cases.

The deployment of the embedded multiple case research method provided us with rich data and the most relevant insights into the dynamics of the B2B relationship establishment and development, as well as uncovered the driving actors and potential barriers at multiple levels of different organizations within the B2B relationship. The embedded case study research method was implemented since the research contents satisfy the conditions raised by Yin (2014) for the implementation of case study investigation. First, we started the research with posing a “how” research question, which is more explanatory and likely to steer to the usage of a case study as the preferred research method since this kind of question deal with the operational processes, which not simply require frequencies or incidence, but trace over time (Yin, 2014). Second, rather than an entirely historical issue, the focus of the research is a contemporary phenomenon, which is up to the attempted examination criterion by Yin (2014, p.16) for case study:

“an empirical inquiry that investigates a contemporary phenomenon (the “case”) in depth and within its real-world contexts, especially when the boundaries between phenomenon and context may not be clearly evident”.

The cases we selected for our research are the real stories happen in the current healthcare service industry, and we co-operated closely with the executives of different organizations by conducting interviews with the primary stakeholders in the B2B partnership.

Moreover, the cases represent the realities and issues of the B2B relationship deployment under the context of healthcare market, as well as the long-range goals or even problems that most executives of healthcare organizations need to deal with, especially when they attempting to identify the issues of the long-term and stable development of the healthcare organizations. Third, the “how” research question presented in the study was investigated based on a set of contemporary events, over which researchers have little or no control (Yin, 2014).

### **3.3. Arguments for the selected case**

Skåne Care is a public entity focused on exporting healthcare services internationally. In its CEO’s own words: “Our business model is 100% export”. The company does not only deliver world class services to its patients but also establishes long-term and stable cooperative relationships with other healthcare providers worldwide. For these reasons, we found Skåne Care to be an appropriate test subject, with its international profile and well-developed long lasting partnerships with other organizations.

Swecare is a semi-governmental organization functioning as a facilitator between public and private sector in domestic and international contexts. Rather than engaging in business development, Swecare is a platform for an exchange between different healthcare organizations operating in the Swedish market. Not only does it serve as a communication and networking platform for a number of its members, but it also aims for promoting international partnerships and engages in mediating political influences across borders.

Conducting an interview with Ms Mikaela Annerling Swahn provided us with the detailed information regarding the workings of the platform and the ways in which it contributes to the establishment of fruitful B2B relationships for its members. Most importantly, however, we had an opportunity to inquire about the nature and workings of the B2B partnership Swecare has with Skåne Care, which is the focus of our study. Having been supplied with the opinions and attitudes of the representative of Swecare was of immense importance for the fulfillment of the purpose of this study. Additionally, as Swecare always assumes a neutral position in its activities, we consider a considerable portion of information to be objective.

The University Hospital in Lund and Malmö as the third largest institution of this kind in Sweden enjoys its fame for the high-end specialized healthcare service, as well as for its expanding occupational categories, including scientific research, education and innovation. The Hospital has an immense interest in developing international collaborations within all its operational areas. This is consistent with the business structure and aim of Skåne Care.

The interview we have conducted with Professor Ingemar Petersson provided us with direct and comprehensive knowledge about the establishment and development of the B2B relationship between the two organizations. Having included his point of view contributes to the integrity and credibility of this research.

### **3.4. Data Collection**

#### **3.4.1. Semi-structured interviews – the strategy**

For designing our first interview, we used an ad-hoc sampling technique, based on the “availability and ease of access” (Easterby-Smith, Thorpe, & Jackson, 2015, p.374) which was the most suitable technique for us due to the limited timeframe and resources. However, in general the technique used for data collection in this research is snowball sampling technique, which means the interviews were conducted not only with Skåne Care’s CEO, but also with company’s two partners, namely Ms Mikaela Annerling Swahn, the project manager at Swecare, and an official contact person, Professor Ingemar Petersson, from Skåne University Hospital. Since to be able to access knowledge of the actual situations of the cooperative relationships within different organizations, we need to know the insights and opinions of both sides of the partnership. Moreover, although each party has gained benefits from the cooperation in respect of capability, efficiency, profit and market space, different healthcare service providers from different parties in the cooperation might have different experiences and opinions of considering and developing the cooperative relationships. There is no single reality or truth, and we need all these practitioners’ input to be able to interpret reality, thus, we went out to ask about their perceptions of reality.

For the purposes of facilitating the discussion, we chose the semi-structured interview format, which is based on a number of questions that can be discussed in a flexible manner (Easterby-Smith, Thorpe & Jackson, 2015). The questions were tailored to extract the insights relevant to the purpose of our research. The setting for our encounter was neopositivist, where interview was a tool for gathering data and we, as interviewers, were coming well-informed about theoretical dimension of the workings of B2B cooperative relationships in healthcare service market (Qu & Dumay, 2011). This objective transfer of knowledge and data enabled us to gather information in a constructive and efficient manner.

### **3.4.2.Semi-structured Interviews – design, questions and steps followed**

The questions were structured in a way that would allow us to get as deep idea of the practical situation of the B2B relationship as possible. We started off with a general question about the usefulness of the B2B cooperative relationships between different organizations in healthcare service industry, and later we guided our discussion into the study-specific areas. The structured part of the interview consisted of the questions probing our interviewee's general perspectives. The semi-structured part came in depending on the answers we were given. This is where we clarified our understanding of the answers and led the discussion deeper into the practices unique for Skåne Care. We did that mainly through asking for more specific examples stemming from dr Rosén and his cooperators' own experiences as business practitioners in healthcare service industry. This allowed us to get to the practical side of the marketing strategy for establishing and developing B2B relationship in healthcare service market and opened up the space for a discussion about the activities specific for Skåne Care.

All three interviews were conducted with the use of Skype and recorded with the consent of our interviewees. Due to their busy work schedules, we have made numerous attempts at scheduling interviews. Prior to the interviews, we have supplied each of them with the brief introduction to our study, research questions and the outline of the questions.



### **3.4.3. Sampling and participant selection criteria**

For delving into the analysis of the establishment and development of cooperative B2B relationships in healthcare service market, perceptions and opinions of both parties in the partnership are of immense importance. To accomplish the purpose of this research, we adopted the purposive sampling in order to get the most persuasive and meaningful insights. Specifically, instead of conducting interviews randomly, we choose interviewee strategically in accordance to several concrete criterion and characteristics (Bryman & Bell, 2015).

Our first interviewee was dr Mikael Rosén, the CEO of Skåne Care a local healthcare provider with high-end service quality and an international profile, and representatives of its cooperators who are also engage in healthcare service industry. Admittedly, at the end of our interview with dr Rosén, he has advised us to contact Ms Mikaela Annerling Swahn a project manager at Swecare, suggesting she is the right person to answer our questions. We followed his advice. Our third and last interviewee was an official contact person at the University Hospital, Professor Ingemar Petersson. These specific participant selection criteria enabled us to not only get the most relevant insights about the current state of affairs in the B2B cooperative relationship in healthcare service industry, but also delve into the similarities and differences in perspectives towards the cooperation between different parties in the partnership.

### **3.5. Relevance to the purpose of study**

The characteristics of the relationships under our scrutiny demanded that we find an additional theoretical viewpoint, which would help explain what, if not power, is of the greatest importance for building and maintaining those B2B relationships. This is where we find commitment-trust theory of an immense relevance.

During the interviews representatives of Skåne Care, Swecare and SUS have mentioned the importance of communication. Also, when asked, they found commitment and trust as key components of a successful relationships in general, and they also directed us to the examples showing their strong presence in their relationship with each other. It must be said, each of them is a completely different type of an organization. We have a business- and profit-oriented Skåne

Care, a non-profit semi-governmental platform built by Swecare and SUS, which is obviously devoted to medical treatment and research. All of them, however, remain integral parts of the Swedish healthcare system, all of them have to comply to its rules and all of them have to devise strategies aimed at aiding the Swedish government's strategy of international healthcare export.

The argumentation presented above shows that network theory has its relevance for our study as in the service context it emphasizes the importance of win-win situations for both partners in a B2B relationship. On its part, commitment-trust theory bears relevance as it aims to navigate the process of building long-term relationships – and these are, arguably, of the greatest value in the context of healthcare service industry. Finally, what brings them together and makes them both relevant for the purpose of this study is further development of the principle of retention and network by Gummesson “based on relationships, networks and interaction, directed at win-win relationships with individual customers and where value is jointly created” (2002, p.25). Therefore, by the means of concluding this chapter, it is sufficing to mention that in our talks with the representatives of the three organizations, we heard often that their cooperation is all about maximizing the potential for Swedish healthcare exports and maintaining the high level of healthcare services for the local population. Their expertise is complimentary and therefore, their collaborations are not based on the power balances or imbalances; they value commitment and trust instead. This is what we are going to discuss in a greater depth in the next chapter.

The answers of these questions provide us insight into which kind of relationship they have built, the reason why they built partnerships and the way they developed them. Provided with the comprehensive answers and an in-depth knowledge in the course of our interviews, we got a sense of the stakeholders' similar views of the partnership. Moreover, we were able to assess the depth of the potential gap between the theory and practice of establishing and developing the B2B cooperative relationships between healthcare providers. Last but not the least, it is a perfect way to keep gaining insight into the practical situation of the relationship marketing in healthcare service industry, as well as finding new methods of approach.

### **3.6. Research methodology limitations**

There are three general criteria listed for business and management research: replication, reliability and validity (Bryman and Bell 2015). Additionally, since we are conducting a qualitative research, we should also consider the relevance of these criteria, as the measurement aspect will be missing (ibid.) Therefore, we are also accounting for the criteria of authenticity and trustworthiness (ibid.).

Our readers may view the fact that we have only interviewed selected people from selected organizations as a lack of transparency and therefore, can view the authenticity as problematic. Nevertheless, we have already presented our reasoning behind the conducted interviews. Additionally, we have ensured the high quality of the research conducted prior to contacting chosen participants combined with making personal reassurance of their knowledge regarding our research purpose.

The concept of trustworthiness rests on the collection of four criteria, namely transferability, credibility, dependability and confirmability (ibid.). Transferability of our study, also known as external validity in quantitative research, cannot be ensured since our inquiry is of specific nature (Swedish, healthcare service sector, B2B relationships). In addition, we have conducted a relatively limited number of interviews, hence generalization of our findings is not possible for other sectors, organizations or countries. This has its impact also on credibility of our study, known as internal validity in quantitative research, since our findings may be relevant only in this particular setting. Dependability indicates how reliable our study might be for other researchers, and corresponds to reliability in quantitative research. Here we should account for the possible biases of interviewees and interviewers. Biases could have been generated very easily, since we were inquiring about the workings of the existing business partnerships. We assumed that for precisely this reason we will not be confronted with too unorthodox claims or alike. Nevertheless, the purpose of our study was not to interrogate anyone, hence we constructed our interview questions in a manner suitable for getting the empirical material we needed. As Master students without any considerable experience in interviewing, we made sure to consult proper amounts of literature discussing qualitative research methods in order to ensure

as high as possible standard of our interviews. Finally, with regards to confirmability, known in quantitative research as objectivity, we cannot be sure that our theoretical inclinations did not influence our semi-structured interviews excessively. Indeed, we have been asking about the specific concepts found in theories. Nevertheless, this had to be done, since we were seeking very specific information tied to the purpose of our research.

To sum up, the weaknesses and limitations presented above have been possible to identify due to the qualitative nature of our study. Nevertheless, in the course of this thesis we prove the appropriateness of chosen methodology, theory and analytical tools by answering our research questions, fulfilling our purpose and presenting new findings.

### **3.7. Chapter summary**

This chapter provided our readers with a detailed overview of our methodological approach, including some weaknesses and limitations of the study. In the next chapter, we move to discussing our theoretical framework which we found best-suited for our chosen method and case under scrutiny.

## **4. Analytical framework**

This section is devoted to outlining the basic assumptions of the two theories which we found most suited for the purpose of our study which is to investigate the ways of building and developing cooperative relationships followed by healthcare providers. Thus, we are only going to discuss the concepts crucial for the focus of the study. First, we are going to present network theory's core assumptions about the nature of successfully working business relationships. Then, we move on to discussing in greater depth the commitment-trust theory, as presented by Morgan and Hunt (1994). We are going to highlight the main concepts of the commitment-trust theory along with its Key Mediating Variable model. In this way, we are explaining the rationale behind our tentative theoretical framework guiding the analytical process of this thesis.

### **4.1. Network theory**

Main empirical work on network theory started in the 1970s and had been conducted by a group of predominantly Europe-based scholars forming the Industrial Marketing and Purchasing (IMP) school of marketing. They have conducted many in-depth case studies along with major empirical surveys on the workings of relations and networks in both domestic and international contexts (eg. Axelsson and Easton 1992, Ford 1997, Johanson and Mattsson 1994, Turnbull, Ford and Cunningham, 1996). The basic premise of network theory is an attempt at modelling the resource exchange process in B2B markets between two organizations or firms. Its contribution is important as IMP's findings largely contradict the Transactional Marketing business philosophy. We have already highlighted in Chapter 2 just how important is this division for the development of relationship marketing as a discipline. IMP's scholars have also mapped out how business relationship becomes part of a larger network. Both sides of a relationship – buyers and sellers – are connected to other parties, which have the ability to influence the exchange, and this forms a business network comprised of “a set of two or more connected business relationships” (Andersson, Håkansson and Johansson, 1994, p. 2).

The most important for the focus of our study assumptions of network theory are that business partners in a B2B relationship are both active and mutually dependent, which essentially means that both buyer and seller are in a position to initiate an exchange. Marketing departments of the organizations are not solely responsible for interactions. Instead, communication occurs inter-functionally – between each firm’s equivalent departments. Practical implication of this recognition is that marketing’s task shifted from being solely focused on optimization of marketing mix to actively managing firm’s relationships (Andersson and Soderlund, 1988). Matthyssens and Van den Bulte (1994) emphasized that markets are heterogeneous rather than homogeneous. Their observation brought important implications for the running of firms and their marketing objectives, enlisted by Hammarkvist et al. (1982). If aiming for competitiveness in heterogeneous markets, firms’ marketing objectives became establishment, development and timely decision on the termination of their relationships with customers and partners in their networks.

### ***Relationship marketing as a process***

Having dealt with the issues of defining the concept of relationship marketing and after highlighting the importance of this notion for the marketing theory and practice in Chapter 2 we now turn to describing the process of relationship marketing. Berry (1983, cited in Berry, 2002, pp. 62-69) suggested five key relationship marketing strategies that a company needs to consider and implement simultaneously when developing relationship marketing plan. The process’ five components are as follows: *core service strategy*, considered to be a key strategy as it involves design and marketing of the core service around which the relationship with customers can be established; *relationship customization*, regarding the task of customizing the established relationship by tailoring the service carefully to the customers’ needs; *service augmentation*, means adding extras to the core offerings in order to differentiate it from competitors’ offerings, it is crucial that the extras are valued by the customers; *relationship pricing*, involves offering price incentives to encourage relationships and build customer loyalty following the old principle of “a better price for a better customer” (Berry, 1983, cited in Berry, 2002, p. 66); finally *internal marketing*, suggests identifying customers inside the organization (employees) and ensuring their satisfaction by creating an organizational culture and delegating right personnel to perform the right tasks in a right way.

Berry (1995) has later coupled his findings by offering some new perspectives. He admitted that while useful, service augmentation and relationship pricing, are not essential for the success of the relationship marketing plan. Rather, the most crucial part in relationship marketing is delivering the service perfectly and in adjustment with the real needs and wants of consumers. He also emphasized the importance of trust by voicing his view that low-trust organizations cannot enter the area of relationship marketing. Therefore, the three key elements: core services, service quality and trust, are placed at the center of the construction of relationship marketing.

This thesis aims to answer the question regarding the ways in which healthcare providers build and maintain relationships with organizations. At its core, the question is about the workings of the B2B service networks. Therefore, we posit that assumptions of network theory should constitute an integral part of our analytical framework. Especially in the context of highly regulated healthcare services industry, the issues of mutual dependency, communication channels, varying types of activities which both collaborators can initiate are of utmost importance. At the same time, however, the basis on which the subject of our study, Skåne Care, builds and develops its B2B relationships is not power. Therefore, we found ourselves in need of an additional theoretical viewpoint.

## **4.2. Commitment-trust theory**

The basis of the analytical framework for the present study is commitment-trust theory. In this section, we delve deeper into its concepts and key mediating variable model, which we then use in Chapter 6 to guide our analytical efforts.

Morgan and Hunt (1994) challenged the idea that power should be central in understanding relationship marketing and that “power is the central concept in network analysis” (Thorelli 1986: 38). Instead they propose their commitment-trust theory which we utilize in the present study as a basis for analytical framework. Authors posit that when comprehending relationship marketing one should concentrate on the factors that promote productive, effective,

and relational exchanges (Morgan and Hunt 1994: 22). By doing so, more attention is given to the forces that produce relationship marketing successes and not failures.

Faced with the scarce contextual landscape Morgan and Hunt theorized that “the presence of relationship commitment and trust is central to successful relationship marketing” (1994: 22). Commitment and trust become the “key factors” since they promote marketers’ behaviors which result in, **first**, preservation of relationship investments by deploying cooperation strategies when interacting with exchange partners, **second**, resistance to attractive but short-term alternatives and favoring the expected long-term benefits of staying with present partners, and **third**, placing belief in the existing partners that they will not engage in the acts of opportunistic behavior, which directly translates to a greater willingness to participate in high-risk actions together. Having listed those, authors posit that presence of commitment and trust – importantly both at the same time and not either or – creates favorable conditions for achieving relationship marketing success as they promote efficiency, productivity and effectiveness.

### ***Key mediating variable (KMV) model of relationship marketing***

An immediate result of this theorizing effort is Morgan and Hunt’s (1994) key mediating variable (KMV) model of relationship marketing. It focuses on one part of relational exchange and its vital components: **commitment and trust**.



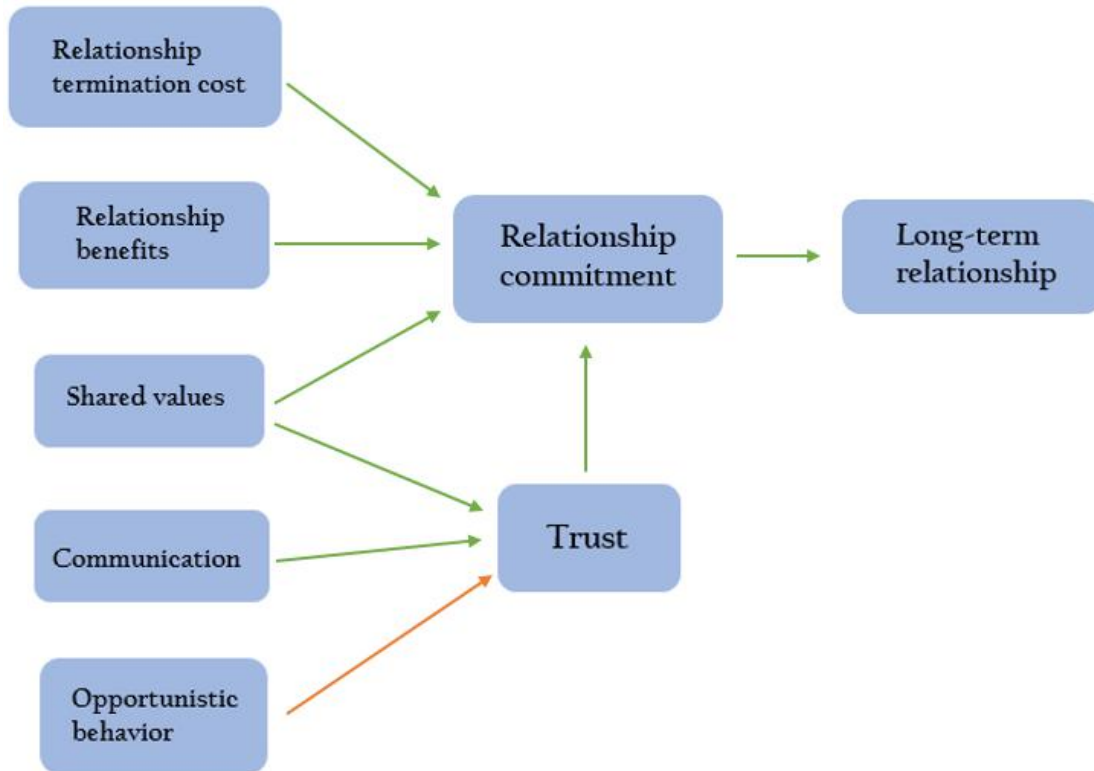


Figure 1. Key mediating variable (KMV) model. Adapted from Morgan and Hunt (1994: 22).

The key constructs in this model are relationship commitment and trust, thus called mediating variables, to which there are five precursors: relationship termination costs, relationship benefits, shared values, communication and opportunistic behavior. We will now present the definitions of the mediating variables, followed by definitions of the five precursors.

## ***Commitment***

Deriving from studies on commitment in social exchange, marriage and organizations conducted by a number of scholars, Morgan and Hunt propose their definition of relationship commitment:

“an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely” (1994: 23).

They consider a belief in the importance of relationship as a pre-requisite for commitment to it as well as a pre-requisite for the willingness to work on maintaining fruitful relationship. Their research on the various literature brought them to a conclusion that commitment in exchange relationships is considered a “key to achieving valuable outcomes” and that when the parties see such a potential in their relationship they strive to “develop and maintain this precious attribute” (1994: 23).

## ***Trust***

Morgan and Hunt define trust as “existing when one party has confidence in an exchange partner’s reliability and integrity.” (1994: 23). Confidence in one’s partner becomes a crucial pre-requisite for a relationship trust, hence commitment involves vulnerability. Partners ought to trust each other that they are aiming for positive results as well as that they are not going to engage in risky behaviors. Additionally, Hrebiniak (1974) emphasizes relationships characterized by trust are highly valued by parties and parties’ desire to commit to them is greater. Morgan and Hunt’s conceptualization ends up in conclusion that “trust is a major determinant of relationship commitment” (1994: 24). Having discussed two key components of the model for relationship marketing success we shall now look at the five precursors of commitment and trust.

## ***Precursors of commitment and trust***

First and foremost, we should discuss the relationships between the precursors and key mediating variables of commitment and trust. *Relationship termination cost* and *relationship benefits* have an impact on commitment, *shared values* on both commitment and trust, and finally *communication* and *opportunistic behavior* directly affect trust and thus indirectly commitment. *Termination costs* influence viewing the existing relationship as important as opposed to the expected losses from its termination and, therefore, enhance commitment to the relationship. *Relationship benefits* are all the factors contributing to the superiority of dimensions such as profitability, customer satisfaction, and performance resulting from the relationship. As a result, parties realizing such benefits display greater levels of commitment to their partnership. The concept of *shared values* is the only direct precursor of both commitment and trust and entails the extent to which partner have same views on “behaviors, goals, policies... and right or wrong” (Morgan and Hunt 1994: 25). *Communication* is viewed as a major precursor to trust and corresponds to “relevant, timely, and reliable” (ibid.) sharing of information. Finally, *opportunistic behavior* stands for “deceit-oriented violation of implicit or explicit promises about one’s appropriate or required role behavior” (Williamson 1975: 6). Viewing a partner as engaging in such behavior diminishes trust, and as a result, also commitment to maintaining and nourishing the relationship.

### **4.3. Chapter summary**

In this section, we have highlighted the main assumptions of two theories guiding our analytical efforts: network theory and commitment-trust theory. In the next chapter, we present a detailed account of our case study and three healthcare organizations involved.

## 5. Case study

This chapter's main aim is to provide our readers with a detailed understanding of our selected case and participants in our research. We provide the background information on the workings of three Swedish healthcare entities: Skåne Care, Swecare and the University Hospital in Lund and malmö. Most importantly, however, we allow our interviewees to speak for themselves. A considerable portion of the following chapter consists of the excerpts from the interviews we have conducted with the organizations' representatives: Skåne Care's CEO dr Mikael Rosén, project manager at Swecare Ms Mikaela Annerling Swahn, and a contact person between the University Hospital and Skåne Care Professor Ingemar Petersson. By doing so, we aim to account for their opinions as faithfully as possible.

### 5.1. Skåne Care

*“Skåne Care links you to the skills, services, expertise, and excellence offered by public healthcare system in southern Sweden.” (skanecare.com/about)*

According to dr Mikael Rosén, the CEO of Skåne Care, the top issue of the healthcare industry in the Skåne region is agreeing on the agenda for healthcare export, what it should be, what is the value of this activity, how fast we should scale up, and what resources are available for this process. Along with the rising costs of healthcare and the increasing patients' expectations, the marketing strategy for funding Swedish healthcare industry is reaching out to the international market and increasing healthcare exports. Essentially, the ambition is building local capacity to be able to export internationally. An example can indeed be Skåne Care, whose business model is 100% of healthcare exports.

Based in Lund, Skåne Care is part of the public healthcare sector and is governed by the Skåne Regional Council. It represents all the major hospitals and clinics in Southern Sweden. How to be a more attractive business case for the public sector is their primary issue, as they are depending very much on healthcare exports. Its role is to offer renowned Swedish healthcare

services to the international market. In Skåne Care offerings are group or individual treatments, education programs for healthcare professionals and consultancy services for hospitals and clinics. Training is offered either in Sweden or in the location abroad. Skåne University Hospital in Lund and Malmö is the main hub within their network of specialized hospitals in ten locations, along with nearly 150 primary healthcare clinics, encompassing 30 000 healthcare professionals. In Skåne Care's CEO's own words:

*“the main thing for skåne care to do is to find clients. We are here to bring money to the region, we are here to do good business, make good deals and offer the best treatment possible”.*

Skåne Care implements B2B relationship marketing approach to attract consumers. They segment patient groups based on specializations and types of treatment and identify patients through the local healthcare organizations by building relationships with partners such as ministries of health, large hospitals and key opinion leaders like main surgeons, doctors, and deliver their service to the targeted groups. One example of the successful deployment of Skåne Care's B2B relationship is an agreement with a state of Iceland to treat all their children under 2 years of age with heart conditions. They are not only helping the healthcare sector in Iceland to provide first class healthcare to their citizens, but also being helped by hospitals in Iceland to channel the specific patient group directly to Skåne Care. It is a very targeted and effective approach, for a very narrow segment of patients.

Regarding the methods of implementing B2B relationship marketing approach, first, Skåne Care has systematized information based on specializations and types of treatment as communication and marketing material, by which they catch interest of key patient groups which then correspond to their centers of excellence. Besides, there is a more sophisticated approach of targeting patients through the local healthcare organization, say, establishing B2B relationships with other healthcare providers. Then Skåne Care gets its customers when these healthcare providers reach their maximum capacity at their local hospital or they have more complicated cases of patients they cannot treat. These B2B relations are aiming at segmentation of the patient groups. In fact, most Skåne Care's patients of come from the B2B channel rather than B2C aimed marketing efforts. During its cooperation with other healthcare providers, Skåne Care shows its competences by pursuing clear and transparent pricing strategy, providing cheerful

cooperation experiences, and taking good care of the long-term relationship and its partners in business process. They work hard to preserve and develop the key competence that they are extremely professional partners.

Essentially then, Skåne Care does its segmentation through B2B connections. And their targeting strategy, which is very much B2B collaboration in order to reach right patient segments, also makes their work highly effective. Take the case of Icelandic patients as an example, Skåne Care knows that it is going to be heart patients, under 2 years of age and they know exactly where to send the patients when their cooperators call them from Iceland, under the agreement. In this situation, the B2B connection is a win-win cooperation. On the one hand, Skåne Care fulfills the demands of both the public healthcare sector and patients. On the other hand, Icelandic patients uphold Skåne Care's national status as the primary center of excellence for this type of heart surgeries. In contrast, implementing B2C strategy will result in a surge in their workload and low effective services, because of a variety of specific questions from patients from all over the map they would receive. Also, for answering these questions they must go to the hospital seeking doctors' advice, as they as non-medics cannot really assess the patients' conditions.

However, on the other hand, the B2B connections also have some disadvantages. The segmentation strategy doesn't work when Skåne Care does not have full control of the patient volumes and predictability, holding back its business development. The reason for that is that as a public healthcare provider, Skåne Care cannot accept too high levels of risk in business making. First, without its own "production" capacity and healthcare staff, a huge amount of healthcare professionals in public healthcare sector are not under the direct control of Skåne Care, which means Skåne Care has to be in partnerships with public healthcare sector and agree to meet certain customer requirements.

Besides, problems arise when there are differences between the expectations of the public healthcare sector and the customer. There is a dilemma of establishing the center of excellence for international patients and gaining enough volumes in order to get business running. Despite B2B connections, sometimes Skåne Care is not able to attract the patients due to different

reasons, including price things, the cultural and psychological problems, patients' specialized perception of good quality according to previous experiences and comparison with the US healthcare industry, the complicated governance model for being granted the permission to travel abroad for treatment, etc. All these result in problems in predicting the volumes and planning the business.

Capacity constraints are also the main current and future challenge of Skåne Care. Down to B2B thing, the key issue is building partnerships and making sure they stick with the customer, nurturing and developing partnerships from the very start. Also, making efforts to keep coming back to customers, expanding offer and the business.

## **5.2. Skåne Care's B2B relationships**

As a healthcare entity committed to providing the top-ranking service, Skåne Care operates in close collaboration with a variety of organizations, including both public and private institutions. This research involves two healthcare service organizations partnering with Skåne Care as the main focus of the case study. These are Swecare, which is a semi-governmental non-profit healthcare organization, and SUS (Skånes universitetssjukhus), which is also known as the University Hospital. Although they are both healthcare organizations, and work in close collaboration as valuable business partners with Skåne Care, they vary a lot in the services they provide services, operations and scope. Thus, it is interesting to account for potential differences between the features of the B2B relationship they have developed with Skåne Care.

### **5.2.1. Swecare**

*“Swecare is a unique platform where academia, public and private sector join forces toward enhanced export and internationalization of Swedish healthcare and life science.”*

*([swecare.com/about](http://swecare.com/about))*

Swecare is a Stockholm-based semi-governmental non-profit organization founded in 1978 by the Swedish government and the healthcare industry. It is a small company with only 5

employees currently running it, but at the same time it is also a national platform for healthcare dialogue and promotion of Swedish healthcare export. The main purpose of its existence is to increase global collaboration and promote international competitiveness of Swedish healthcare. With its position, in between public and private sectors, Swecare is a platform where academia, public sector – with inclusion of the government, and private sector meet to address healthcare challenges together. As our interviewee, project manager at Swecare, Ms Mikaela Annerling Swahn has said:

*“we work under the Ministry of Health and Social Affairs as their extended arm towards the private sector”.*

Its vast network of around 550 Swedish companies and organizations represents all sizes of business (small start-up companies along with global corporations), types of entities (from universities to county councils) and fields of expertise (from biotechnology to medical technology and pharmaceuticals).

Swecare is uniquely positioned in order to understand the importance of the strong network and reliable partnerships for overcoming major healthcare challenges. It serves as a neutral platform for international exchange between Swedish healthcare entities of all kinds and international entities interested in the Swedish healthcare system’s offerings. On the organization’s website, we can read that “Swecare continuously expands its extensive international network through long term partnerships with similar organizations abroad...” (swecare.se). In other words, it serves as a door opener for Swedish healthcare firms and organizations seeking closer international business connections. Participation in various networking activities organized and facilitated by Swecare is based on paid membership. Ms Annerling Swahn has clarified Swecare’s position in the following words:

*“we are non-profit, not consultants, we are a neutral part.”*

As such, rather than standing on any side of the B2B cooperative relationships, Swecare aims to facilitate and open doors for B2B community, by organizing the platform for healthcare service providers to communicate.

*“Our aim is to open doors and introduce people at the first stage.”*



Specifically, Swecare provides and manages the networking receptions where the healthcare companies and organizations themselves process their B2B networking. Moreover, due to its semi-government nature, Swecare is playing by the politicians' rules, and keeping the neutral part. As Ms Annerling Swahn has said:

*“Our main partners are Ministry of Health in Sweden and our politicians.”*

Let us consider an example of developing cooperation with Saudi Arabia. In the process of doing so, Swecare takes into consideration not only opinions of each party, but also potential benefits of each party involved in the negotiations. This is the nature of Swecare's operations, as it is navigating between the interests of potential business partners and facilitating the implementation of Swedish government's plan:

*“the government has an export strategy and they highlighted a number of countries that they want Sweden to maintain good relationships with”.*

In short, in this case Swecare acts as a facilitator between companies like Skåne Care, Swedish politicians and Saudi Arabian ministers. It makes efforts to mediate between different sectors, and bring the business side up on their part.

As a small organization with the aim of exporting healthcare globally, the main task for Swecare is prioritizing markets that are valuable for private sectors. For example, they account for the private sector's voice and its interests to identifying upcoming markets. Afterwards, they organize the delegation trip, which is the main way in which they deploy B2B cooperative relationships according to their member healthcare organizations' wishes. Moreover, as Swecare operates in the context involving many stakeholders in the B2B cooperative relationships, its main works include exploring and judging the methods of setting and maintaining relationships with different institutions, as well as adding new relevant stakeholders in addition to their focus on the existent long-term relationships.

Swecare implements diverse ways of establishing and deploying B2B relationships between different organizations. With regards to Swecare's cooperative relationship with Skåne Care, Ms Annerling Swahn has said that:

*“it’s much person to person relationship that needs to be there”*

and:

*“most of strong relationships are based on personal trust”.*

Since in most cases, potential members would attend Swecare’s activities and see for themselves if these can be valuable for their organizations before they join the network. According to our interviewee:

*“it is very rare that someone wants to become a member without prior attending our events and checking it out.”*

However, building person to person relationships in the very beginning is not a precondition, nor the only way for developing cooperative relationships. Ms Annerling Swahn has remarked that:

*“We [Swecare] can use our embassies’ relationships in the countries we are working with or we could write it down to our role as a semi-government organization.”*

Swecare works on the maintenance of the existing relationships on a daily basis. Particularly interesting is the fact that Ms Annerling Swahn noticed that maintaining the long term B2B relationships accounts for a larger proportion of Swecare’s work than exploring and establishing new ones. Ms Annerling Swahn has accounted for it in the following statement:

*“I would say it is 60/40 for maintaining and adding new ones... It could be 70/30... It depends on how you are defining maintaining relationships.”*

Nevertheless, it is one of the organization’s daily tasks to evaluate new markets and potential new connections. Thus, from this perspective we can see that Swecare engages in both maintaining existing and adding new B2B relationships.

According to our interviewee, trust is a key factor in developing relationship commitment:

*“trust is the start for commitment... Otherwise you don’t get commitment if you don’t have trust in someone.”*

While Swecare itself is not involved in striking any business deals, due to its non-profit profile, it nevertheless values both trust and commitment. This is mainly because of the demand-driven approach it has assumed since the beginning of its functioning. Members of its network communicate their interests and expect Swecare to live up to its role of a facilitator. In other words, they trust Swecare and its quality as an exchange platform. Ms Annerling Swahn has admitted:

*“they [members] use their valuable time to go to our events and use our networks as a platform.”*

### ***The B2B relationship between Skåne Care and Swecare***

Skåne Care has been a member of Swecare’s network since 2015. According to our interviewee, Mikaela Swahn Annerling, Skåne Care is an active participant in one of Swecare’s main activities: delegation trips. During the delegation trips companies reach out towards different upcoming markets which may be interested in the service offerings of the Swedish healthcare system. Rather than simply providing products, they offer a variety of valuable things for healthcare organizations, including a setup of knowledge and expertise. In this case, Swecare provides its members with timely information and valuable business opportunities by evaluating upcoming markets and relationships, as well as promoting communication and the establishment of the B2B relationships between different healthcare organizations. On the other hand, Skåne Care contributes with its expertise to the generally understood Swedish healthcare service offering. Skåne Care for its part can provide support to other governments and both their public and private healthcare sectors, by sending experts and training their staff in working in hospital management. Skåne Care is involved in a number of different activities organized by Swecare, with delegation trips being a typical example. They work in close collaboration with each other, oftentimes, they even work together in the same geographical area, like the Middle East.

In its own way, Swecare contributes to building Skåne Care’s position in the international markets. While not promoting Skåne Care’s service offerings, Swecare, nevertheless, establishes its partner’s brand as Swedish, which considerably helps generating profit. As Ms Annerling Swahn has remarked, Sweden is a strong brand itself.

*“just saying that we are part of Swedish system helps.”*

That is the start where Skåne Care can benefit and the reason why it is easier for Skåne Care than it would be for an organization from private sector.

Ms Annerling Swahn has also accounted for the nature of the communication between Swecare and Skåne Care:

*“We have an open communication which is the basis of trust ... if I personally think or know something will be of particular interest for them – I will call them up. I do so if there is time for that, and if there is none – I make time for that.”*

*“It could be that I’m calling Skåne Care and saying that we have heard from other companies that Qatar is very high on their agenda. What do you think? Would it be something you would appreciate?”*

*“I can call her (Petra, the person she is in contact with at Skåne Care) every now and then, and it’s a very easy to get in touch with each other and check if things are interesting for them or not.”*

*“we trust that if they are not happy with the way we communicate they will inform us so we can change”.*

The excerpts from the interview presented above clearly illustrate the depth of understanding Swecare has for Skåne Care’s interests and goals. It also highlights the immense importance of the personal encounter for establishing fruitful communication channels. Notably, this is facilitated by a small number of employees running each organization. According to Ms Annerling Swahn:

*“we are all involved with each other, depending on projects and areas.”*

### **5.2.2. Relationship with the University Hospital**

***“SUS (Skånes universitetssjukhus) is a university hospital. This means that, in addition to care, we also conduct education and research.” (<http://vard.skåne.se/skånes-universitetssjukhus-sus/om-oss/organisation/>)***

Skåne University Hospital in Lund and Malmö (SUS) is Sweden’s third largest hospital. It provides highly specialized care for the public. It collaborates with Lund University in the fields of scientific research and medical training in all occupational categories. University Hospital is also involved in health promotion and disease prevention activities. It provides its patients with advice regarding living habits and supports them in changing behavior patterns. Its medical staff comprises of 11 300 employees across 100 different professions. SUS is part of the Skåne University Hospital Administration, which includes also child welfare centers and maternity centers. Altogether they are, just like Skåne Care, a component of Region Skåne. In comparison with Swecare, SUS is a massive institution serving public in the region – and to an extent internationally, through its cooperation with Skåne Care. To get an in-depth view of their partnership we have interviewed Professor Ingemar Petersson.

### ***The B2B relationship between Skåne Care and University Hospital***

Although the primary responsibility of public healthcare sector is taking care of the regional patients, the international strategy cannot be ignored. Well-trained experts with an international experience are necessary for continuous improvement of the services offered. Moreover, in today’s competitive market environment on the one hand, and shortage of the trained medical staff on the other, public healthcare providers strive to be perceived as attractive workplaces providing their personnel with the opportunities for constant skills development.

This is one of the bases of cooperation between Skåne Care and University Hospital. To be able to create such an attractive environment for work and treatment, they cooperate in the fields of research, education and innovation. According to Professor Petersson:

*“in all these areas, there is an interest in developing international collaborations. We have a couple of different networks, and one of them is established through Skåne Care.”*

*“we want some of our health staff to have an education in global matters.”*

Admittedly, these are consistent with the desired goals of Skåne Care, as Dr Rosén elaborated during our interview with him:

*“we make it a good place to work, you can learn, and travel, and work with interesting people, great specialists.... We promote region Skåne as a fun and nice place to live and work.”*

Their partnership is based on the mutual understanding of each other’s interests and high levels of professionalism evident in their operations. Professor Petersson was happy to admit that:

*“[Skåne Care is] into a very serious business which is where my interest lies as well.”*

University Hospital and Skåne Care exchange information about these serious dealings via both formal and informal channels. During our interview, Professor Petersson admitted to appreciating

*“a good constructive mix of more formal parts [regarding] contracts, and the informal contacts regarding different kinds of enterprises”.*

Importantly, his personal encounter with Skåne Care representatives started off during informal meetings over lunch and discussing general matters:

*“I was explaining my position and interests, and management of Skåne Care discussed their strategy and interests.”*

*“I started as an unofficial contact person between Skåne Care and the Hospital and [now] I’m an official contact person.”*

Resulting from the network connection established through Skåne Care, University Hospital is engaged in exporting its service offerings to the Middle East (e.g. Saudi Arabia) and recently, to China (Gansu province). In his own words these are:

*“A few very concrete and very practical projects.”*

Importantly, he has also reflected on the nature of their cooperation:

*“It’s definitely mutual benefit. And I’m happy with that.”*

The above excerpt can be easily regarded as a high value placed on University Hospital’s cooperation with Skåne Care. On its part, Skåne Care’s CEO himself has admitted to being dependent on the Hospital’s resource pool:

*“I have the capacity that the [H]ospital has”*

As a result, both are involved in the processes leading to greater volumes of patients’ turnover and generating profit.

We also find it important to cite Professor Petersson answer to our question on the importance of trust and relationship commitment:

*“if there is trust, you always would be happy to go for commitment, and if there is no trust I would not go for any significant commitment.”*

He has also reflected on the beginning of his trust-building process towards Skåne Care:

*“Trust [in this case] rests on external references. I asked around and I was informed about their ways of performing and ethics.”*

### **5.3. Chapter summary**

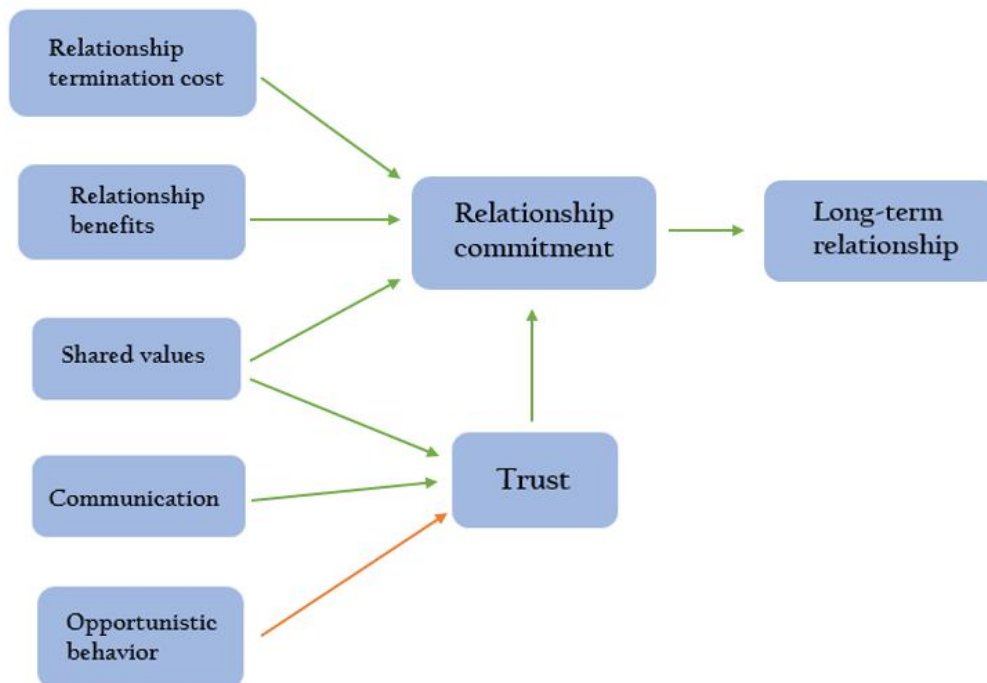
This chapter’s main task was to lay groundwork for our analysis. Having presented a detailed overview of our case study we can now move on to discussing the outcomes of our analysis. Importantly, in the next chapter we present the strong links between our method, theory and case studied.

## 6. Analysis

This chapter is devoted to an in-depth analysis of the empirical material discussed in the previous section of this study. The analysis follows the method described in methodology section. Therefore, our findings presented in the last section of this chapter derive from the views of individuals closely engaged in the workings of the relationships that are the focus of the present study. The analysis was conducted with the use of conceptual structures discussed in the section depicting our theoretical framework. To start out, we revisit the concepts guiding the analysis of the gathered material. After that, we present our findings in the form of two tables. The table format was chosen as it helps to systematize our analysis and display its components in a clear and concise manner. Each table is then discussed in greater detail following the logic of our theoretical framework.

### 6.1. Deploying the key mediating variable model (KMV)

As mentioned already in Chapter 4, the theoretical logic according to which we



systematize our analysis rests on the KMV model of relationship marketing.



**Figure 1.** Key mediating variable (KMV) model. Adapted from Morgan and Hunt (1994: 22).

While central to our inquiry are concepts of **relationship commitment** and **trust**, also known as key mediating variables, we start our analysis with the discussion on their four precursors: **relationship termination cost**, **relationship benefits**, **shared values** and **communication**. In the process of data collection and interviewing representatives of the three organizations we did not come across any mentioning of **opportunistic behavior**, which is considered to have a detrimental impact on development of trust in the relationship (hence an arrow in red color). Therefore, we omit this concept in the discussion and later in the systematization of our analysis. Instead, we make general comments on what has been indicated to us by our interviewees as potential areas for improvement in their relationships. It is important that we now revisit the definitions of the four precursors as well as of the key mediating variables since they guided our analytical efforts. We present the definitions in the tables below.

Precursor	Definition
Relationship termination cost	“all expected losses from termination and result from the perceived lack of comparable potential alternative partners, relationship dissolution expenses... These... can lead to an ongoing relationship being viewed as important, thus generating commitment to the relationship.”
Relationship benefits	Valued when superior – “relative to other options – on such dimensions as product profitability, customer satisfaction, and product performance...”
Shared values	“fundamental to definitions of organizational culture”
Communication	“Can be defined broadly as the formal as well as informal sharing of meaningful and timely information between firms”

Table 1. Five precursors of commitment and trust with their definitions (Morgan and Hunt 1994: 24, 25).

Key Mediating Variable (KMV)	Definition
Trust	“existing when one party has confidence in an exchange partner’s reliability and integrity”
Relationship commitment	“an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure it endures indefinitely”

Table 2. Key mediating variables with their definitions (Morgan and Hunt 1994: 23).

The next section in this chapter is devoted to the presentation of the outcomes of our analysis.

**6.2. The KMV model reflection in the case**

The questions asked during the interviews (see Appendix) did not refer directly to any of the precursors of commitment and trust. Nevertheless, as discussed in Chapter 5, our interviewees related to them indirectly which justifies the relevance of the chosen theory to the case. Tables

presented below depict the way in which we systematized our gathered data in line with our chosen theoretical framework, as discussed in Chapter 4.

<p><b>Relationship termination costs</b></p>	<p>Impaired ability to reach out to new markets and meet new demands.</p> <p>Less opportunities for doing business and generating profit.</p> <p>Decreased capacity for predicting emerging trends in healthcare sector.</p>	<p>Lost access to the resource pool provided by SUS and its expert base.</p> <p>Largely limited offering and loss of many unique selling points in the form of SUS' exclusive expertise.</p> <p>Decreased capacity for doing business and generating profit.</p>
<p><b>Relationship benefits</b></p>	<p>Access to exclusive information about market conditions and emerging opportunities.</p> <p>Constant access to the network of Swedish and international healthcare providers.</p> <p>Higher status resulting from being a part of the official Swedish delegation trips – serving as a country's official representative which becomes a unique selling point.</p>	<p>Continuous access to the SUS' resource pool and expert base.</p> <p>Portfolio of offerings largely supplied by the expertise of the SUS.</p> <p>Potential of becoming a market player of national importance.</p> <p>Greater opportunities for an international outreach.</p>
<p><b>Shared values</b></p>	<p>Participating in the Swedish government's official strategy of healthcare exports.</p> <p>Participating in bringing mainly financial resources to the public healthcare sector in Sweden through generation of export revenue.</p>	<p>Improving the quality of healthcare services offered to the local patients.</p> <p>Performing to the highest possible standards as a way of promoting Swedish healthcare services among international clients.</p> <p>Mutual interest in developing international collaboration in the fields of research, education and innovation.</p>
<p><b>Communication</b></p>	<p>Personal, transparent, timely, reliable, individualized.</p> <p>Regular by newsletter, or daily when relevant for <u>Skåne Care</u> information is available to <u>Swecare</u> for sharing.</p> <p>Facilitated by the fact that both are small entities with a handful of staff.</p> <p>Flatness of hierarchy in both companies enables cross-functional and proactive communication.</p> <p>Both informal and formal. Informal in usual dealing, formal during delegation trips.</p>	<p>Mix of both: formal and informal.</p> <p>Formal - Via appropriate channels – right person being contacted at a right time, in the right place, via appropriate means.</p> <p>Informal – regarding new undertakings and plans.</p>

Table 3. Relationship commitment and trust precursors in the case.

Trust	Conditioned by the compliance to the existing rules and standards systematizing Swedish healthcare sector.	Trust in each other's professionalism and expertise. Resting on external recommendations and generally understood reputation.
Commitment	Conditioned by the presence and maintenance of personal relationships and individual communication between members of the staff.  Closely related to the win-win situation for both parties.	Conditioned by the shared values.  Sharing the similar position – official representatives of Swedish healthcare sector during government delegation trips abroad.  Strengthened by the mix of personal and official communication.

Table 4. Key mediating variables in the case.

### 6.2.1. The analysis of the B2B relationship between Skåne Care and Swecare.

In Chapter 3, we have already listed the main reasons for choosing Skåne Care’s B2B relationship with Swecare as one of the objects of our study. Before we delve deeper into the analysis of the relationship precursors and key mediating variables, we would like to present some general observations.

It is interesting to point out, that Swecare does not help much in building Skåne Care’s brand. Nevertheless, Skåne Care’s participation in Swecare’s activities (e.g. international delegation trips) does signal the importance of Swecare as an organization. The main reason for this is that Skåne Care is an independent business entity and cares for its offerings – and brand – on its own. On the other hand, being one of the official representatives of the Swedish healthcare system, Skåne Care lends part of its status to Swecare, which results in Swecare’s better reception abroad. Another interesting point is that Swecare is not that much dependent on Skåne Care offerings, since during delegation trips offerings of different “Care” companies are presented in one Swedish package. This has been pointed during our interview with Swecare representative couple of times. Nevertheless, Ms Annerling Swahn admitted that a win-win situation between both is present and that having Skåne Care’s expertise “on board” and its offerings ready to be promoted abroad, does contribute to the variety of offerings mainly due to several unique expertise fields Skåne Care can offer.

Having painted a more general picture of their exchange, we now proceed to our discussion on precursors and key mediating variables as observed in the relationship between Skåne Care and Swecare.

### ***Relationship benefits***

Among the most important relationship benefits for Skåne Care is access to exclusive information about emerging opportunities. Since Swecare operates principally by meeting its members' demands for expanding the existing network it becomes very important to Skåne Care to be able to participate in this form of information exchange. Such was the case of the opening up of Iranian economy to the world, on which our interviewee from Swecare, Ms Annerling Swahn remarked.

An important relationship benefit is a win-win situation present as a result of a continuous exchange between these two partners. Swecare serves as a “door opener” and an exchange platform for Skåne Care. In its turn, Skåne Care supplies Swecare's international offering with its expertise offerings and a promise of professionalism.

### ***Relationship termination costs***

Undeniably, relationship termination costs for Skåne Care would be considerably high. First and foremost, Skåne Care would have much less opportunities for international promotion of its offerings and therefore, an impaired ability to reach out to the new markets and generate profit. Hand in hand with the aforementioned relationship benefit of the access to exclusive information goes the ability to predict and monitor emerging trends in healthcare sector.

### ***Shared values***

Both organizations, in spite of the fundamental differences in their profile and nature of their activities, are integral parts of the Swedish healthcare sector. As a result, both are participating in the Swedish government's official strategy of healthcare exports. The main goal of this participation is to bring financial resources to the public healthcare sector in Sweden, generated through the international exchange of expert services. Another important goal is to

create variety for Swedish healthcare practitioners and open up opportunities for them to train and work in an international setting at home and abroad.

Importantly for the focus of our thesis, both Swecare and Skåne Care are interested in building predominantly long-term and stable partnerships with the members of their network – be it domestically or globally. This, in turn, contributes to the strengthening of an already significantly strong brand in itself- the brand of Sweden, as pointed to us in our interviews with the representatives of Swecare and Skåne Care.

### ***Communication***

Communication between Skåne Care and Swecare can be characterized as transparent, timely, reliable, and to an extent also individualized. Importantly, it is also a mix of formal and informal exchanges. As mentioned already in Chapter 5, both are happy to admit they have open and honest communication with each other. They are also able to get in touch with each other daily, or as the need emerges, which is facilitated mainly by the fact that both are small entities and members of staff know each other personally. In addition, a distinctly Swedish flatness of hierarchy makes it easier to engage in cross-functional exchange of information, e.g. it is not a problem to contact a CEO personally, even if one is not a CEO him/herself. In addition to the regular newsletters and updates, staff at Swecare often contacts Skåne Care directly when a piece of information of particular importance or interest for Skåne Care comes across. Informal exchange of information is mainly present in dealings between two companies directly. Formal communication happens mainly during the delegation trips abroad and is conditioned by the formal setting of those.

### ***Trust and relationship commitment***

Our interviewees from both organizations have pointed to the trust as a basis for the generation of relationship commitment. One of the most important findings resulting from our analytical efforts, is the fact that in healthcare industry settings, trust is mainly conditioned by the compliance to the rules and regulations. In other words, as explained by our interviewee from Swecare, once a healthcare organization is up and running in the Swedish market, it means it is

already good enough to make deals with. Therefore, high levels of trust Swedish have in the workings of their government and the rules it places translate to the trust given to the organizations complying to them. Swecare trusts Skåne Care and its professional conduct and the high standard of its expert offerings. In return, Skåne Care trusts Swecare and its professionalism in facilitating international business exchange. This is facilitated mainly by the fact, that Swecare is a semi-governmental organization in close collaboration with the Swedish Ministry of Health.

On the other hand, while trust in the Swedish healthcare setting seems to be “regulated” and closely tied to the official regulations, commitment rests mainly on the presence and maintenance of personal relationships between the organizations. While there is no room for the preferential treatment of Skåne Care by Swecare, personal relations have developed and continue to aid information exchange between these two small entities. Additionally, we also found out that it is closely related to the win-win situation present in their exchange, and therefore to the assumed relationship termination costs.

#### **6.2.2. The analysis of the B2B relationship between Skåne Care and the University Hospital in Lund and malmö**

The case of collaboration of Skåne Care and SUS is that of mutual dependence. Skåne Care depends on SUS’ expert base and resource pool, and SUS depends on Skåne Care’s established networks which enable international exchange. Admittedly, SUS is able to engage in networking activities on its own, but many of its current projects have been made possible through Skåne Care. Additionally, Skåne Care’s CEO have mentioned very often in our interviews with him, that his organization’s offering is dependent on the capacity made available by healthcare providers and their staff – one of them being SUS.

#### ***Relationship benefits***

Representatives of both Skåne Care and SUS have admitted to having a mutually beneficial, win-win relationship within all three areas of research, education and innovation. Specifically, this win-win situation is mainly the result of engaging with mutual partners and sharing common interests. Skåne Care utilizes SUS’ resource pool and expert base in its

promotional efforts and is largely dependent on those when it comes to realization of its contracts and generating profits. As explained by Dr Rosén from Skåne Care, by deepening its collaboration with SUS, Skåne Care also opens up opportunities for itself for becoming a player of nation-wide importance. By cooperating with Skåne Care, SUS participates in the export of Swedish healthcare and generation of revenue for the region.

### ***Relationship termination costs***

Assumed losses in the case of terminating this highly valuable relationship would be considerably huge. First and foremost, Skåne Care would lose access to the SUS' resource pool which is currently fundamental to its offerings and, consequently, its profit generation abilities. This would also mean losing many unique selling points and therefore, largely limited offering for its international clients. In its turn, SUS would lose the potential for international training of its staff and expanding research, education and innovation capabilities.

### ***Shared values***

Both our interviewees have admitted that it is in their interest to continuously improve the quality of healthcare services offered to the local patients in Skåne. In line with this goes their commitment to performing to the highest standards possible as a way of promoting Swedish healthcare services among their international clients. It is worth mentioning that both organizations share deep interest in aiding research, education and innovation efforts through engaging in international exchanges. Both are also interested in creating an interesting working environment for medical staff in Skåne and providing them with opportunities of practicing in international setting, travelling and building own professional networks.

### ***Communication***

Like in the case of communication between Skåne Care and Swecare, communication between SUS and Skåne Care is also a mix of formal and informal – and it is important to point out that it was the first thing our interviewee, Professor Petersson, has told us. He also admitted to engaging in numerous informal exchanges before the official B2B relationship took off. These included meeting over lunch and discussing general matters, strategies and mutual interests.



Formal exchange, however, is also present and widely used in communicating with SUS staff and was pointed to by dr Rosén. It comes down mainly to utilizing appropriate channels and contacting a right person, at a right time, in the right place via appropriate means. It is mainly used when communicating the need for specialist treatment, like in the case of surgical treatment of Icelandic patients.

Currently, informal communication occurs regarding new undertakings and plans both Skåne Care and SUS have. Both organization also communicate with their clients during business trips abroad. Our interviewee from SUS mentioned participating in several such trips organized by Skåne Care to the Arab countries in Persian Gulf. Interestingly, on the day of our interview, Professor Petersson was hosting an international delegation which resulted from joint networking efforts of SUS and Skåne Care.

### ***Trust and relationship commitment***

For Professor Petersson, trust was a basis for relationship commitment. His trust for Skåne Care was based predominantly on external references and word-of-mouth. He admitted to having heard that Skåne Care is a professional business partner interested in establishing stable long-term relationships. This has been confirmed during the period of informal communication, mentioned above. Therefore, Professor Petersson was ready to lay foundations for relationship commitment and participation in, for example, business trips abroad. Currently, Skåne Care and SUS trust in each other's expertise and professionalism. Skåne Care is viewed as a good business partner and SUS as a valuable expert base. It is safe to say, that both have capitalized on their formidable reputation.

Relationship commitment in this case is conditioned by the shared values and the fact that both organizations share a similar position when promoting themselves abroad – they are both official representatives of Swedish healthcare sector. Admittedly, commitment to each other's cause is also deepened by the successful mix of formal and informal communication. Of importance is also a fact that both are engaged in establishing new relationships abroad and developing projects in the Arabic world and Gansu province, China. As explained by Professor Petersson, these engagements were made possible by Skåne Care's workings.

### 6.3. Chapter summary

In this section, we provide a general summary and reflection of our analysis. We aim to present the ties between the research question and the focus of this thesis and our chosen methodology and theoretical framework. We also reflect on the quality and usefulness of the interviews we have conducted. The subsequent section will be devoted to presenting our findings.

The research question which we aim to answer with our analysis is: **how do healthcare providers build and develop cooperative relationships with organizations?** The focus of our thesis remained on the long-term B2B relationship building and maintaining. The object of our study was skåne Care and its two distinct in character and nature relationships: one with Swecare and one with University Hospital in Lund and Malmö. We found our chosen methodology, of which we provide a detailed account in Chapter 3, to be well-tailored to the purpose of our study. Several qualitative interviews which we conducted with the representatives of the three aforementioned organizations proved to be very informative, and our interviewees well-positioned to answer our open-ended questions (see Appendix). While our resulting findings cannot be easily generalized, due to this research' unavoidable limitations, they nevertheless provide a well-informed, theoretically sound inside look at the processes of relationship building in Swedish healthcare industry.

Our chosen theoretical framework proved to be not only suitable but also very helpful in achieving the aim of this research. As this thesis sought to answer a question about relationship building and development in healthcare industry setting the inclusion of concepts of relationship commitment and trust inevitable deepened and enriched our analysis. As our analysis has shown, relationship building in healthcare industry depends on several kinds of trust and commitment. It is a curious mix of both formal and informal partnerships; subject to compliance to formal rules and regulations placed by the government and personal relationships which facilitate communication efforts between organizations. Having researched the literature about the nature of healthcare industry it became obvious that we should deploy a research strategy well-suited to tackle those analytical challenges. Therefore, we found commitment-trust theory with its key

mediating variable model a very potent basis for our theoretical framework, which was further confirmed by the results of our analysis.

## 7. Findings and Conclusion

In the first section of this chapter we will present findings resulting from our analysis. After that, we will account for our study's unavoidable limitations and weaknesses. To wrap up, we will discuss future research suggestions.

### 7.1. Findings and implications

With our research, we have confirmed the validity of commitment-trust theory and one of its main arguments that **trust is a precursor to commitment**. This has been accounted for by our interviewees who are all practitioners in the field of relationship marketing. Each of them has said that without having trust first one should not expect any levels of commitment. This constitutes a very practical **managerial implication** suggesting the course of building a long-term relationship. Especially in a fast pace market environment one should not forget about the importance of less tangible but equally important variables of trust and commitment. Therefore, the time span needed to start with establishing those should be taken into consideration in the business planning.

Importantly, our interviewees have indicated that in the healthcare sector **trust is easier earned due to a more regulated environment**. Organizations tend to trust other healthcare entities functioning in the Swedish market by proxy – this type of trust begins with the trust in the government policies regulating the healthcare sector in the country. Organizations trust one another's levels of professionalism simply because otherwise they would not be able to sustain themselves in the market. Additionally, word of mouth referrals play a significant role in the initial stages of networking and preparing the ground for a longer-term relationship. Consequently, **our analysis presents the learning** on the impact the general public's trust in the government and its workings can have on networking and establishing B2B partnerships. This places an immense importance on the broadly understood political climate for doing business.

Our theoretical framework rests on the assumptions of two theories we found relevant for the purpose of our study: the network theory and the commitment-trust theory. The latter was picked up in order to counter the network theory's assumption of the presence of power imbalances inherent in the network. Our empirical data confirms the appropriate choice of the second theory, as **we did not find any power imbalances or power plays existing in the relationships under our scrutiny**. While there are levels of mutual dependencies, which we have accounted for in Chapter 6, they are not detrimental to any party in the relationship. More than that, they are rather complimentary and can be regarded as serving the purpose of maintain the long-term partnerships. We consider this finding to have **theoretical implication** as it suggests that **different types of networks can have completely different understandings and uses of the concept of power**. All our interviewees have emphasized they enjoy a mutually beneficial relationship with one another.

Finally, this is the finding which we consider to be particularly interesting. In all our interviews the representatives of the organizations have emphasized **the importance of personal and informal communication** at the beginning of establishing a working partnership. They also found it very important for the further development and maintenance of any long-term relationship. What makes this interesting is that, to repeat once again, we have been navigating a highly-regulated healthcare sector. This serves as **the final managerial implication** of our study. Our analysis shows that for exactly this reason the importance of personal encounters for the establishment of fruitful collaborations cannot be undermined.

## **7.2. Research limitations and weaknesses**

There are some unavoidable limitations of this research. First, due to the limited available resources, the interviews of this research were conducted within a limited amount of local business practitioners in the healthcare industry. Also, the cases are based on a local healthcare service provider, Skåne Care. Therefore, to generalize the result for larger groups, the study should have involved many healthcare providers. These limitations may result in a kind of unilateral understanding and interpretation of market phenomena, as well as a not profound

analysis. However, we considered this study as a pilot-study which could potentially lead into a full-scale research.

Each of our interviewees has been involved in his/her respective organization in different ways. Therefore, we may be getting a fragmented view of the matter in question. Additionally, each of them had different temper and personality – some were talkative, others answered questions in a very concise way and did not digress at all. This can be viewed as a weakness or limitation, since interviews differed in length and sometimes scope of the discussed matters. We also have to admit, that getting some interviews was a challenging task due to interviewees' busy schedules, and this contributes to the differences in the length of our talks.

### **7.3. Future research suggestions**

The first research suggestion we would like to propose is to deepen the present study in order to achieve greater generalizability in the context of Sweden and its healthcare industry. Secondly, to broaden the scope, we suggest a study on the ways in which B2B relationships in healthcare industry are established and developed in other countries. Finally, it seems an interesting idea to conduct an in-depth study of the importance of personal relationships for the fruition of the B2B collaborations in other highly-regulated industries (e.g. military).

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## **Appendix**

### **Interview**

#### **Background**

*Our study is about building and maintaining relationships between partners in healthcare service industry. We are using concepts of network, relationship marketing, commitment and trust as a part of our theoretical grounding. The research questions is: How healthcare providers build and develop cooperative relationships with organisations?*

#### **Guiding questions:**

*How would you define commitment and trust in the network?*

*In your opinion and from your experience, how important are they for building and maintaining a successful relationship with a business partner in healthcare industry?*

*How long have you been partnering with Skåne Care?*

*Can you describe the motivations for cooperating with Skåne Care?*

*How would you characterize the beginnings of the relationship with Skåne Care?*

*How is the relationship looking today, what is it based on, what are levels of trust and commitment, and how are they being managed?*

*Do you ever touch upon the topic of commitment and trust openly?*

*What is the way forward for your relationship with Skåne Care?*

*What, in your opinion, needs more attention (communication between you and Skåne Care, levels of trust and commitment)?*