THE ROLE OF INTERACTIVE MEDIA IN RELATIONSHIP MARKETING

- The Case of Mölnlycke Health Care AB in Europe

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ABSTRACT

This thesis is an assignment from Mölnlycke Health Care, and concerns how a company in the health care industry can use interactive media in customer communication, in order to improve relations. The purpose is to describe how the customers in Europe would like to receive information and communicate with the suppliers, investigate the possibilities of using Internet/e-mail and telemarketing and to present a recommendation for future communication with these media.

We present and give an understanding of important concepts needed for solving the research problem. It contains information about factors affecting the communication strategy and its design, and the new conditions set by the interactive media. To get a deeper understanding of our case company and the setting of the thesis, we also describe Mölnlycke HC's market and its stakeholders.

To solve our research problem, different kinds of data had to be collected and analysed. The methods used are a quantitative part consisting of 500 questionnaires, and a qualitative part that includes several interviews. The data is then presented and analysed based on the four parts of communication design; target, media, message and timing. Summarising the most important findings from the analysis, we attempt to answer how MHC can use interactive media in the communication with their customers. The result showed that there was interest for using Internet, e-mail and ceratin telephone solutions, but the possibility and barriers varied among the countries. Some practical recommendations are given as well as areas for future research.

Keywords: Interactive media, Internet, Telemarketing, Communication, Health Care industry and Europe.

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AIM AND PURPOSE

In this chapter we present the background, problem analysis, the research problem, purpose and limitations of the thesis. For explanations and definitons of words or concepts, see appendix A.

1. INTRODUCTION

Technological development has brought new ways of communicating, ways that today are used by quite a lot of people, but still might not be fully exploited in business marketing.

The usage of interactive media – on their own or integrated – is developing rapidly, and new usage possibilities are found every day. Because of this, peoples' attitudes and opinions are changing constantly as well. This makes it vital to investigate what the situation currently looks like, compare it to how it used to look, and try to imagine how it will come to look in the future.

1.1 BACKGROUND

The case company Mölnlycke Health Care is a manufacturer and supplier of single-use products for surgical interventions and wound management. Mölnlycke Health Care was formed in 1998 through the merger between the former SCA Mölnlycke Clinical Division and the corresponding division, Kolmi-Set, in the Finnish Tamro group. The aim is to become a public company by 2001.

In their current process of developing an Integrated Sales and Marketing strategy, one step is to investigate whether marketing can be conducted via Internet, e-mail and telephone. The intention is to improve relationships with customers – GPs, nurses and middlemen - by bringing them extra value through adapting the marketing to their needs.

1.2 PROBLEM ANALYSIS

The marketing mix management paradigm has dominated marketing since it was introduced almost 40 years ago. Focused around the 4 Ps – product, place, price and promotion - this paradigm is today beginning to lose its position (Grönroos, 1997). "Promotion" is defined by Kotler (1988, p 45) as: "Promotion… stands for the various activities the company undertakes to communicate its products' merits and to persuade target customers to buy them." According to this definition promotion is a one-way communication process, and only concerns product information.

New approaches have been emerging in the field of marketing. Many industries are facing a world that is an increasingly turbulent place, and customer wants and needs are changing rapidly. Product life cycles are getting shorter, and it is difficult to keep up with technological development. Requirements for quality and service go up as the competition gets tougher. In order to be competitive in this environment, the focus cannot only be on the single transaction. Additional service and creation of loyalty is becoming vital if companies are to retain their customers. (Komenar 1996)

This globalisation of business and the evolving recognition of the importance of customer retention, market economies and customer relationship economics, among other trends, reinforce the change in mainstream marketing. Relationship building and management, or what has been labelled *"relationship marketing"*, is one leading new approach to marketing which eventually has entered the marketing literature. (Duncan & Moriarty 1997)

Several researchers and authors have their own definitions and explanations for the concept of relationship marketing. Relationship marketing, according to Gummesson (1998), is marketing that sets relations, networks and interactions in focus. Gordon (1998, p. 9) defines relationship

marketing as "the ongoing process of creating and sharing value with the customers that the company chooses to serve."

The interaction and network approach of industrial marketing and modern service marketing approaches, especially the one by the Nordic School, clearly views marketing as an interactive process in a social context. This view argues that relationship building and management are vital cornerstones. The marketing mix management paradigm with its Four Ps, on the other hand, is a much more clinical approach, which makes the seller the active part and the buyer and consumer passive. No personalised relationship with the producer and marketer of a product is supposed to exist, other than with professional sales representatives in some cases. This latter view of marketing does not fit the reality of industrial marketing and the marketing of services very well. (Grönroos 1997)

A company - as well as any other customer - may prefer to buy from a certain supplier for many reasons, not just because it has good products at a reasonable price. It may be that the relationship provides added value to the transaction itself. That could be in form of added knowledge, secure deliveries, low failure rates, advice about product use, technical development know-how etc. Relationships will matter when the value to the parties involved in an exchange stems from interaction in its entirety, rather than simply from the tangible resource transfer between the parties involved. (Ford 1998) Another reason for establishing personal long-term bonds is that current consumers may be retained. According to Rapp and Collins (1994) retention is now considered a more cost-effective strategy than continual prospecting for new customers.

An important aspect of relationship marketing is communication, which is what this thesis will focus upon. A relationship cannot exist without communication, and in order for the communication to develop and sustain relations it has to be formed in a way that adds value for customer. Relationship marketing literature, however, often fails to include the

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communication process as a critical dimension in relationship building, focusing instead on elements such as trust and commitment, which are products of communication. (Duncan & Moriarty 1997) Schramm (1973, p 3) notes that the study of communication is fundamentally a study of relationships: "Society is a sum of relationships in which information of some kind is shared." He also states, "to understand human communication we must understand how people relate to one another." Relationships, in other words, are impossible without communication.

The new evolution of marketing media is characterised by higher levels of interactivity, immediacy of transaction, improved access, a market driven by customer demands, and individually addressable promotions. (Komenar 1996) Not only can you reach one specific person, your reach is also global with the help of these media. At the same time you can learn more about the customers and adapt the communication further and by that being more efficient in targeting and bringing value to the relation. The purpose of relationship-based marketing is therefore to heighten marketing productivity by achieving efficiency and effectiveness, above all in the area of customer retention and efficient consumer response. (Cardell & Groth 1998)

The marketing media investigated in this study are the Internet/e-mail and the telephone. On the Internet today there are 171 million users, and the traffic doubles every 100 days. (Andersen Consulting 1998) Physically, the Internet uses a portion of the currently existing public telecommunication networks. The most widely used part of the Internet is the World Wide Web (often abbreviated "WWW" or called "the Web"). Using the Web, you have access to millions of pages of information. (www.whatis.com)

The telephone might not be a "new" media, but its use and applications are developing. In 1980, The Times commented that, "the most powerful marketing tool ever invented lies unused on desks up and down the country." (Stevens 1996) The use of telemarketing in Germany and France

is now showing signs of rapid growth, and also Spanish, Belgian and Italian markets are seeing a similar expansion (Egan & Maloy 1998).

The telemarketing industry is experiencing this increased demand in Europe due to declining telecommunication costs. The same decline in Internet rates are also expected, even though some countries might not have an infrastructure that supports all the traffic this will cause. (Egan & Maloy 1998)

The interactive media are not only more common today; they are also becoming more and more integrated with each other. It is possible to fax using a computer, shop via the television as well as via Internet, and ask someone to call you up the instant you click on a "call me" button on the Internet.

But in the information society of today, the concept of "information overload" has turned into a common word in our vocabulary. "Selective attention" is another concept, referring to the fact that not all information is remembered, or even noticed, any longer. So now when competition is global, the fight for customers attention is stiffening. The "new" and global media will not only provide the company with the chance of unlimited communication possibilities, it will offer customers the advantage of unlimited access to competitors information as well. (Sterne 1995 and 1996; Downes & Mui 1998; Molenaar 1996) Having the intention of creating a valuable relationship with your customers according to Hallberg (1999), a good way to start is by asking *how* they want to receive information, *when* they want it, *what* it should contain, and what *additional services* they would appreciate. Doing this can get the company the competitive edge necessary to win the customers attention and ultimately their loyalty.

1.3 THE RESEARCH PROBLEM AND PURPOSE

Many companies are already using interactive media, having homepages on the Internet, using electronic catalogues instead of printed and creating feedback channels for the customers to use. Just being present on the Internet, or introducing interactive media without knowing if it brings value to their customers, is however not a very good idea (Sterne 1995). This and the reasoning above led us to the question of how these media can be used in a systematic and valuable way. With the case company in mind we formulated the following research problem:

> *How can a company in the health care industry use interactive media in communication with their customers in order to improve relations?*

The detailed research questions we intend to answer are:
- To describe the customers that are to be targeted.
- Describe how the target group is contacted today, how and when they want to communicate, and what kind of information they would like to receive.
- Describe the access to, usage of and opinion about the interactive media among the customers, and analyse factors affecting these issues.
- Develop a recommendation for future communication.

All this in order to give Mölnlycke Health Care adequate knowledge for future decisions regarding communication with these media.

1.4 LIMITATIONS

In this study interactive media refers to the Internet, e-mail and the use of the telephone in communicating with customers. Other interactive media such as e.g. interactive TV will not be included. The reason for this is the suitability of these media to the investigated case, according to earlier

research, which showed that Internet/e-mail and telemarketing has a large potential for communicating with their customers.

The research will not involve transactions and handling of orders, and therefore excludes any aspects such as trade on the Internet, EDI and telesales. This limitation was done since the two areas are by themselves quite large and differ in focus.

The study has also been limited in geographical scope to cover the markets of Denmark, Germany, Spain, Sweden and the UK. These particular countries were selected on request of the case company, since they are considered to be important markets in the Home Care segment, and also illustrate different parts of Europe, culturally and also when it comes to the stage of development concerning Internet.

Other limitations will be described and explained later on in the text, in the right context, but in order to clarify certain concepts and standpoints from the beginning we chose to list some of our limitations here.

It is now necessary to present the theories that we have used as a base for solving the presented research question, since the theory will explain what factors that are important to be aware of when developing a recommendation for future communication.

IMPORTANT CONCEPTS

"The real value of understanding the organisational buying behaviour is that it helps the company to optimise the effectiveness of communications" (Hill 1977). To get this understanding, the first part of the theory mainly concerns organisational buying behaviour and the factors affecting it. Secondly we focus on the role of communication, the different steps in designing a communication strategy, and the new conditions that the interactive media brings. In the end of the chapter we have summarised the theory, illustrating it in a model where the main questions are included.

2. ORGANISATIONAL BUYING BEHAVIOUR

Business buyers are subject to many influences when making purchasing decisions. When suppliers' offers are similar, business buyers have little basis for making a strictly rational choice. If they can meet organisational goals using any supplier, buyers can allow personal factors to play a larger role in their decisions. However, according to Kotler (1988) when competing products differ greatly, business buyers are more accountable for their choice and tend to pay more attention to other things, such as e.g. economic factors. Hill (1997) argues that successful planning and implementation of marketing strategies depends largely on having a thorough understanding of organisational buying behaviour.

2.1 FACTORS AFFECTING ORGANISATIONAL BUYING BEHAVIOUR

We will now describe the different factors affecting the buying behaviour (Webster and Wind 1972). These factors (see fig. 1) do not only influence the buying decision, but also affect each other. It must therefore be considered that the factors will affect how the communication strategy should be designed, since this is the focus of our thesis.
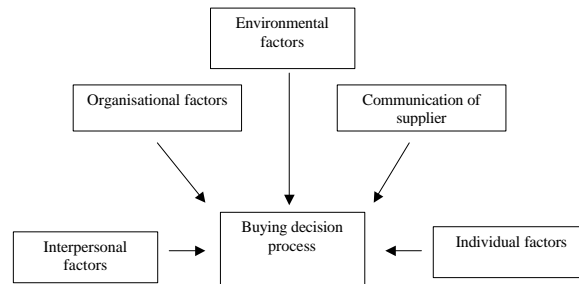
*Figure 1: Factors influencing the organisational buying decision process
(adapted form Hill 1977 & Kotler 1988)*

2.1.1 ENVIRONMENTAL FACTORS

These factors include major forces in the environment, such as economic,
technological, political, cultural and competitive factors. This could include
such things as rate of technological change, infrastructure, political and
regulatory developments, competitive developments and attitudes or
behaviour related to cultural factors.

2.1.2 ORGANISATIONAL FACTORS

Each buying organisation has its own objectives, policies, procedures,
structures and systems. Questions such as these arise: How many people
are involved in the buying decision, which are they, and what are their
evaluative criteria?

2.1.3 INTERPERSONAL FACTORS

The buying centre usually includes many participants who influence each
other. The powerful persons are often invisible, at least to suppliers or sales
representatives. Nor does the buying centre participant with the highest
rank always have the most influence. The influence that different
stakeholders have on the buying decision can depend on whether or not

they are well liked, have special expertise, or have a special relationship with other important participants.

2.1.4 INDIVIDUAL FACTORS
Each participant in the business buying decision process also brings in personal motives, perceptions and preferences. These factors are affected by personal characteristics such as age, income, educations, professional identification, personality, attitudes towards risk and so on.

2.1.5 COMMUNICATIONS OF SUPPLIER
The supplier also has a role in affecting the buying organisational behaviour, through its' communication. This stimulus has traditionally been said to consist of four Ps, product, price, place and promotion, but is now, as discussed in the problem analysis, more or less being replaced with the concept of relationship marketing.

The role of communication in affecting organisational buying behaviour is what we intend to focus upon in the continuation of the theory part.

3. THE ROLE OF COMMUNICATION

The increasing importance of communication in marketing is demonstrated by its ability to differentiate the new marketing approaches from traditional ones. The new approach emphasizes two-way communication through better listening to customers and interactivity, and the idea that communication before, during, and after transactions can build or destroy important relationships. (Duncan & Moriarty 1997; McKenna 1991; Peppers and Rogers 1993; Schultz et al. 1993: Zinkhan et al. 1996)

The role of promotion, that ignored the interaction between the parties was one of persuasion. In building relationships, promotion has been replaced by communication, which plays the role of informing, answering and

listening. In other words, persuasion is more limited in impact and scope than communication. (Duncan & Moriarty 1997)

To achieve an effective communication strategy, the basic problems to be resolved according to Hill et al. (1977) concern the questions of the target, timing, media and message. They are all dependent on each other, and the order in which they are mentioned is not relevant.

3.1 THE TARGET

Once it is decided which product or services to offer, and to which market segment, it is of major importance to identify the target audience. Referring back to 2.1.2 and 2.1.3 we know that the buying centres often consist of a number of individuals, each having their own personality, character, needs and expectations, and with varying degree of involvement and role in the buying process. This identification is important as it will affect the other parts in designing the communication, for example it will determine the nature of the information required as well as the wanted form of communication. (Hill et al.1977)

3.2 THE MEDIA

There are a number of media or tools by which people can be encouraged to use products, services or ideas. Generally companies have centred on combining four basic tools - advertising, public relations, direct marketing and sales promotion into a consistent and coherent campaign. Occasionally this approach to integration is expanded to include personal selling as a fifth tool. The model by which a manager integrates the mix may have changed, but the five basic tools have remained constant. (Ritson 1998)

Now, however, a new challenge to integrated marketing is emerging. In this "information age", information overload is a new concept. A combined shortage of time and attention is unique to today's information age. (Godin 1999) The evolution of marketing media passes through the '90s and is, according to Komenar (1996), driven forward by higher levels of

interactivity, immediacy of transaction, improved access, a customer-driven market place, and individually addressable promotions. (See fig 2) Advertising was designed to reach many potential customers at once, through e.g. printed ads or television. It is a one-way communication, and the focus is narrow, only allowing so much information as would fit the in the available time or space. (Cronin 1995) Focus is now being put upon information instead of advertising. It should be interactive and customised, as well as exclude the persuasion aspect of the interruptive media.

1940 - early 1990s	**Transition**	**1990s and beyond**
- Retail - Magazines - Newspapers - Direct mail - Catalogues - TV - Cable - Radio - Telephone	**DRIVERS OF CHANGE** Higher level of interaction Immediate transactions Improved access Customer driven Individually addressable	- Home shopping - Home PCs - Electronic catalogues - E-mail - Online services - Internet - Personal digital assistants - CD-ROM - Interactive TV - Telephone

Figure 2: Main marketing media (adapted from Komenar 1996)

3.2.1 WHAT IS INTERACTIVITY?

Central concepts to the communication-based relationship marketing idea are close, long-term and interactive (two-way) relationships. The notion of shared understanding, which is the product of interactive communication, is important to relationship marketing. The company will learn more about the customers, and they will learn more about the company. (Bishop 1998)

Looking at models of the "old" and the "new" situation of market communication, the manufacturers used to push promotion through the distribution channels to the customer. Sometimes the manufacturer did not even know the intermediaries or the end user. Only through market

research, often spot checking, and through the information from the distribution channel, were companies able to acquire some information. (see fig. 3) This process did not lead to an optimal connection between the products and services and the needs of the market. In the new situation a direct dialogue will develop between the manufacturer and the customer. (see fig 4)
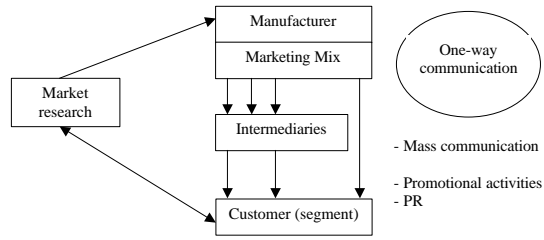
Figure 3: The old situation (Molenaar 1996)
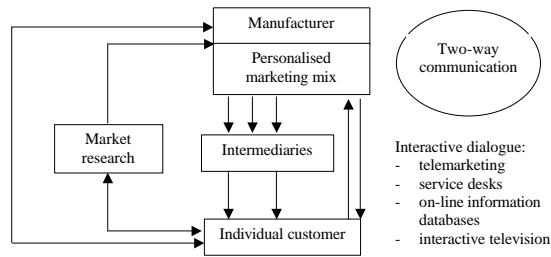
Figure 4: The new situation (Molenaar 1996)

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Gordon (1998) hypothesises that "competitive position of a company and its relative profitability is likely tied directly to the cumulative volume of data it maintains on its customers, relative to its competitors." (page 53) In order to achieve this competitive advantage, the use of interactive technology which enables feedback from the customers is crucial. Plant et. al. (1999) argue that the Internet does bring tangible benefits for companies even though it does not directly generate revenue.

Stern and Englis (1994) on the other hand, state that even though print and other traditional media only can provide one-way communication the communication is accomplished by selecting rhetorical tactics (McQuarrie and Mick 1996) long used to persuade customers to suspend disbelief. Berry and Parasuraman (1991) argues that it is the lack of consumer feedback that presents a communication problem to marketers. This is now contradicted by Levenstein (1996, p. 12), who says that there is a downside to establish intimate relationships with customers, since to take on the obligations of a relationship partner is not something that every customer wants.

3.2.2 WHAT IS PERSONALISATION ?
"In the early part of this century, Henry Ford built a very successful company by offering customers a car in any colour they wanted as long as it was black. Early in the next century, personalised communication and offerings will be so common that current impersonal business practices will look as outmoded as Henry Ford's colour choices do now. The web will cause this revolution." (Walsh 1999, page 4)

Interactivity is as stated above a hallmark of the paradigm shift in both marketing and communication. It provides the opportunity for dialog and allows the customer to receive personalised information at their convenience. (Komenar 1996) The focus is now on the individual customer, his or her needs and demands. The one-to-one marketing is important when customer demands for quality and service increases,

together with the competition. If relationships are the objective, then impersonal mass communication must be supplemented by personal, customised communication. (Molenaar 1996)

We see personalisation as the process that enables communication to bear the name of the customer, adding value to the customer as they position themselves with others, combined with developing a way of communication that reflects the value the customer wants. For example some customers might prefer calling, while others are more interested in receiving information by mail. Gordon argues that to only direct the communication to the individual without considering the preferred way of communicating would not add any value to the communication. (Gordon 1998)

How people perceive different communication channels, i.e. how individuals perceive the richness of different communications channels is explained by the channel expansion theory, which takes into account experiential factors. Zmud and Carlson (1999) have identified four experiences as being particularly relevant: experience with the channel, experience with the messaging topic, experience with the organisational context, and the experience with communication co-participants.

In their result, Zmud and Carlson state that the knowledge-building experience an individual has with a certain *channel* will be positively related to that individual's perception of the channel's richness. It is also suggested that the experiences an individual has with a communication *partner* will be positively related to that individual's perception of the richness of the channels used in communicating with that particular partner.

Grazioli and Jarvenpaa (1999) state that decades of academic research have shown that the level of personalisation in product and service engender trust. The precondition for this personalisation requires though, as discussed earlier, some prior knowledge of the customer, which in many

case includes his or her identity. This has led to an ongoing discussion concerning whether consumers mind being asked to part information in order to receive personalised goods and services. Grazioli et. al. states that many customers do avoid sites that ask them to identify themselves too closely, and the claim, one cannot truly personalise for an anonymous buyer. (Walsh 1999, page 4) on the other hand argues that "most early research suggest that people do not mind giving away personal information, so long as they perceive a benefit, such as saving time."

3.3 THE MESSAGE

The message sent by suppliers may have to be tailored specifically to meet the needs of the individual customer, taking into account their role in the buying process. To decide upon a message, it could be appropriate to consider the different buying criteria used by the customers, such as price, quality, ease of communication, reputation, extra services and so on.

When media and computer technology increasingly converge, feedback will be more instantaneous, more far reaching, and in greater quantities. Effectiveness improves by generating timely, specific, relevant information, providing either better insight into a customer's changing needs and requirements quickly, and also get a more accurate picture of a customer's value. (Peppers, Rogers and Dorf 1999) Feedback also helps the company to track shifts in needs and preferences, thus making it possible to have a personal communication, providing the right person with the right kind of information. (Duncan & Moriarty 1997)

However the belief that a message should be personalised is not new or specific for the Internet, Celsi and Olson argued this as early as 1988: "a personally relevant message is said to attract attention by activating the individual's self-relevant knowledge" (Celsi and Olson 1988, page 221).

The question is, is it worth it? Have the collection and analysis of data, and the subsequent website personalisation been worthwhile? Walsh argues that

personalisation pays for itself within a year by increasing the loyalty of users to a site. When people recognise that the communication is targeted at them and when they have a hand in its creation, they are more likely to return again and again. (Walsh 1999)

3.4 THE TIMING

What should be taken into consideration is *when* the customer wants to communicate, according Sterne (1996) customer service is about "…being there when the customer wants something, needs something, or just wants to gripe about something." The key word here being *when* the customer wants it.

According to Godin (1999) permission based marketing is about getting the customers permission to communicate with them. TV commercials is a good example of the traditional "interruption marketing", where the company has to fight for the wanted attention. Comparing permission-based marketing with the interruption marketing, considering whether the information is anticipated, personal and relevant, the situation looks like this:

	Interruption	*Permission*
Anticipated	No	Yes
Personal	Not usually	Yes
Relevant	Sometimes	Yes

Anticipated information makes the customer look forward to hearing from the company, since they have asked for it themselves. The message is also personal, thus directly aimed at the individual. The relevance of the information will be high, the content being about something that the individual is interested in. This will all be vital when people are suffering from information overload, and the competition makes it hard to get the necessary attention from the customers. (Godin 1999)

Digital promotions are generally *non-intrusive*: unless consumers want to access your digital media, they can avoid it easily. Digital promotion also lets you have as much information available for the customer as you want without higher costs. (Bishop 1998)

The marketing communications directed toward the customer also need to take into consideration the timing of the various stages associated with a purchase. (See fig 5) That is, from an initial awareness of the product or service (cognitive), the receiver gains a knowledge of it. This develops into an emotional liking (affective), and then into a preference for it. Preference becomes a willing conviction (conative) of the superior merits of the product, service or idea, which can then be translated into actual purchase, use or adoption. (Chapman and Cowdell 1998)

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┌─────────────────────────┐
│        Awareness        │
└─────────────────────────┘
             │
             ▼
┌─────────────────────────┐
│        Knowledge        │
└─────────────────────────┘
             │
             ▼
┌─────────────────────────┐
│          Liking         │
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│   Purchase/Adoption/Use │
└─────────────────────────┘
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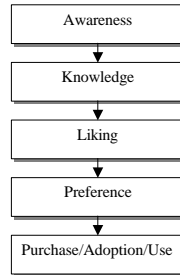
Figure 5: The adoption process model (Chapman and Cowdell 1998)

There may be some doubts about whether the human process is necessarily as logically ordered as this model suggests, but it does identify a number of dimensions which are important parts of the communication process. Identifying this process of different stages the company also has to decide what kind of response that is sought. (Chapman and Cowdell 1998)

3.5 THE THEORY AS A BASE FOR THE INVESTIGATION

Summarising the theory has led to some questions that we illustrate using the model below. We have now seen how important it is to know the buying behaviour; therefore we will now describe the business structure of the case company, including its customers and their roles. This is done in order to give some basic knowledge about the case, and get a better understanding of who the communication strategy will be directed at.
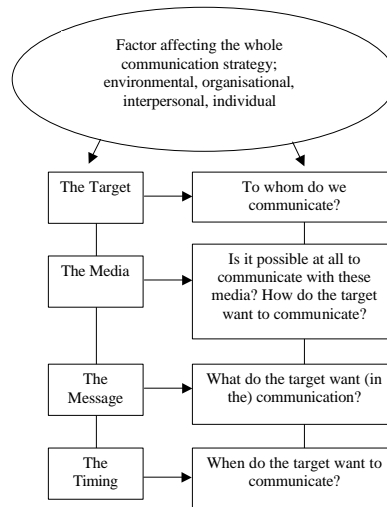
Figure 6: Summary of the theroy

THE CASE COMPANY

It is important to get a deeper understanding of the research setting, and we therefore continue with a description of Mölnlycke Health Care, the company's market and its different stakeholders. A short description of Mölnlycke Health Care's current communication is also included. This part is based on information from MHC, both printed material and interviews. Chapter 4.2 and 4.3 is mainly based on "The strategy for Home Care" (Andersson & Warnberg 1999) For more detailed company information see appendix B.

4. MÖLNLYCKE HEALTH CARE

Our research will concern Mölnlycke Health Care's "Home care" segment, in which 90 % of the products sold are wound care products. The Home care market is expanding and therefore also grows in importance for MHC. Thus it is only customers within this segment that are included in our study. The market itself is very fragmented and the target group is extremely large. It is therefore more or less impossible to reach everyone with personnel selling, which is a further reason for investigating how to improve communication with these customers.

4.1 DEFINITION OF HOME CARE SEGMENT

The Home Care segment for wound management products consists of patients who are treated outside the Acute Care segment during the time of the wound healing. In most cases, these are individuals who are treated in their place of residence, which could either be at their own houses, in service houses, nursing homes for elderly or in other long term care institutions. Treatment may also take place in day-care centres or at private practitioners.

4.2 BUSINESS STRUCTURE FOR THE HOME CARE SEGMENT

This segment is built around indirect sales and distribution. There is a clear distinction between the two flows related to *a)* the generation of product demand and *b)* supplying products to the user. This leads to a push and pull logic where the company must be able to manage both the product push and the demand-pull in the business structure for market success. The supply of products goes through distributors and wholesalers. Different countries have different channel structure, which often are very complex and fragmented, with many additional relationships among the various stakeholders in the system. In addition to the different types of decision makers, the numbers of individuals that must be influenced in the value chain is very large.

In Europe there are two distinct ways in which the Home Care segment is run: The Swedish/Italian system and the Continental system.
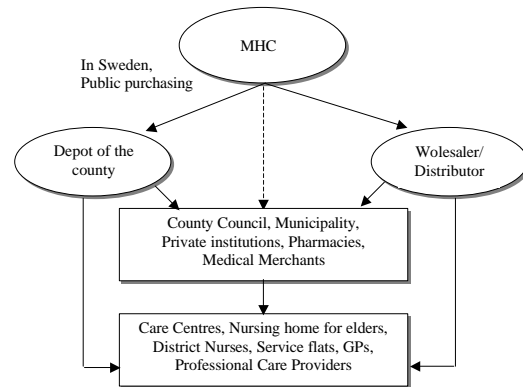
Figure 7: Product flow in the Home Care segment, the Swedish/Italian system

4.3 ACTORS IN THE HOME CARE SEGMENT

4.3.1 REIMBURSEMENT SYSTEM

In almost all countries the product reimbursement system is the number one factor that determines product demand. Doctors or nurses generally do not prescribe products that are not reimbursed. It is therefore essential to get the individual products on the "reimbursement lists" in the different countries.

4.3.2 PRESCRIBING DOCTOR

Demand for Wound Care products is partly generated through product prescriptions. The prescribers and decision makers are in most cases doctors (General Practitioners), either private or parts of the public primary care. In some countries, primary or district nurses prescribe the products that are to be used.

4.3.3 OPINION LEADERS

Opinion leaders are leading authorities within medical specialties. Prescribing doctors listen to opinion leaders as a way of providing improved treatment to patients as well as avoiding treatment that may inflict unnecessary risk to the patient and doctor. Opinion leaders are especially important when it comes to introducing new products and technologies.

4.3.4 NURSES/CARE PROVIDERS

The care-providing nurse often makes the actual decisions regarding which products to apply to the wound. The nurse is the person with the best knowledge of the patient's history and the details around the wound. The nurse hence has a large impact upon the doctor and is often proactive in influencing the decision.

4.3.5 PATIENT AND THEIR RELATIVES

The patient is the ultimate stakeholder in terms of products selection. However, the patient has currently fairly little influence on the product

decision. Most patients with chronic wounds are old with limited product and wound treatment knowledge.

4.3.6 DISTRIBUTORS/WHOLESALERS

The role of the distributor/wholesaler is to supply pharmacies and other parties that in turn supply the products to the patients. Distributors and wholesalers are present in several types ranging from small local wholesalers to large pan-European distributors. Most of the distributors regard themselves as a "neutral" supplier, that is, their purchases are strictly based on demand. Sometimes, on the other hand, the distributors take on the role that the manufacturer usually has, by actively sourcing selected products and participating in demand generating activities towards the doctors and nurses.

4.3.7 PHARMACIES

Pharmacies are the most common place from where the product is distributed out to the patient.

4.4 MHC MARKET COMMUNICATION

About 80% of Mölnlycke Health Care's current customer communication consists of personal visits, something that is expensive as well as limited in reach. Other ways of communicating used are mega-meetings, which usually are product presentations for a group of nurses and/or doctors, and mailings.

Today the communication is directed towards the indirect customers, mainly GPs and nurses. Other actors targeted are suppliers, pharmacies (with the exception of Sweden) and different kinds of opinion leaders. The main focus, however, is on the indirect customers since they are the ones that create the demand, whereas the distributors and pharmacies are supposed to be neutral middlemen. The opinion leaders are difficult to identify and will not be included in our study.

The focus for MHC is now both on reducing costs, but mainly on improving relations by reaching customers in a way that is appreciated and that ads value to the relationship, as well as reaching more customers. The question we posed was how the new interactive media could be used for this purpose in MHC's European market.

In order to develop a communication strategy in such a complex market with the various actors, a lot of information was needed. Next we will describe the research process in more detail in our methodology part, where we explain among other things how the data was collected.

HOW IT WAS DONE

To solve the research problem, different data has to be collected and analysed. The aim in our methodology chapter is to guide the reader through our investigation process, and inform how and why our data has been collected and analysed in the way we have chosen.

5. RESEARCH METHODOLOGY

This chapter describes the method used in the process of collecting and analysing the data for this investigation.

5.1 TYPE OF INVESTIGATION

The field we are investigating is quite new, and there is limited prior research. Thus we start with *exploring* the subject, so we know what areas will be of interest to include in our investigation. We also aim to *describe* the present situation, both using theories and facts found in our exploratory work during the investigation. Finally we will try to *explain* the results we discovered comparing them to earlier theories, and this is eventually used to form a recommendation. The *explanatory* approach aims to understand the cause and effects, how certain factors are intertwined and affect each other. Since our problem is formulated as a "how" question this also leads to the use of the explanatory approach, which in turn usually leads to the use of a case study. (Lekvall 1993)

5.2 RESEARCH STRATEGY

The research strategy can be defined as the practical way the scientific research is conducted. A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, and when the researcher has little or no control over the events studied, the case is a suitable approach to use. The focus is on getting detailed and deep descriptions and analyses of the chosen case. (Yin 1994)

We do not use this case to develop new theories, but instead use theories appropriate for solving the chosen case.

5.2.1 ALTERNATIVE RESEARCH STRATEGIES

Focusing on the methods for answering our "how" question there are three alternative strategies: experiment, history and case study.

- An *experiment* will require that the researcher has control over the event being studied, something that not was the case in our investigation.
- The *history* strategy does not focus on contemporary events, and thus is not appropriate for us

The choice of a case study also depended on the possibility of combining several approaches: a case study can be exploratory, descriptive and explanatory, whereas for example experiments are only explanatory.

The fact that we only chose to use a *single case study*, is due to the fact that we were interested to find out how a communication strategy in an international market should be designed, using the mentioned media. Since a communication strategy should be individual to a company and its target, a comparison between different companies is not of interest to us.

5.3 DATA COLLECTION

Our investigation is based mainly on primary data, both in the forms of questionnaires and interviews – both with employees at MHC, customers and experts in telemarketing and e-business. Secondary data has also been used in the form of company information, earlier research made in the topic, database searches on the Internet, searches in the library database GUNDA and using articles from daily newspapers as well as scientific journals. To combine primary data with different forms of secondary information were made in order to both support our findings as well as to present a more balanced picture of the situation by including contradicting opinions.

5.2.1 ALTERNATIVE RESEARCH STRATEGIES

Focusing on the methods for answering our "how" question there are three alternative strategies: experiment, history and case study.

Combining the two methods of data collection is done in order to achieve a deeper understanding of the quantitative data. (Halvorsen 1992) Our investigation includes quantitative data in the form of 500 questionnaires, and qualitative data that were collected through interviews.

5.3.1 500 QUESTIONNAIRES

In order to get a picture of the possibility of using interactive media, the first thing to do was to find out if the targeted customers had access to these, as well as actual and preferred ways of contact among them. The main target for the Home Care segment is the "indirect customers" (doctors and nurses) since they create the demand, and also due to their large number. We sent out a questionnaire to 100 indirect customers in each selected market (500 in total). The Business managers for the Home care segment randomly picked out the names and addresses from database lists in each respective country.

The questionnaire itself was developed in collaboration with our tutor at MHC, as well as people from the market research department and the Home Care division. It consists of close-end questions trying to depict the access to, as well as interest for using interactive media. Nowhere on the questionnaire is it stated that Mölnlycke HC is involved in any way, so as not to influence the answers given.

Before sent out, the questionnaires were tested and revised. We made hypothetical analyses of probable answers, trying to see what conclusions could be made from different combinations. Native speakers of German and Spanish made translations of the questionnaires, as well as the enclosed letters. In Denmark the respondents received one questionnaire in English and one in Swedish. All answers returned have been coded and analysed using SPSS, we have used crosstabs in order to look at the relationships between pairs of variables. In the end of the questionnaire there was an open question where the respondent was asked to add any comments or

opinions about the subject. These opinions were grouped and analysed dependent on country, and we then tried to find patterns in these answers.

The response rate varied between the different countries:

Sweden   *67%*
UK   *49%*
Denmark   *47%*
Germany   *30%*
Spain   *23%*

In order to make sure that the ones that neglected to respond would not differ in their answers from the ones that did complete the questionnaire, we made a non-response analysis. After having sent out a reminder to Germany and the UK that had low response rates early on, we compared the answers we received then with the ones returned in time. This procedure showed that any additional answers would probably not have altered the outcome in a significant way.

In Spain the respondents received their questionnaires later than those in the other markets. This was due to the fact that summer vacation in Spain is in August, and therefore the communication between MHC in Spain and us was delayed. Reminders were therefore impossible to send, since these would not have returned to us in time for analysis. Instead we brought questionnaires to Spain when we went there for the interviews, and asked 5 indirect customers to complete them for us. No significant difference was shown in these responses either.

5.3.2 INTERVIEWS
There are different approaches to making interviews, ranging form unstructured, to highly structured. As we stated earlier our first aim was to explore the subject, something that we found was best done by talking to people that knew more about the topic. We started out by having informal talks with employees at MHC in Gothenburg, which led to a better picture

of the company, the products and the market. Interviews have also been conducted with telemarketing companies and web agencies, to learn more about the trends in the market concerning these media, and the possibilities that exist. These interviews were quite unstructured, considering that we had limited knowledge about the topic.

In each market interviews were conducted with both direct and indirect customers. With the indirect customers the interviews were based on the questionnaire and aimed to complement it with additional and more detailed information. The distributors consist of a few stakeholders in each market, and therefore we did interviews in each country with one or two distributors. (Medic in Sweden, Discasa in Spain, Noweda and Werner Artzmittel in Germany and Kirundan in Denmark.) MHC in each respective market chose the respondents, based on geographical area, as to make it possible for us to conduct the interviews without having to travel too much. In some cases MHC acted as middlemen, making the appointment for us, in other cases not.

All these interviews all lasted about 40 minutes and were conducted in the native language of the respondent, with the exception of Denmark where all interviews were made in "Scandinavian", i.e. Swedish/Danish. The interviews were non-standardised and structured, mainly based on the questions from the questionnaire. We did not necessarily ask the questions in the exact same order as they are listed in appendix D, and due to the respondents answer, some questions were rephrased or left out.

When analysing the material from the interviews, we have searched for patterns in the material. Similarities or differences were in some cases related to position, in other to country.

Information could have been collected through interviews *or* questionnaires only, but we felt that the questionnaires were necessary in order to get a general picture of the access, usage and so on, while the complementary

interviews were valuable in adding a valuable deeper understanding, since the persons interviewed could add personal explanations to their attitudes and opinions.

5.4 VALIDITY AND RELIABILITY

We have collected information in various ways, through personal in-depth interviews, informal talks, questionnaires as well as comparing our findings to earlier studies. Using interviews can lower the internal validity since the researchers own values and interpretations will influence the analysis of such data. Considering that the interviews have also been conducted in different languages and then translated, can also affect the answers. The reason for doing this was to get as "true" answers form the respondents as possible, making them comfortable and letting them express their opinions in their native language. By basing the interviews on the questionnaire we could do an explanation building, e.g. relating certain behaviour to certain factors. To test the likelihood that the oberved relationship could have resulted from sampling error, we have, based on cross-tabulations, calculated on chi-square (χ^2) for independence. (Babbie and Halley, 1995) The *internal validity* is thereby raised.

Concerning the *external validity* Wilson (1979) states that the question whether or not it is possible to generalise from a study to another situation is up to the person in that particular situation. We believe that any company operating in the same environment with similar customers could use the findings in this study when considering the use of the mentioned media.

5.5 VARIOUS TYPES OF ERRORS

When conducting a case study various types of errors can occur due to the ways of collecting and interpreting the data. The interviews were made in the native language of the respondents, which can lead to mis-interpretations. We tried to avoid this by taping the interviews, and then writing them down as soon as possible after the interview took place. When flying to Spain the luggage – and the tape recorder - got lost, so to ensure

that the interviews were understood correctly a person fluent in both English and Spanish accompanied us. After the interviews our notes were gone through with the help of this person.

Secondary data in form of earlier investigations is another factor. The analysis and conclusions they have made in these studies are based on their findings, and might not necessarily be directly related to our investigation or purpose. By having the author and his purpose in mind, and comparing different sources with each other, we tried to overcome this.

Personal interviews have their shortcomings; some of them have already been mentioned. A factor that also affects the interview is the relationship between the interviewer and the respondent. By informing the respondent beforehand about the purpose of the investigation and the main content of the questions, we tried to create a relaxed atmosphere.

5.6 THE LINK BETWEEN THEORY AND OUR EMPIRICAL DATA
Using the model presented in the theory chapter, we can now extend it. Having the questions form the theory and knowledge from expert interviews helped us in constructing our questionnaires so we could get the information necessary. Other empirical investigations are also included throughout the analysis, but will not be incorporated in the model.
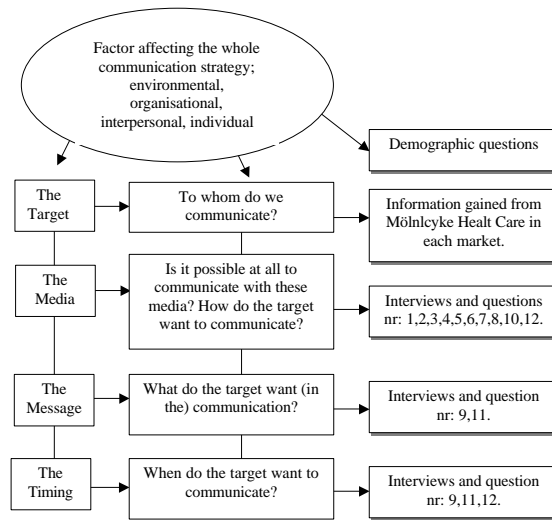
Figure 8: Summary of theory and the link to the empirical investigation

FINDINGS AND IMPLICATIONS

The factors influencing customers which were mentioned in the theory will now be used as a tool for analysing the results and answers we have received from questionnaires and interviews. Results from earlier studies on the subject will also be included with additional information and explanations.

This chapter will be based on the four parts of communication design; target, media, message and timing. Since we believe that the factors affecting business-buying behaviour also will affect the communication, we will elaborate on if, and how, they do this.

6. THE TARGET

When designing a communication one of the first things to do is to identify the target for the communication. The business structure for the Home Care segment with its different actors described in chapter 4 shows two levels of customers: **a)** *the direct customer*, that is the distributors/ wholesalers, and **b)** doctors and nurses, which could be viewed as *the indirect customers*. The reason for the communication varies with regard to if they are direct or indirect customers, though. The intention with communicating with the indirect customer is to stimulate demand and with the direct customer the aim is just to secure product supply, this since the distributors/wholesalers have stated that they view themselves as "neutral", that is they purchase what their customers demand.

Mölnlycke Health Care's situation could be summarised as a "filter model" (see fig. 9), where the distance from the centre is related to the influence expected. The outer circle illustrates the stakeholders influencing the product supply, while the inner circle consists of the stakeholders affecting product demand.

After having conducted interviews with the distributors it was clear that even if they see themselves as neutral and totally dedicated to market demand, they have an influencing role on their customers. It happens that the customer asks the distributor for advice, and the product they recommend will be selected on basis of either price or the relation to their own supplier. In other words, the direct customers sometimes influence the choice of the indirect customers.
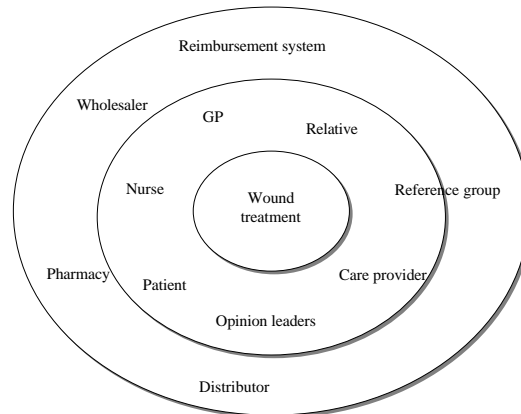
Figure 9: "The filter model"

Remembering the different factors that were said to influence the buying behaviour, and thus the communication strategy, we can already now distinguish some of them; the different *roles in the purchasing process* and different *positions at work*. Other factors are also of importance such as e.g. country belonging. We will now therefore present the demographics of the target investigated

- ➢ **Gender**: female 76%, male 24%
- ➢ **Age**:   - 30: 2 %
       31 – 40: 26 %
       41 – 50: 33 %
       51 – 60: 29 %
         60-: 10 %
- ➢ **Position**: GP 28%, nurse 72%
- ➢ **Country**: Denmark 22%, Sweden 31%,
       Germany 14%, Spain 10%, UK 23%

7. THE MEDIA

7.1 ACCESS TO COMPUTERS HIGH IN ALL COUNTRIES

As mentioned in the problem analysis, the use of the Internet increases constantly. However before starting to discuss the access and use of the Internet we find it appropriate to present the customers' *access to computers* at work. The result from our questionnaires shows that this access is high in every country (see chart 1). One should be aware of though, that the quite low number of respondents in Germany and Spain could be the reason for the high percentages in these countries. However, our non-response analysis did not show any differences between late respondents and the others, but still the answers received from Spain are quite few, which should be kept in mind.
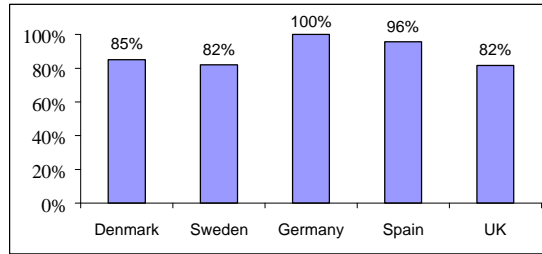
Chart 1: The indirect customers access to computers at work. (1999)

It is also important to state that we have not asked the respondents to define "access". During the interviews it became clear that access, in some cases, meant that there was a computer somewhere in the building that was shared by many. All distributors interviewed have access to computers.

7.2 ACCESS TO INTERNET AND E-MAIL DIFFERS BETWEEN THE COUNTRIES
Continuing to look at the access to the Internet, we will briefly describe general statistics and facts from earlier investigations. It is shown that the different countries in Europe do not have the same degree of Internet penetration among the population.

A study made by the Dutch research firm Pro Active International, called "Pan European Internet Monitor" (1999) was conducted during September 1999 with 10,000 participants – found that while the Internet began to take off in early 1997, some countries adapted faster than others. Germany was for example among the first adopters, while Spain and Italy are only now experiencing an online surge. These differences in Europe are yet again supported by a recent study by Cybersc@n (1999), which shows that Internet penetration country by country in Europe varied by as much as 5% in Italy to 38% in Norway.

It is interesting to note that the German government has announced a national technology plan, which aims to have 40% of the German population, 32 million people, online by 2005. Currently, an estimated 9% of the population is online in Germany. (www.nua.com, 1999) The connection speed also varies widely throughout the continent. 50% of users in Spain and Italy have connection speeds of 33.6k or less while 60% of users in Germany and Denmark have connection speeds of 56k or more. (Pro Active International, 1999)

Andersen Consulting has also investigated the differences in Europe, and in their study about Internet and e-commerce (which they define as we do e-business in app. A) they compare the national wealth of each country in relation to Internet penetration, which illustrates this difference. (www.ac.com, 1998)

Internet penetration
% of population
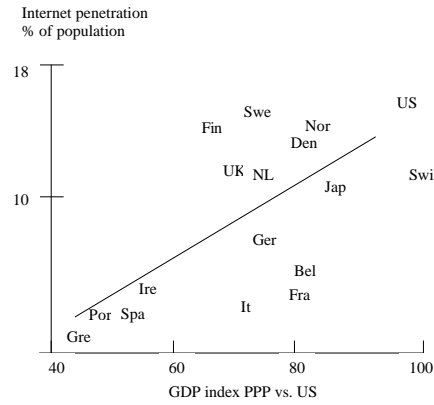
Figure 10: "Internet penetration in Europe" (www.ac.com)

All these studies more or less show the same result, with variances in access across Europe. The question is whether similar trends will be apparent among our target group.

7.2.1 SWEDEN AND DENMARK HAVE THE HIGHEST ACCESS

By asking the indirect customers about their access to Internet *at home*, we believe that this can give a picture of whether customers are familiar with the media or not. Denmark and Sweden were the countries where the target group had the highest access.
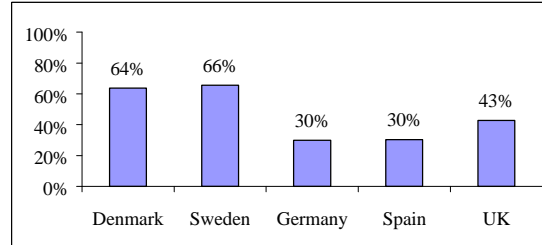
Chart 2: The indirect customers access to Internet at home. (1999)

Comparing the access to Internet at home and at work shows a different picture. As we can see from chart no. 3 there is a quite good access to Internet at work in Denmark, Sweden and Germany, while UK and Spain could be considered to have a relatively low access. These findings could be further developed using a survey done earlier by MHC in UK and Germany. In this research, eight out of sixteen respondents (that is 7 doctors, 6 nurses and 3 hospital purchasing managers) in Germany stated that they had access to the Internet at their work. In UK six out of eleven (nurses and GPs) said that they had access to the Internet at work. (Sensor Marktforschung and UK study MHC, 1999)
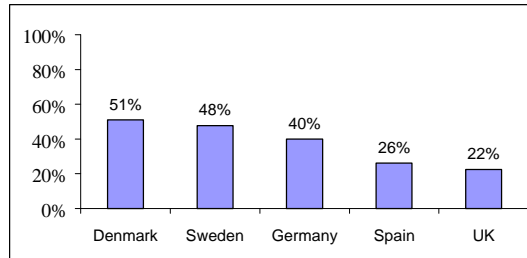
Chart 3: The indirect customers access to Internet at work. (1999)

Even if the Internet and e-mail often is seen as associated, it is possible to communicate using e-mail without any access to the Internet. However a pattern can be seen in our investigation between the access to the Internet and access to external e-mail, there is quite a low access to external e-mail, especially in the UK and in Spain (see appendix C, chart 1).

All distributors had access to the Internet as well as e-mail, but in some cases, e-mail was only for internal use.

7.2.2 CAN THE CUSTOMERS BE CONTACTED BY INTERNET/E-MAIL?
The result also shows that there is hardly any difference at all in the access to PC depending on if the respondents are nurses or doctors, 87% of the nurses had access vs. 86% of the doctors.

Comparing the findings in our study concerning access to the Internet at home, (see chart 2) with the chart of Anderson and the reports discussed above, we can see that they are almost in accordance with each other. One of the reasons for the differences could be that "our" population only consists of doctors and nurses, while the other investigations targeted a more "general" audience. Another explanation could be that the Internet growth in EU is rapid for this media. Between 1996-1997 the annual

Internet growth rate in Spain was estimated to be 95%, and thus the highest in Europe, according to a report made by the EU. (Databank Consulting, 1997) The Andersen study was made in 1998, but we do not consider it unlikely that the situation could have changed since then, and it is likely that Spain would now show a higher percentage of Internet penetration.

There was a big gap between access to the Internet at home in the UK, compared to the situation at work. Maybe this could imply that there has been little investment in Internet in the primary sector market in the UK.

A question that could be raised is whether there is a difference in access to Internet at work depending on position. The result in our study does show a small difference in access depending on position, 49% of the doctors vs. 35% of the nurses have access to Internet at work. The survey done by MHC in UK also shows this difference in the access to Internet, since five out of six respondents that had access, were GPs.

Another finding is that there is less access to external e-mail for nurses. Of the nurses, 27% have access external e-mail, which should be compared to 48% of the doctors.

…in short:
- Access to computers is very good
- Access to the Internet and e-mail varies between *countries,* with the lowest access at work in the UK and Spain, and *position*, where GPs have more access to e-mail and Internet

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7.3 WHAT FORMS OF CONTACTS ARE PREFERRED BY THE CUSTOMERS?
One of the main questions regards through which media the customers prefer to be contacted.

7.3.1 THE INDIRECT CUSTOMERS PREFER VISITS AND POST

How the indirect customers want to be contacted can be seen in chart 4.
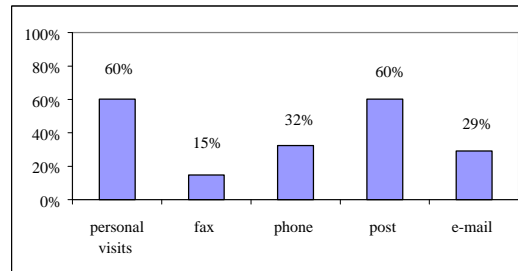
Chart 4: How do the indirect customers want to be contacted? (1999)

More opinions about how the indirect customers prefer to be contacted could be found in the last question of our questionnaire. This was an open question to give the respondents the possibility to state their opinion about internet/e-mail and the telephone, but also about communication in general. The comments concerning their preferences will be presented grouped according to country, this to be able to trace possible patterns in the comments.

Denmark

*"I think the **personal contact** still is the most useful way of getting knowledge" (GP)*

*"I have few patients (private) so I write journals on type-writer. I ask for supply of wound care products either by mail or phone with a few firms that I have used for years. I look for new products at congresses and meetings. I prefer contact by **ordinary mail** form salespeople. I have no interest to invest in computers." (GP)*

*"I prefer to **communicate at home**, since I am very busy at work." (GP)*

*"Information about new products and so on is gained at fairs or by "asking" the supplier. The **telephone is too time consuming. Internet and e-mail are brilliant solutions**." (GP)*

*"Preferably **not telephone**, it is time consuming. **E-mail is a good solution**. Internet is a good alternative, but it requires knowledge and time to use." (nurse)*

*"Do **not** appreciate when the supplier use the **phone**. It would be **better with e-mail**, you read it when you have the time." (GP)*

UK
*"I really **haven't got the time to talk on the telephone** about new products etc, but would **rather have an organised meeting, date & time**, and not unexpected calls." (nurse)*

*"**Prefer face to face**, but distance always a problem. As long as I have easy access" (nurse)*

*"As you will be aware time is always of the minimal. We **do not have time to spend talking to various suppliers on the telephone; organised meetings/seminars would be more convenient. E-mail/Internet would be very useful**/convenient but as yet, we do not have access" (nurse)*

*"**E-mail is a brilliant** way of contacting suppliers if not available on the phone. But I **prefer the personal touch via telephone** for more reassuring way to make sure supplier is aware of my demand – urgent or non urgent for example." (nurse)*

"Internet & e-mail are a good idea. Telephone inconvenient in work area, too busy to answer the phone calls when dealing with patients." (nurse)

Germany

*"The **telephone is used too much right now!** Internet and e-mail too little spreads so far." (nurse)*

*"By consistent use of application of **modern communication** could time be saved." (nurse)*

*"**Telephone is ok**, but today we receive most information by post. It would be nice to **receive this info "in the computer" instead.** It would save time and money." (nurse)*

Spain

*"In my work I prefer to have **personal contact** with the suppliers, consisting of **personal visits** by the sales reps to the professionals, and also by regular mail." (GP)*

*"I prefer **personal contact**." (nurse)*

Sweden

*"**Telephone contact to get to know the supplier**. After we have met and I have a "face" to the voice **I can imagine ordering by e-mail and getting information via the Internet**" (nurse)*

*"It is good to mix info channels. Time is what determines. Perhaps **e-mail is preferable**." (GP)*

"All simplifying of communication is preferable" (nurse)

*"I think that **personal contact and a voice on the telephone is what appeals most to me**. A generation issue?" (nurse)*

*"I am totally for **personal contact**. Internet can be used as a 'dictionary' but only when you have the TIME." (nurse)*

*"The best thing is **post**. It is faster to read a brochure than to click on the Internet" (nurse)*

*"Unfortunately I receive so many e-mails that it is hard to read all the info. The **personal contact is better over the phone**." (nurse)*

*"The **telephone hours are for patients**, not for suppliers. **E-mail is a good** complement since I can pick up the info when I have the time." (nurse)*

7.3.2 DIRECT CUSTOMERS WANT TO BE VISITED

Asking the direct customers about how they preferred to be contacted by suppliers, the answers did not vary as much:

Kirundan: The person interviewed at Kirundan appreciated personal visits from suppliers the most.

Medic: The two forms of contact most wanted at Medic were personal visits and telephone.

Werner: One of the German distributors preferred to be contacted by the telephone or personal visits.

Noweda: Post, telephone and fax were considered as the most appropriate forms of contact at Noweda.

Discasa: The distributor is very positive towards personal visits. Fax is also used and considered better than post.

7.3.3 PRFERENCES SEEMS TO DEPEND ON COUNTRY…

Summarising the comments from the "open question" it can be seen that Denmark is the one country where everyone seems to agree that the telephone not should be used. The other comments differ within the countries, illustrating various opinions.

In the data from the questionnaires, there was a visible variance among the respondents concerning what kinds of contact wished for, that could be traced to what *country* the respondent came from. (see appendix C, chart 2)

The main differences could be seen when it comes to interest for personal visits and telephone. We will only elaborate on the personal visits here, as telephone is a media that we will discuss in greater detail later on.

Since the variance in interest could be related to country belonging (see appendix D, test 1), we assume that it is cultural factors that lie behind these preferences. As culture was one of the factors mentioned in the theory, it seems as if this do affect how people perceive different forms of communication. In Spain 100% of the respondents wanted to be contacted by personal visits, something that was supported by the interviews. Maybe this could be related to how important it is to know one's conversation partner relatively well before doing business with that person. In Spain this is seen as quite important, which was strongly confirmed by the interviews.

We also tested if the difference could depend on the position of the respondent concerning personal visits, and it seems as also this do affect how people perceive personal visit.(see appendix D, test 2) Where the GPs are less interested in personal visits. One respondent commented that preferred form of contact might be related to age, this does not appear to be the case when it comes to personal visit according to the data from our questionnaires.

7.4 HOW ARE THE CUSTOMERS CONTACTED TODAY?
In the theory it was stated that it is important to communicate in the way the customers prefer, in order to add value to the communication. For that reason we thought it would be interesting to compare how the customers *are* contacted with how they *want* to be contacted.

7.4.1 INDIRECT CUSTOMERS ARE NOT RECEIVING ANY E-MAILS…
The fact that personal visits are by far the most frequent form of communication between Mölnlycke Health Care and the indirect customers today is discussed in chapter 4.4. If looking at the result from our questionnaires (see chart 5), we can see that this is the situation not only for

MHC, but also the norm for other suppliers. Personal visits, phone and post are the most common forms of contacting the population in our research, i.e. nurses and GPs, which is also backed up by the interviews conducted with the same target group.
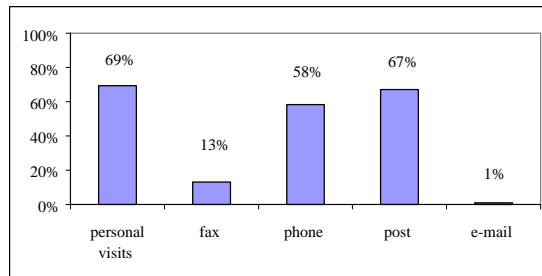
Chart 5: How are the indirect customers contacted today? (1999)

7.4.2 NEITHER DOES THE DIRECT CUSTOMERS…

From the interviews, we have found that the forms of communicating with the direct customers seem to be more or less the same as with the indirect customers. The communication might be less frequent, and a lot of it is done using fax, since orders are usually placed that way.

7.4.3 LESS CALLS, MORE E-MAILS ARE PREFERRED…

Looking at the findings from our questionnaires, one can in fact see that what the indirect customers prefer, is *not* how the companies have chosen to contact them. A part of "personalisation" is that the customer should be able to choose himself what media he prefers to be contacted/communicate through, in order for the communication to be efficient.

Looking at the alternatives, 29% are willing to be contacted through e-mail, but only 1% is contacted through this media. The situation is reversed when

it comes to all other forms of contact – less visits, phone calls, post and faxes are wanted.

Comparing the current ways of contact with the ones preferred by the indirect customers, leads to a series of questions; are the suppliers not interested in using other media, do they not know how the customers want to be contacted and thus assume that the customers not are interested in other forms of contact? On the other hand could it be that a general praxis has developed in this particular market, and no one know what will happen if it is changed?

The direct customers are more or less satisfied with how they are contacted today.

…in short:
- The most wanted forms of contact are personal visits and post.
- Preferred way of contact is dependent on country, mainly when it concerns personal visits and phone.
- Today the customers are not contacted in the way preferred; the largest differences can be seen when it comes to phone and e-mail.
- The telephone is used more than desired, and the interest for being contacted via e-mail is higher than its' current use.

7.5 OPINIONS ABOUT INTERNET AND E-MAIL

Considering the discussion earlier concerning personalisation, it seems apparent that Internet, e-mail and telemarketing cannot be introduced without knowing if it is a communication channel that the customer sees as valuable. To find out these media are valuable to the indirect customers we have tried to summarise their opinions and also look at what they consider to be barriers.

7.5.1 "IN MY DREAM I SEE A COMPUTER SITTING HERE ON MY DESK…"

As mentioned before, the questionnaire included an open question where the respondents had the possibility to state their opinions about Internet and e-mail. It is these remarks as well as comments made during the interviews that we mainly use in this part.

Sweden

Most of the nurses have knowledge in using computers, since most of their documentation such as journals today is made on computer. They are all quite convinced that the use of Internet and e-mail will affect their work in the future, not at least as it is used more and more in today's education of nurses.

The opinion, or at least the comments, about Internet and e-mail among the population differ as about half of the respondents are very positive to use these new tools and see it as a *"simplifying of the communication, which is preferable"*. It also gives them the *"opportunity to choose when they have the time for the supplier"*, or as one nurse put it, *"the initiative for contact should be mine, I want to look for information when I have the time."* The other part views these media as something time-consuming and very impersonal, which they do not like. There have also been a few comments concerning the low support when it comes to learning and using these media in their work.

Spain

Once contact has been established, the Spanish customers did not mind keeping in contact using other media. The attitude towards the Internet and e-mail varied depending on knowledge and interest, but everyone was quite certain it would come to affect work in the future. One of comments from the questionnaire was: *"Concerning Internet I doubt that the information that you receive really is confidential"*

UK

Many of the comments took up the time factor as a barrier, as well as "junk mailing":

- *"Main problem is the time factor."*
- *"No time to use Internet or e-mail"*
- *"It takes time to use Internet and search for pages required – we have little spare time now. If e-mail or Internet was used to send info you could extract what you wanted at any time rather than wait for posted info."*
- *"There is so much 'junk mail' from suppliers that in general gets thrown away. I would not want my e-mail to be full of the same."*
- *"Was on Internet and using e-mail at work, but disconnected. Junk mailing becoming more of a problem. We have unwanted unsolicited faxes which have led to important medical communication failing to arrive."*

Others thought that time could actually be saved by using Internet:

- *"Have not used it, but find the idea good and could be useful in being able to access up-to-date research"*
- *"The Internet could provide immediate information about products and provide easy access to suppliers of relevant products. Setting up computers with Internet and e-mail is wish, but would not be viable as there are only a small number of staff"*
- *"The more lines open for communication & information the better. Would love using Internet for latest info & ideas etc, especially latest research for evidence-based practice. Unfortunately we don't have the use of Internet or e-mail."*
- *"It would be a faster contact, as we work outside the office the supplier only has a short period in the day us when we are in the office."*
- *"Using the Internet and e-mail are the ways of the future for this working district. Receiving up to date info and research via e-mail has always been of interest to me."*

- *"In my dream I see a computer sitting here on my desk, giving me access to a lot of very useful information, data etc. and also time to operate it. I think it would eliminate 80% of advertising, daily deliveries of piles of paper (most of which goes in the bin). I am in favour. Save our trees."*
- *"It would be so much more quicker & efficient to access info!" nurse*
- *"Would make access to info so much quicker."*

Denmark

The interviews in Denmark gave more or less the same picture as in Sweden, there is a belief that the Internet and e-mail will affect the work in the future. Computers are today used quite much at work, and it was also confirmed that the Internet is used much in the education of nurses in Denmark. It is notable that there were no wish to receive product-information through e-mail, instead they wanted to have possibility to search for the wanted information. However, the comments from the questionnaires do not illustrate the same opinion, the respondents seem to be quite positive towards the use of e-mail, and comments such as *"e-mail and Internet is a brilliant solution"* are not uncommon.

Germany

The opinions in Germany do not differ much from the other countries. The people interviewed are sure that the Internet will affect their work in the future. Some consider it to be something positive that will help them in their work, while others see it as something inevitable that they have to deal with sooner or later. They regard it as something that only will create a lot of extra work, and they do not see any benefits from using Internet. Computers are used quite a lot in daily work, just like in Sweden and Denmark, as a lot of the documentation is made on computer. Internet is also a common element in the education in Germany today.

The comments from the questionnaires are all more or less positive in regard to Internet and e-mail. Some emphasise that it is not used much

now, which makes it hard to have any actual opinion about the media. There are no comments on the open question about obstacles to use these tools.

What about the barriers?
The factor that most of the respondents saw as a barrier for using Internet and e-mail was *knowledge*. (see appendix C, chart 3) These were related to the nationality as well as the position of the respondent.(see appendix C, chart 4 & 5)

The comments from the interviews in Sweden suggest that *age* is seen as a possible barrier for the use of the new media. A lack of *interest* was also mentioned, which according to the persons interviewed, is often related to too little *knowledge*, which in turn leads to the fact that it is time consuming for the customers to use the Internet and e-mail.

Barriers mentioned in Spain were the *slow connections* that made it time consuming to use. *Language* was another factor, none of the persons interviewed could speak English, and they would not search, or read, sites that were not in Spanish.

A factor according to the questionnaires from the UK is that *low access* is a major barrier right now for using the Internet in their work.

Time mentioned as a barrier, but here two different groups can be distinguished. Almost 50% of the respondents thought time would be a hinder for using Internet and e-mail, thinking that it is too slow, too complicated and creating unnecessary work. The other part thought that time could be saved in some cases by using these media. These opinions were not dependent on current access or country belonging, but seemed to do with personal preferences only.

7.5.2 DIRECT CUSTOMERS ARE NOT AS INTERSTED…

Even though the distributors were not particularly positive towards Internet in general, they all said that if they saw a product they thought was interesting on the Web, they would contact the supplier for further information. We, on the other have hand received different response on the question whether they are searching, or would consider searching, for this kind of information on Internet. The distributor in Sweden was the only one who actually did some active search for product or company information on the Internet. None of the distributors/wholesalers in Germany or Spain viewed this as a possible solution, it was considered too time consuming.

The opinion was shared among the distributors/wholesalers concerning the possibility to use Internet and/or e-mail in communicating with their customers, i.e. the indirect customers of Mölnlycke HC. They all agreed that the use of these media will increase in the Home Care segment, but that it will take time, some thought up to ten years, while other considered it possible within 2-3 years.

Only 2 out of 5 distributor/wholesaler have a homepage of their own. The people that we talked to did not actually know what their company offered or provided at their own homepages, one of them had never visited it at all.

One of the distributor/wholesalers in Germany was very computerised, using EDI solutions, however it was not Internet based. This was a question of security for all parties.

7.5.3 OPINIONS SEEM TO DEPEND ON PERSONAL PREFERENCES

When looking at the interest in e-mail as a contact form, no major difference can be seen between the countries. Significance tests do not imply that position or age affects the opinion about e-mail as contact form. (see appendix D, test 3 & 4)

The opinions expressed in the open question about these media do not differ between countries when it comes to the indirect customers, and they do not seem to have anything to do with the access, since UK with the lowest access had an UK overall positive attitude. However, *barriers* mentioned differ between the countries. The environmental factors seem to affect the barriers; e.g. the Internet connections were commented as slow in Spain, the low access was mentioned in the UK comments as a barrier and so on. That the connection actually is slower in Spain is supported by the Cybersc@n findings mentioned earlier. And as seen, the access to Internet is in fact low in the UK among our target group, which implies that the access probably will constitute a barrier for communicating with these media.

The direct customers are generally more negative to Internet and to the possibility to use Internet and e-mail in the communication with the actors/customers in the Home care segment, than the customers are themselves. After having been on Mölnlycke HC talking to people, we found a similar attitude. A common remark was that "…in a few years it might be interesting, but not right now."

…in short:
- GPs and nurses were in general positive towards using Internet and e-mail.
- Distributors were in general not positive towards using Internet and e-mail themselves, OR the possibility to use it in customer contact.
- Knowledge was mentioned as the largest barrier.
- Interest was not seen as a barrier
-

7.6 OPINIONS ABOUT THE TELEPHONE AS A CONTACT MEDIA

"Euroteleculture", a European research made by The Henley Centre in 1997, found that attitudes towards using the telephone for 'telebusiness' varied among different European countries; there was a North-South division, with northern European countries appearing more positive about using the phone. The Southern countries also made calls, but were in general not content with having "relationships" over the phone.

In our research, the interest for the telephone as a contact form appears to depend on the respondents' nationality. (see chart 6) The result *also* indicates that the interest for the telephone as contact form is depending on the respondent's position; GPs are in general less interested in receiving phone calls than nurses. (see appendix D, test 5 & 6)

Also when reading the comments about the telephone we could find two major areas of opinion, the first considers the telephone to *"give a more personal contact which is positive, and you can elaborate your requests."* The second half mean that *"the telephone-hours are for patients, not for suppliers."*

These comments are something that was supported by the interviews. The interviews do on the other hand not completely support the findings from the questionnaires concerning the difference in attitude due to country; they all appear to agree that: *"the phone could be used once a while to show some interest, but not too frequently."*
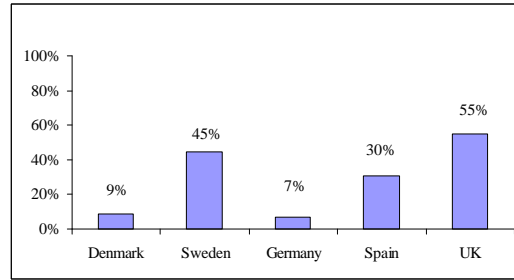
Chart 6: The indirect customers interest in being contacted by the phone (1999)

The opinions among the direct customers in all countries are more or less the same, the distributors are positive towards using the phone. To use the telephone in the contact between the supplier and his distributors is something very common. Most of the distributors also have their own "call centres", which function as a "help-line", but also offers the customers the possibility to order by phone.

7.6.1 BE CAREFUL WITH WHOM YOU CALL!

Comparing our findings with the "Euroteleculture" study, the results differ quite a lot. Denmark and Germany are by far the most negative countries towards being contacted by phone, while Euroteleculture talks about a north/south division with southern Europe being more negative. The Spanish answers were actually positive towards telephone as a contact media. Our study could be biased by the fact that the group we investigated all belong to a certain group of profession, compared to the other studies. A possible explanation for the result in Spain is that the respondents could tick several answers, which made it possible to choose a mix of medias. Perhaps the Spanish result would have looked different, and more like Euroteleculture's, if they only could have picked one answer.

In Denmark, the majority of the respondents were GPs, and as noted before they are less inclined to like the telephone as a contact media. The target group in Germany are "ambulante Krankenpflege", and spend most of their time at patients home or on the road, thus making it hard to reach them by phone. Our guess is that this could mean that personal visits will not be suitable either, since that also means that the respondent will be "interrupted" in their work, or have to be stationary. This is, to a certain degree, confirmed by the fact that Denmark and Germany are the two countries with lowest interest in personal visits as well (see appendix C, chart), although they to a higher extent prefer visits than phone.

Another factor that we think could be affecting the Danish and German results could be the strict rules for telemarketing in these countries. In Germany outbound telemarketing is permitted if:
* The product or service relates to the prospect's business;
* A contractual relationship exists;
* Or proper consent has been given.

In Denmark telemarketing is governed by the Consumer Agreement Act which stipulates that without prior consent, a marketer cannot contact a consumer at his or her home address or place of employment concerning the purchase of goods or services. This could be compared to the UK where there are no specific regulations regarding telemarketing. (Yorgey, 1996)

Using the telephone in the industrial market is considered to be "general practice", and the role of the distributor – to purchase and sell products – is different than the role of the indirect customer. The distributors work *is* (among other things) to keep in contact with suppliers. This will of course also affect the opinions about the telephone of the direct vs. indirect customers.

> **…in short:**
> - Opinions about telephone are influences by position: GPs are less interested in receiving calls.
> - It is also dependent on country: Germany and Denmark are negative towards telephone as a contact form.

7.7 THE USE OF INTERNET, E-MAIL AND TELEMARKETING

A person's opinion about a certain media can be explained by whether the person has any experience with that channel, as mentioned before. It is therefore interesting to see if these media are used today, and if so, to what extent.

A recent study from Pro Active International, a Dutch research firm, found that there are significant differences in Internet user patterns between European countries in the north, and those in the south. This divide is consistent with geographic location and, according to the author of the report; northern Europeans are typically confident and eager Internet users, while southern Europeans are anxious, insecure and unconvinced of the benefits of the Internet.

They also found in their survey, which was conducted in Netherlands, Belgium, France, Spain, Italy, Switzerland, England, Denmark and Germany, that more than 25 % of all European users are female. Just over 34 % of online Europeans are aged between 25 and 34, and almost 25 % are aged between 35 and 44. These figures could be compared to the demographic facts of our investigation where 76 % of the respondents are women and only 28 % are in the age of 40, or younger.

The development in general will probably increase usage. "HealthCast 2010" is a survey made by Price Waterhouse Coopers where 400 industry thought leaders from the US, Canada, UK, Australia, France, Germany,

Finland, New Zealand and Spain were questioned about the effect of Internet on the health care industry. *"In the future, we're going to go to the doctor's office a lot less often, but we're going to send him data more often,"* says one of the respondents. In addition, respondents said they generally felt that more than 30% of physicians' time will be spent using web-based tools by 2010.

7.7.1 INTERNET, E-MAIL AND TELEMARKETING USAGE AMONG INDIRECT CUSTOMERS

Navigare Medical Marketing Research (1999) made an investigation of Swedish GPs' access to, and usage patterns of, Internet. They found that in 1999, 83,4 % of the respondents had used Internet at least once, compared to 67 % in 1998. Furthermore they stated that the location when using Internet was: "Usually at home" 71 % and "Usually at work" 27 %. The frequency for usage of Internet was divided as follows:

Several times a week:	26,5%
At least once a week:	31,1%
At least once a month:	16,6%
Less than once a month:	9,3%
Never:	16,6%

Of the time spent using Internet only 33,6 % was related to their profession.

Of the whole population in our survey, 40 % have stated that they have access to Internet at work. The next question is, do they use it, and if so, how often? The result shows that about 40 % of the ones with access, are using Internet once a week or more in their work. (see appendix C, chart 6)

Of the persons having access to e-mail, either internal, external or both, 73% use it. Internal e-mail was the most common form of e-mail.

When it comes to telemarketing, it could be seen in chapter 7.4.1 that the indirect customers are frequently contacted by phone. During the

interviews we got to know that in all countries except for Spain, the nurses used help-lines, usually to distributors. In Spain the customers called directly to the sales representative that they had a previous relation to. What can be seen in most countries is that the distributors offer their customers different help-lines, which should indicate that they are used to these kinds of solutions.

7.7.2 INTERNET, E-MAIL AND TELEMARKETING USAGE AMONG DIRECT CUSTOMERS

In the investigation by Andersen Consulting (1998) they posed questions concerning European senior executives current and future use of e-commerce. The executives believed that their business would be much more reliant on e-commerce in five years' time, and they see e-commerce transforming the way they do business, offering them a competitive edge, and a gateway to the global marketplace. However they still remain unwilling to exploit e-commerce today, compared to the US. Sweden is the only country surveyed where almost half of the executives interviewed (46%) said they were aiming to address their company's key issues via the use of Internet. In Germany for example, the corresponding figure was only 3%.

The current use of Internet among the companies we interviewed was as follows:
- *Medic*: The company has a homepage and one of the persons working there uses Internet to a certain degree when looking for product and company information. In the contact with their customers (i.e. Mölnlycke HC's indirect customers) the media is not used.
- *Kirundan*: Internet is not used at all at the moment, and the company has no homepage.
- *Discasa*: Internet is not used much and the company lacks a homepage.

- **Werner**: Internet is not used at all, and the reason given for not having a homepage was: *"If we do, we will only receive a lot of strange questions from companies that want us to sell their products."*
- **Noweda**: The company has a homepage, which is more or less designed for their customers only, i.e. pharmacies. Apart from this, Internet was not used.

In the communication between MHC and their distributors the phone is used frequently. The distributors all found this to be a fast and easy way to communicate with their suppliers. When it comes to the distributors communication with their customers, a help-line is usually offered. In Spain and Sweden we talked to quite small distributors, and they did not offer this service.

7.7.3 WHAT AFFECTS THE USAGE OF THESE MEDIA?

To find out whether there was a link between age and the use of Internet in our research, we divided the population that had access to Internet, into those under 40 and those over. Testing it showed that there is a difference in the frequency of use depending on age, where the younger group used Internet more often. (see appendix D, test 7) One cause, as we see it, could be due to that nurses/doctors below 40 have used computers and Internet in their education, and therefore have more experience of this media. Comparing this with the demographics of the general Internet user presented in the beginning of chapter 7.7, it can be seen that the majority of the Internet users generally are below 44 years old.

We did not find any tendency that neither position nor country belonging affect the frequency of use when it comes to Internet. (see appendix D, test 8 & 9)

When it comes to e-mail, the only factor that could be related to usage, was position, where GPs used it to a higher degree, with consideration taken to

the access. (see appendix D, test 10, 11 & 12) During the interviews we noted that GPs usually have a private office with a computer, while the nurses have a PC in a "public" area or office that they share with other nurses. Since this makes it less private, this is one factor that we think affects the less positive attitudes towards using e-mail among nurses.

Furthermore we have found that the interest in e-mail as a form of contact is related to if the person has access to e-mail today or not. (see appendix D, test 13) This is supported by the channel expansion theory that states: "the experience an individual had with a certain channel will be positively related to that individuals perception of the channels richness". It is normal to prefer using a channel that you have experience with, which also is confirmed by our investigation. If the access to e-mail were higher, it is possible that the interest for using it is a communication channel also would increase.

…in short:

- 40% of the indirect customers having access to Internet use it once a week or more.
- Age seems to affect usage; it is more used by people below 40.
- E-mail is used by 73% of the ones with access, and GPs use it more than nurses.
- The direct customers are in general not actively using Internet/e-mail.

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8. THE MESSAGE

Considering that Internet/e-mail and Telemarketing are the prerequisites for this investigation we asked the customers what kind of "messages" they want to receive through these media. Moreover, the customers' buying criteria will be presented as something influencing the message, in accordance with chapter 3.3 in the theory.

8.1 WHICH SOLUTIONS ARE THE INDIRECT CUSTOMERS INTERESTED IN?

In the questionnaires, we asked what kind of Internet, e-mail and telemarketing solutions the indirect customers would like. (see appendix C, chart 7 & 8) The solutions suggested differ in information content, and we believe that knowing what kind of information that the customers' request will help the company to choose an appropriate message. From the graphs below it can be seen that the variation in interest for different Internet and e-mail solutions vary more depending on country than position.
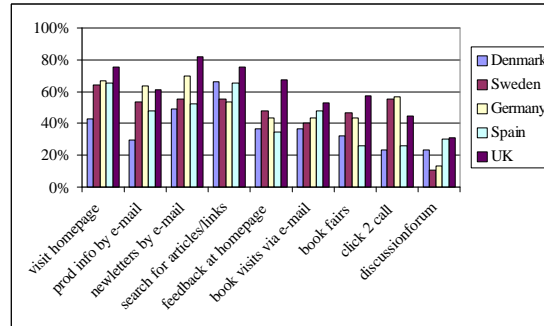
Chart 7: Interest in e-mail and Internet solutions per country (1999)
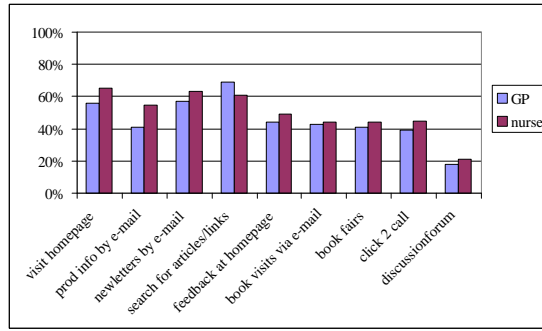
Chart 8: Interest in e-mail and Internet solutions per position (1999)

The questionnaires also included suggestions of different telephone solutions.
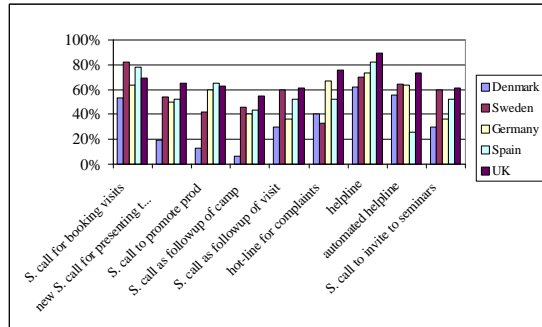
Chart 9: Interest for telephone solutions per country (1999)
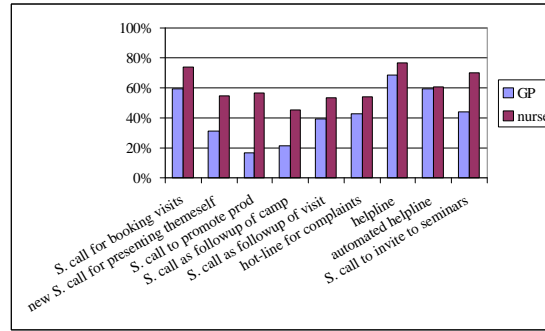
Chart 10: Interest for telephone solutions per position (1999)

Telemarketing activities can be divided in inbound and outbound calls, and if looking at the chart 8 and 9, it can be seen that interest for inbound solutions is in general higher than for outbound. The highest interest for these solutions is in the UK, while there is more or less no interest for an automated help-line in Spain. We can also see that there is almost no interest at all for the different outbound solutions in Denmark.

The interest for inbound solutions has also been confirmed during the interviews, and the general opinion is that persons with expert knowledge about products and treatments should answer the "help-line".

Information that the interviewed customers found most interesting was; product-information, company information, advice on product use and information about new research. The buying criteria that were mentioned by the persons interviewed were *price* and *extra services* such as free samples, something that the German and UK studies (Sensor Marktforschung and UK study MHC, 1999) support as important factors. Many respondents have answered that priority is given to "trying out" the

new products; one of the reason for this is that they *"want to see whether it helps the patients"*.

8.1.1 WHAT AFFECT THE THE INDIRECT CUSTOMERS' PREFERENCES?
An assumption we had before starting to analyse the answers from the questionnaires was that the message desired would differ depending on the respondents' position. This was shown to be wrong however, and as seen above the difference is more related to country. The country culture is clearly the most influential factor on what kind of information is requested.

The four first Internet/e-mail solutions (visit homepage, product information by e-mail, newsletters by e-mail and search for articles/links) are probably perceived as helpful in their work, and thereby more time saving than the other services. These four were also the ones that received most interest.

The telephone solutions were in this case more influenced by the respondents' position; GPs were much less interested in being contacted via the phone than nurses. A reason for this might be that a part of the nurses' job is to have contact with suppliers and order new products. To call a GP during patient hours could therefore be seen as interruptive, while they are more interested in e.g. the possibility to use a help-line.

Looking at the general picture of what telephone solutions that are requested, the majority is for the help-line. Other suggestions that were popular were when a supplier called to book visits, or to invite to a seminar. These are both outbound solutions which we found surprising. During the interviews we got to know that the reason could be that it is not appreciated if a supplier suddenly appears and wants a meeting, but instead calls beforehand so the nurse is expecting the sales rep, in order to not interrupt the work.

One interesting phenomena is the Spanish respondents' reluctance to use an automated help-line, which could be compared to their high interest in personal visits. Two-way communication - and preferably with someone the customer knows – is clearly very important for them. It was also very specific for just Spain; all other countries found the automated help-line to be quite useful.

Inbound telephone solutions were most popular among the UK respondents, and as stated before the development of telemarketing in Europe stems from the UK market. Due to this we assume that the customers in UK are more familiar with using these kinds of services.

Comparing the total sum – regardless of country, position etc. – of "no-thank-you" answers, the alternatives that received most negative response were the outbound telephone solutions. When looking at the Intetnet suggestions there were considerably more "don't know" answers than "no thank you", which we assume depended on the low experience of this media compared to telephone. Interesting to notice is that most customers prefer to say "I don't know" rather than "No", which we think indicate a certain level of interest, in spite of their low experience.

8.2 WHICH SOLUTIONS ARE THE DIRECT CUSTOMERS INTERESTED IN?

The opinions about the mentioned media among the distributors are quite similar regardless of country. What they want from the supplier (if not already in use) is some kind of EDI-solution. Medic and Kirundan both considered it positive to have the possibility to use Internet for accessing the suppliers' promotional material. To receive information about suppliers' product campaigns in time was also stated as very important, since they need to prepare for the increased customer demand that the campaign might create.

Detailed and updated information was stated as a necessity during the interviews. This since their customers have questions and sometimes ask

for recommendations, which requires that the distributors have knowledge about the products.

The buying criteria for these customers is mainly the demand from their customers, the price is also a factor mentioned as well as the relationship to the supplier.

Considering that the distributors are a vital link to the indirect customers, and as a good relationship was one of their buying criteria, it should be of great interest for the supplier to see to that the information desired is given to the distributors. Promotional material and information about campaigns are something that the customer desires, and we believe that providing this kind of extra service is something that adds value to the relationship.

Operative Marketing & Sales – an Internet strategy company - has mapped the Websites of 68 suppliers of consumer products. They have concluded that even if many had a lot of customer information, the websites lack the detailed information that is requested. What is necessary, according to Fredrik Strömblad president for OMS, is more focus on information directed towards the distributors, wholesalers and stores. Some of the possibilities he is looking for are among other things product specifications, allergy information, ordering of promotion material and campaign information. (Wallström, 1999)

…in short:
- Preferred Internet and e-mail solutions vary between countries.
- Interactivity is appreciated but not if it involves too much work for the customers.
- Direct customers are mainly interested in EDI-solutions and access to promotional material on the Internet.
- Country and position influence what telephone solutions that are preferred.

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9. TIMING

The concept of timing has grown in importance with the merge of "permission-based" marketing. This marketing approach has, as we see it, developed from the fact that time is a scarce resource, and very much so for this target group.

In the theory timing was described as a decision about what kind of response that is sought, i.e. how the customer can be "moved" through the different stages of the adoption process, but also when the communication should take place. This part will mainly consist of analysis, since no new data will be presented here. The analysis will be based on previously presented findings, such as e.g. what the customers would like to receive in order to be interested in a purchase/use.

9.1 WHEN DO THE CUSTOMERS WANT TO COMMUNICATE?

"The initiative for contact should be mine, I want to look for information when I have the time." (nurse, Sweden)

Some of the suggestions made in the questionnaire were permission-based solutions; services that the customers themselves can decide when to use. The internet is in itself a non-intrusive media, but there were comments about "junk mail" which suggests that unsolicited e-mail also is sent. One of the solution can possibly be perceived as non-permission based; "Receive product information by e-mail", and it was also less desired than the others.

The telephone solutions that are permission based are the inbound suggestion, namely the hotline for complaints, the help-line and the automated help-line. These three suggestions all received high interest. The help-line was the most popular service and got high rankings from all countries.

"A supplier calls for booking a visits" is a very popular alternative, which during the interviews was explained by that unannounced visits were not very appreciated. In other words, the customers prefer to know in advance and give their "permission" for the communication.

As discussed before, the role and work of the distributors differ form the indirect customers. The contact with the supplier is not something disturbing or interrupting their work, it is a part of their work. Hence, permission-based forms of contact are probably not as vital for them.

9.2 WHAT RESPONSE CAN BE CREATED WITH INTERACTIVE MEDIA?
This is something that the company should consider when designing, so the appropriate media/communication channel is used to reach to desired response.

9.2.1 INDIRECT CUSTOMERS DON'T KNOW THE NAME OF THE PRODUCER
"Often you know the product but not the company, which can be hard."
(nurse, UK)

This comment from the questionnaires was backed up by all interviews. The product name is often well known by the indirect customers, but it is seldom they know the name of the producer. This comment, and the result from the interviews, implies that it could be difficult to create *awareness* among the indirect customer just having a homepage at Internet. Since time was mentioned as a barrier they will hardly spend time searching/surfing on the Internet, which is supported by different sources where the indirect customers stated that they used Internet mainly for reading medical research, administration/organisation and e-mailing.

Thus, we believe that creating *awareness* using this media is difficult if not supported by other media channels.

More *knowledge* about a product can be gained using the Internet, **if** the product name has a link to the homepage since company names usually are unknown. Offering benefits or extra services (e.g. "order free samples") on the Web could lead to *liking/preference*, as that was mentioned as one of the important criteria when deciding upon a product.

Considering telemarketing, calling customers and introducing the company and its products can create *awareness*. As we see it, the telephone could be used throughout the adoption process, to offer a help-line could for example be "the extra service" that makes the customer *prefer* a certain supplier. It should be considered that calling customers could create awareness, **but** if the customer's opinion about the media is negative, we believe that it could lead to irritation and that the "liking or preference" stages might never be reached.

9.2.2 DIRECT CUSTOMERS ARE ACTIVELY SEEKING INFORMATION
To find new products and suppliers is a part of a distributors job, which not is the case when it comes to nurses or GPs. Today some of the direct customers are actively seeking company and product information on the Internet. In this business to business relation it will concern creating awareness about a new product and not about the company itself. We believe that this can be done using Internet and/or e-mail directed to the distributor.

The use of the telephone in the relation to the direct customers can be valuable in *all stages of the adoption process*. None of them were negative to using/being contacted by phone, but in the case of Discasa in Spain it was appreciated to have a personal contact since he perceived visits as the best way to get the information he needed in order to serve his own customers. Phone contact should preferably be with someone he or she had met previously.

Today the solutions asked for in some countries are EDI, and promotional material on-line. Not much is offered on-line, so there are probably several possible solutions that are not yet offered and therefore not know or requested either. What Internet can contribute with is to add value to the relationship in the form of offering extra services. The question is how important this is for "moving" the customer to liking/preference/purchase.

…in short:
- The solutions that are appreciated the most are the ones that helps the indirect customers to save time.
- The customers want to control the "activity", that is, decide themselves *when* the communication should take place.
- Hard to create awareness using Internet.

CONCLUSIONS AND RECOMMENDATIONS

*In the analysis we have presented the findings and results form the questionnaires and the interviews, regarding access, usage, barriers and opinions about these media. We will now elaborate upon different alternatives for Mölnlycke Health Care, starting with **access** – since this is a prerequisite for the possible use of these media. Second, we discuss the current **usage** of Internet/e-mail and telemarketing, and how it can be increased and encouraged. Then we take up the main **barriers** that were mentioned, and different alternatives on how to overcome them.*

Finally we summarise the most important findings in a model, to illustrate the different options we suggest that Mölnlycke Health Care should follow, depending on their objectives with the communication.

10. ARE THE INVESTIGATED MEDIA POSSIBLE TO USE?

Our conclusions are based on the findings from our investigation, as well as other empirical studies. Telemarketing will not be discussed under the headline "Access", since all have access to a telephone.

10.1 ACCESS TO INTERNET/E-MAIL AMONG INDIRECT CUSTOMERS

Communication with the indirect customers using Internet/e-mail would be possible primarily in Sweden and Denmark, where the access is around 50%. In Germany 40% of the target group have access to Internet in the workplace. In the markets of UK and Spain the access among the customers is below 26%, which will make communication via Internet more difficult to the target group in these countries.

It has to be considered that our response rate from Germany and Spain is relatively low, but since other empirical studies confirm the result concerning the access in these countries, they can still be seen as reliable.

The result above, as we see it, leads to three different alternatives; either the company *increases the access to Internet/e-mail* among their indirect customers, if the objective is to reach more of them. One solution is to provide the customers with Internet access. This could be done by contacting a national Internet access provider (e.g. Utfors or Tele 2 in Sweden) and a maker of Web browsing software. Give the customer a diskette or a CD that contains the software required for Internet access, customised to call up MHC's homepage each time it is run. The customers will thereby see the homepage and the name of MHC every time they use the net, and if 30 days of free access are offered together with e.g. a contest, the customers will hopefully be enticed to make use of the homepage. One idea could be to start with selected customers in Denmark and Sweden, where access is relatively high already now and barrieres such as technical infrastructure are minor, and have them as a "test market".

A second option, if the aim still is to reach more indirect customers without providing them with access at work, is to *try to reach them at home*. All countries (with the exception of Germany) had higher access to Internet at home than at work. (see chapter 7.2.1) The Swedish study by Navigare shows that 71% of the GPs usually use Internet at home. We believe that this is an advantage for both the company and the customers. The company will be available 24 hours a day, and the customer can decide when and how to communicate with the supplier. According to our investigation this is also one of the things the customers appreciate the most. How to make the customers aware of the benefits offered, and entice their usage will be discussed in chapter 10. 3.

If it is not seen as essential to reach more customer than the ones having access already now, the last alternative is to *do nothing at all*. It could be that the alternative to increase the access is considered too costly. The company can then wait for the natural growth of Internet penetration. Looking back, it can be seen that the development of the Internet was extremely rapid, and action to increase the penetration is currently taking

place in e.g. Germany (see chapter 7.2). Thus the access will increase with time, and focus can instead be put upon increasing the usage of Internet and e-mail.

10.2 ACCESS TO INTERNET/E-MAIL AMONG DIRECT CUSTOMERS

It is possible to communicate with the direct customers that we interviewed using Internet which all had access to. E-mail access varies however, since not everyone has external e-mail. Our investigation only included a small number of distributors/wholesalers, so in order to draw any major conclusions, further research is necessary. Nevertheless we believe that the use of Internet/e-mail in business to business relationship is quite developed, so the access is not the problem here, but more so the question of offering the distributors something they perceive as valuable.

10.3 USAGE OF INTERNET/E-MAIL AMONG INDIRECT CUSTOMERS

Regardless of the access, how is it possible to increase the usage of Internet/e-mail? It was shown in our investigation that the usage is not very high (40% use it 1/week or more, and then mainly for e-mailing). Other investigations, both Navigare and Healthcast 2010, show on the other hand that the use of Internet and e-mail among the target group is increasing.

Due to this general increase in usage, one option for MHC could be to choose to wait for the interest to grow on its own. Some of MHC's customers know about the homepage, and the usage will be stimulated to a certain degree by the current use of the homepage adress on different promotional material.

Second alternative: take action. The main task will then be to focus the customers' usage of services provided by MHC's homepage. The indirect customers did perceive "visit a suppliers homepage" as one of the most appealing solutions (see appendix C, chart 7). In order to get the customers to start using MHC's homepage and its services, they must know that the company is present there. This should be promoted through *other media*;

post, ads and so on. With these traditional media you reach customers that not yet are frequent Internet users. "A company might offer the most helpful, useful, important Web-site, but if you don't let people know it's there, it will remain a secret. It is the same with a toll-free number, if you don't tell, they won't call." (Sterne, 1995)

When the cusomters are aware of the company's precence on the Web, the second step is to inform the customers about *the benefits* of using the homepage. Sterne (1995) argues that this could be made in two ways, either by making your Web-site fun, and/or make it useful. The questionnaire showed that links to articles and other literature, newsletters by e-mail and as well as product information by e-mail were perceived as the most interesting solutions. We will now present some "best practise" concerning the solutions the customers found appealing.

- Lists of links to medical sites and research: www.hassle.astra.se
Astra has a huge list of links. These are divided into links to general sites (e.g. läkemedelsverket), to magazines, search engines, and other medically related links.

- Newsletters by e-mail: www.glaxowellcome.se
Glaxowellcome has a long list of topics for newsletters related to diseases, the company, international press info and so on.

Other services that facilitate the customers' job, mentioned as important during the interviews:
- Order material: www.hassle.astra.se, www.pfizer.se
Material such as CD-rom, books, articles, OH slides and brochures are offered. They cover the areas of general medicine, symposiums, congresses and product information.

- Medical dictionary: www.alakemedel.astra.se

- Offer the possibilities to order product samples. www.coloplast.co.uk
Samples was mentioned as one of the most important buying criteria.

10.4 USAGE OF INTERNET/E-MAIL AMONG DIRECT CUSTOMERS

Most direct customers have access to Internet/e-mail, but were generally not very positive towards using it themselves, or in their customer contact. This opinion was explained by their belief that their customers were uninterested, or lacked access, to the Internet and e-mail. An additional reason for this negative response is that they perceived it time consuming to search for companies/products on the net. The feeling we got during the interviews was also that there was a fear of being "excluded" from the value chain.

However, all of the direct customers were convinced that Internet would be used to a large extent in the quite near future, both for active search of products/companies, as well as ordering and getting access to other material. All of them also stated that if they saw an interesting product on the Web, they would not hesitate to contact the producing company. One alternative for Mölnlycke HC is *to be content with this development*.

Whether the aim is to find new distributors, or communicate with existing distributors, we think that Internet can be very useful, but in that case *action should be taken*. MHC should not only be on the Web, but also be easy to find in order to eliminate the concern mentioned of searching on the which was perceived as a problem. The company must also have something to offer, such as ordering of samples, detailed product information and the possibility of contacting the right person at the company (by e-mail, phone and mail). The information asked for in our study and that could stimulate the usage, was EDI-solutions and access to promotional/information material on the Internet. To add extra value to the distributors, one possibility is to offer the distributors to have a link on the MHC homepage. In that way the indirect customers can find their own local dealer and its

homepage through MHC's page, which will create value both for the distributor and MHC, as well as making it easier for the indirect customer.

10.5 USAGE OF TELEMARKETING AMONG THE CUSTOMERS

We will only elaborate upon telemarketing aimed at the indirect customers, since we assume that the telephone already is frequently used in the business to business relations.

The telephone is today used **much more** by the suppliers than the customers desire. (see appendix C, chart 9) Our results are however somewhat contradictory, since the different telephone solutions did receive high interest, almost 45% of the customers thought all alternatives were interesting (see appendix C, chart 8). Germany and Denmark are still the most negative towards telephone as a contact form. Other differences related to country belonging, were the negative response from Spain regarding the automatic help line. Opinions about telephone are also influenced by position: GPs are less interested in receiving calls.

These findings lead to different alternatives. One option can be to continue using *outbound telemarketing activities*, but with consideration taken to position. Even thought our result look different, we believe that difference in interest for telemarketing primarily depends on position, and not upon country. The result from Denmark can be explained by the fact that the respondents mainly were GPs, and and due to this it might be appropriate to be restrictive with calls to GPs in general, regardless of country. In Germany most of the indirect customers are mobile, and will therefore not be able to answer any calls, which we believe is the explanation to the negative response from that market.

A second alternative is to focus the telemarketing activities around *inbound solutions*, since these were the most popular in all countries. These kinds of services will make the company available for customers *whenever* they want. A request from the customers were that people with knowledge about

products, as well as treatments, should staff the help-lines. They also have to speak the local language.

10.6 BARRIERS FOR USING INTERACTIVE MEDIA

10.6.1 KNOWLEDGE

The indirect customers mentioned *knowledge* as the largest barrier. This was mainly so for nurses, but also varied depending on country (see appendix C, chart 4 & 5). This response could be influenced by the fact that our target group consist of 76% women, where 72% is 40 or over. This is a group that today are using Internet to a limited degree (see chapter 7.7). Lack of experience with this media is probably what makes knowledge a barrier right now.

What MHC can do to overcome this barrier, is to rely on the development and increased usage of Internet. Internet is increasingly used in education, and the target group will become younger in due time.

Another option is to increase the knowledge among the target by offering courses in how to use Internet and e-mail. This could be done in collaboration with a web agency or computer supplier. During the interviews in Sweden and UK this was especially mentioned as a very valuable service.

10.6.2 LANGUAGE

Language is yet another barrier, few respondents from outside the UK are not interested in visiting, or able to read, a homepage in English. Our own experiences from living, studying and working abroad in these countries support the result from the target group.

The company homepage should be translated into local languages (Swedish as well!), if the aim is to reach people outside the UK market. On the other hand language skills are likely to improve, due to increased possibilities to

travel abroad for people like students, and Internet and other media with global reach will also affect this.

10.7 OTHER THINGS TO BE AWARE OF

Infrastructrue: The technical infrastructure is a problem in Spain today, considering slow connection speed to the Internet, old computers and so on.

*Laws and regulations:*Different laws and regulations can constitute a barrier for outbound calls especially in Germany and Denmark.

The internet is viewed as too impersonal: One best practice suggestion on how to make the contact more "personal" is www.hassle.astra.se, where the contact persons have a personal e-mail address and a photo on the web page. Contact can be made with different persons depending on what the question or problem concerns; if you want to talk to a certain department, to give comments regarding the web site and so on.

Brand: According to Adera, and interviews with distributors, medical companies are often convinced about that the company name is insignificant. Focus is usually upon product names and brands instead. Most of the indirect customers also confessed that they had no knowledge of the producing company's name, but only the product name. Communication using the investigated media will be linked and associated to the company name, either by means of the homepage or the help-lines to MHC. We assume that if there is no link between the company name and the product names, the value adding activity might later not be related to the company.

Thus, if the aim is to increase demand and use of MHC's products, the link between company name and product name is essential. To build awareness of the company name could be done by e.g. starting the promotion in medical school. Offering medical students services they can use in their education such as on-line magazines, databases for medical literature and articles etc., could do this. To offer Internet access and courses to

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customers will also be an activity where MHC can increase good-will and draw attention to the company name.

How can a company in the health care industry use interactive media in communication with their customers in order to improve relations?

Throughout this thesis we have made the assumption that communication adapted to customers preferences improve relations, supported by different authors and theories. As stated in the beginning of this thesis: Relationships cannot exist without communication. The question now is how communication via the specific media we investigated, can be used in order to improve relations.

What the customers want from the communication has shown to be the opportunity to choose *when*, *where* and *how* to communicate. Since this is what the majority of our investigation want, Internet/e-mail and inbound telephone services could help improve relationships. These media should of course be used in combination with other ways of contact; personal visits and mail are still the most popular alternatives.

To conclude we summarise what we concider to be the most important conclusions, and suggest different action alternatives. In this model we assume that internal issues (Internet access etc) are solved.

Conclusion	**Aim**	**Proposed action**

- Internet **access** among indirect customers in Sweden and Denmark relatively high.

- Internet **access** among indirect customers in Germany, UK and Spain lower than 40%.

Reach more customer with this media

Communicating with those having access today

Increase the usage

Concentrate on those using it today.

Provide the customers with Internet access

Reach the target at other places, e.g. at home

Promote through *other* media.

Offer e.g. lists of links to medical sites and research, newsletters by e-mail, and so on.

- Internet **usage** is not very high, 40% of our respondents use it 1/week or more.

- Opinions about telephone in our study are influenced by position and country belonging

Communicate with customers via this media

Use outbound tele-marketing activities, with consideration taken to position

Offer help-lines

- *Knowledge* considered to be the largest barrier for using Internet/e-mail

- Few respondents, outside the UK, are able to fully understand a home-page in English

Communicate with all customers by these media.

Offer courses in how to use Internet and e-mail

Translate the company homepage to local languages

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OTHER THINGS TO DO

11. FUTURE RESEARCH

During our work we have had to make certain limitations, and we also came across issues closely related to our subject that would require further investigation. Some questions are specific for MHC and others for general interest. These will now be presented as areas of future research.

11.1 THE DEVELOPMENT OF INTERNET AND TELEMARKETING IN EUROPE

Since the Internet is in constant development, the factors we have presented here will, after some time, be obsolete. The Internet penetration of the different markets in Europe will most likely increase, and attitudes and opinions will change towards these media, as will the technical development. It is of great importance to keep track of the customers changing demands and interests.

Telemarketing rules are also changing, and the EU recently gave an official reprimand to UK for the their high telephone tariffs. This is an area that probably will become more and more coherent within Europe, both the rules for telemarketing as well as the tariffs.

New marketing tools and solutions will emerge with the advancing technologies and integration of these (and other) media. Since this is a very volatile market it is vital to scan the market for future trends and tendencies.

11.2 EDI

Electronic Data Interchange is a subject that concerns trade, and is something that should be developed together with other on-line services, to be able to offer an integrated entirety to the customers. There are different standards for EDI and how this should be developed, and to whom it

should be directed in the different markets is something that would be of value to examine.

The interest for these solutions among MHC's customers should be investigated closer, and perhaps the service should be constructed in collaboration with the distributors. How the sucurity of making business over the Internet is perceived by the customers, and whether they would prefer to have an Intranet/extranet should be examined.

11.3 THE TARGET

In the market of Mölnlycke Health Care there are as shown many stakeholder and actors. We have focused upon distributors, nurses and GPs, but further investigation of other actors would also be useful. To identify the main actors and their influence in the buying process, how they could be reached are some questions of interest.

With the use of the Internet, no stakeholder is excluded from the communication, so an increased interest from end-users (e.g. patients and their relatives) could emerge, since this media will facilitate the gathering of information.

11.4 OTHER MARKETS

Our investigation is focused upon different markets in Europe. Variances between the countries were obvious when it came to e.g. infrastructure, penetration of the Internet and telemarketing rules. Other markets might show other differences and factors that influence the buying process and the communication. Eastern Europe is one example that was not included in our work, and that probably would show yet another picture of the situation in Europe.

Markets *outside* Europe could also be an area of future investigation. The area of E-business and e-trade is much more developed in for example the USA, both in business-to-business and business-to-consumer. The heath

care companies in this market have for a long time been selling e.g. OTC products (Over The Counter) on-line to consumers.

11.5 BRANDING

The importance of brand names has been emphasised in the literature. When it comes to marketing on the Internet, the importance is stressed even more since without a brand, the company is hard to find on the Web. This was a subject we found very interesting, especially since it became clear during the interviews that the indirect customers only knew the product name and not the producing company's name.

Questions such as how important it is to create a strong brand name to succeed on the Internet, and *how* this could be done, would be of great interest. A deeper investigation of the customers' perceptions of different brands - product as well as company names - could be done. This should be done in order to see how important the customers find the brand, as well as getting a picture of MHC (and its products) position in comparison to competitors.

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APPENDIX A - DICTIONARY & DEFINITIONS

Call-centre: "A call center is a central place where customer and other telephone calls are handled by an organization, usually with some amount of computer automation. Typically, a call center has the ability to handle a considerable volume of calls at the same time, to screen calls and forward them to someone qualified to handle them, and to log calls. Call centers are used by mail-order catalog organizations, telemarketing companies, computer product help desks, and any large organization that uses the telephone to sell or service products and services." (www.whatis.com)

Click2call: A function on an Internet page, where the user can click on a "button" in order to be called up by the company right away. (explaianed by BITE)

Communication: "an act or instance of transmitting; a process by which information is exchanged between individuals through a common system of symbols, signs, or behaviour; also: exchange of information."
(www.m-w.com/dictionary.htm)

Discussion forum (or discussion board): "A discussion board is a general term for any online "bulletin board" where you can leave and expect to see responses to messages you have left. Or you can just read the board. Bulletin board services were invented for this purpose (as well as to allow for the exchange of uploaded/downloaded files)." (www.whatis.com)

*E-business***: "**It comprises all digitalised interactions a company can have with customers and other stakeholders: information, communication and transaction of goods and services. It is a new business logic enabled by Internet technologies. This new logic:
- Spans entire value chains and creates new economic value
- Breaks down borders and enhances relationships
- Impacts large enterprises as well as new start-ups"(Adera)

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E-commerce *(electronic commerce):* "is the buying and selling of goods and services on the Internet, especially the World Wide Web. In practice, this term and a new term, "e-business," are often used interchangeably. For online retail selling, the term e-tailing is sometimes used." (www.whatis.com)

E-mail *(electronic mail):* "is the exchange of computer-stored messages by telecommunication. E-mail was one of the first uses of the Internet and is still the most popular use. A large percentage of the total traffic over the Internet is e-mail. E-mail can also be exchanged between online service users and in networks other than the Internet, both public and private." (www.whatis.com)

Homepage: "For a Web site developer, a home page is the first page presented when a user selects a site or presence on the World Wide Web. The usual address for a Web site is the home page address, although you can enter the address (URL) of any page and have that page sent to you." (www.whatis.com)

Hot line: "…a direct telephone line in constant operational readiness so as to facilitate immediate communication, usually a toll-free service available to the public for some specific purpose" (www.m-w.com/dictionary.htm)

Inbound telemarketing: Activities that consists of incoming phone calls to the company, examples are help-lines, toll free numbers etc. (BITE)

Interactive: "mutually or reciprocally active: relating to, or being a two-way electronic communication system (as a telephone, cable television, or a computer) that involves a user's orders (as for information or merchandise) or responses (as to a poll)" (www.m-w.com/dictionary.htm)

Interactivity: "In computers, interactivity is the sensory dialog that occurs between a human being and a computer program. Games are usually

thought of as fostering a great amount of interactivity. However, order entry applications and many other business applications are also interactive, but in a more constrained way; offering fewer options for user interaction.

In addition to hypertext, the Web (and many non-Web applications in any computer system) offer other possibilities for interactivity. Any kind of user input, including typing commands or clicking the mouse, is a form of input. Displayed images and text, printouts, motion video sequences, and sounds are output forms of interactivity." (whatis.com)

The Internet: "…is a worldwide system of computer networks - a network of networks in which users at any one computer can, if they have permission, get information from any other computer (and sometimes talk directly to users at other computers). It was conceived by the Advanced Research Projects Agency (ARPA) of the U.S. government in 1969 and was first known as the ARPANet. The original aim was to create a network that would allow users of a research computer at one university to be able to "talk to" research computers at other universities. A side benefit of ARPANet's design was that, because messages could be routed or rerouted in more than one direction, the network could continue to function even if parts of it were destroyed in the event of a military attack or other disaster.

Today, the Internet is a public, cooperative, and self-sustaining facility accessible to hundreds of millions of people worldwide. Physically, the Internet uses a portion of the total resources of the currently existing public telecommunication networks.

For many Internet users, electronic mail (e-mail) has practically replaced the Postal Service for short written transactions. Electronic mail is the most widely used application on the Net. You can also carry on live "conversations" with other computer users, using IRC (Internet Relay

III

Chat). More recently, Internet telephony hardware and software allows real-time voice conversations.

The most widely used part of the Internet is the World Wide Web (often abbreviated "WWW" or called "the Web"). Its outstanding feature is hypertext, a method of instant cross-referencing. In most Web sites, certain words or phrases appear in text of a different colour than the rest; often this text is also underlined. When you select one of these words or phrases, you will be transferred to the site or page that is relevant to this word or phrase. Sometimes there are buttons, images, or portions of images that are "clickable." If you move the pointer over a spot on a Web site and the pointer changes into a hand, this indicates that you can click and be transferred to another site.

Using the Web, you have access to millions of pages of information. Web "surfing" is done with a Web browser, the most popular of which are Netscape Navigator and Microsoft Internet Explorer. The appearance of a particular Web site may vary slightly depending on the browser you use. Also, later versions of a particular browser are able to render more "bells and whistles" such as animation, virtual reality, sound, and music files, than earlier versions." (www.whatis.com)

Intranet and Extranet: "An intranet is a private network that is contained within an enterprise. The main purpose of an intranet is to share company information and computing resources among employees. An intranet can also be used to facilitate working in groups and for teleconferences.

Typically, larger enterprises allow users within their intranet to access the public Internet through firewall servers that have the ability to screen messages in both directions so that company security is maintained. When part of an intranet is made accessible to customers, partners, suppliers, or others outside the company, that part becomes part of an extranet." (www.whatis.com)

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Link: "A link is a selectable connection from one word, picture, or information object to another. In a multimedia environment such as the World Wide Web, such objects can include sound and motion video sequences. The most common form of link is the highlighted word or picture that can be selected by the user (with a mouse or in some other fashion), resulting in the immediate delivery and view of another file. Links are what make the World Wide Web a web." (www.whatis.com)

On-line marketing, "a form of direct marketing conducted through interactive on-line computer services, which provide two-way systems that link consumers with sellers electronically."(Kotler)

Outbound telemarketing: Activities consisting of phone calls from the company directed at current or potential customers. Examples of activities are sales lead generation, appointment setting, market research, surveys, database or mailing list purge, business development, seminar invitation, etc. (www.telemarketing.com)

Permission marketing: "is an approach to selling goods and services in which a prospect explicitly agrees in advance to receive marketing information. Opt-in e-mail, where Internet users sign up in advance for information about certain product categories, is a good example of permission marketing. Advocates of permission marketing argue that it is effective because the prospect is more receptive to a message that has been requested in advance and more cost-efficient because the prospect is already identified and targeted. In a world of information overload, automated telemarketing, and spam, most people welcome the idea of permission marketing." (www.whatis.com)

Telemarketing: "…is the planned and controlled use of telephone communication to build profitable long-term relationships with members of influential audiences who impact on an organisation's success."
(Telemarketing in Action)

Two-way communication: "involving or allowing an exchange between two individuals or groups; especially designed for both sending and receiving messages: involving mutual responsibility or reciprocal relationships" (www.m-w.com/dictionary.htm)

WWW *(World Wide Web)*: "The World Wide Web is the universe of network-accessible information, an embodiment of human knowledge." (www.whatis.com)

APPENDIX B - MÖLNLYCKE HEALTH CARE

The company

The company has 1,800 employees working in seven manufacturing units in Europe and Thailand, and ten regional sales organisations in Europe and North America. Mölnlycke HC is also represented in East Europe, the Middle East and Asia, and has distributors in more than fifty other countries.

Mölnlycke Health Care is divided in two divisions (see model below), Surgical and Wound Management. The Surgical Division product range consists mainly of single-use staff and patient clothing for the operating theatre. The Wound Management Division range consists of conventional and advanced dressings for wounds.

The products

The product range consists mainly of sterile products for use in operating theatres such as patient drapes; staff clothing, surgical dressings and advanced wound care products.

Two different business systems:

In the **Swedish/Italian system**, the Home Care segment is to a large extent integrated into the same health care provision system as the acute segment. In these countries the distinction between the two segments, Acute Care and Home Care is quite small. In order to sell to the Depot of the county council, the products must be chosen in a public purchasing procedure, by which the company is allowed to sell their products. The decision makers in this procedure are mainly a reference group consisting of specialist doctors and nurses. Due to this the Home Care market is to a great extent influenced by decisions taken in the acute segment. The municipalities vary in their purchasing behaviour, by either buying from the depot (85%) or from a wholesaler.

The **continental system** is the most common in Europe. In these countries, the Home Care segment is clearly separated from the acute segment. Otherwise the basic logic is very similar to the Swedish/Italian system. (Figure in chapter 4)
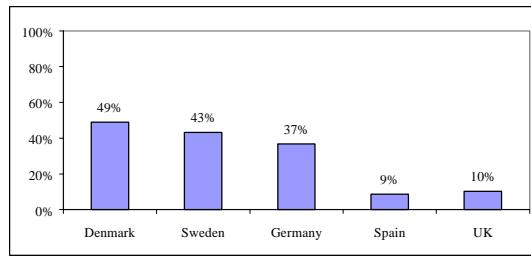
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APPENDIX C - CHARTS
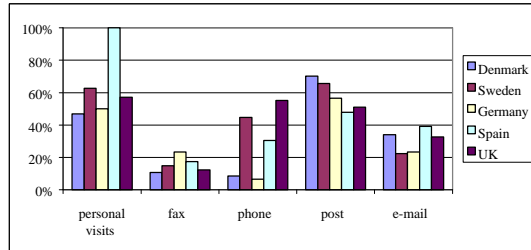

Chart 1: Access to extrnal e-mail per country
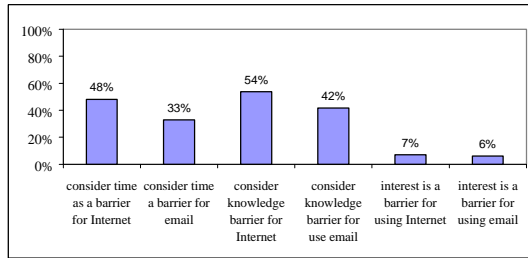

Chart 2: Wanted forms of contact per country

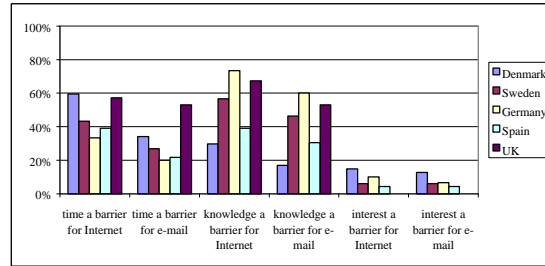*Chart 3: Attitudes about different barriers*
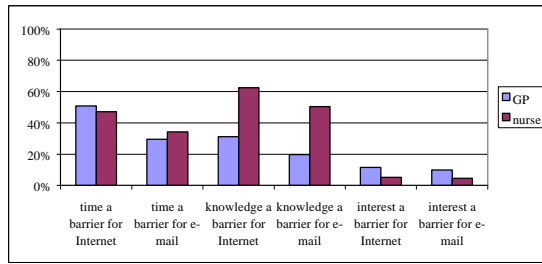

Chart 4: Attitudes about barriers depending on country

X

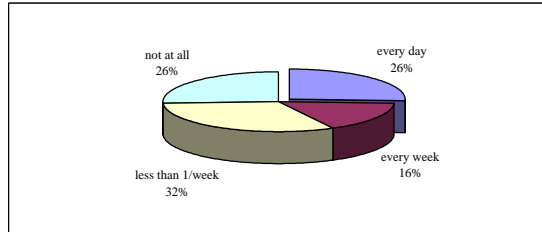*Chart 5: Attitudes about barriers depending on position*
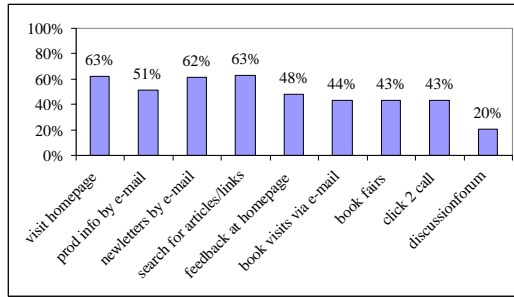

Chart 6: The use of Internet

XI

Chart 7: Interest for different Internet and e-mail solutions
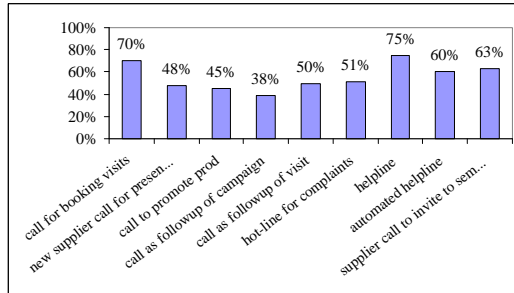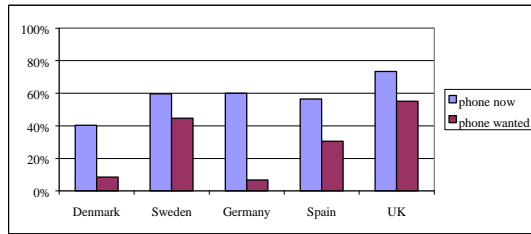

Chart 8: Interest for different telephone solutions

XII

*Chart 9: Customer interest in being contacted by the phone compared to
how much they are contacted by this media, per country.*

- To test the likelihood that the oberserved relationship could be a result of sampling error the following formel has been used:

$$c2 = \sum \frac{(A-E)2}{E}$$

- df has been calculated according to: (c-1) (r –1)

- All results have been tested on a significantlevel at 5%.

Significance test 1
Does the intrest for personal visit depend on country belonging?
H_0 = independent, that is, it depends on sampling error
H_1 = dependent, that is, it depends on country belonging

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
22	28	-6	36	1,285714
25	19	6	36	1,894737
42	40	2	4	0,1
25	27	-2	4	0,148148
15	18	-3	9	0,5
15	12	3	9	0,75
23	14	9	81	5,785714
0	9	-9	81	9
28	30	-2	4	0,133333
21	19	2	4	0,210526

df = 4, chi-square value = 9,49 $c2 = \sum \frac{(A-E)2}{E} = $ **19,80817**

→ Not assuming the null hypothesis.

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Significance test 2

Does the intrest for personal visit depend on position?

H_0 = independent, that is, it depends on sampling error

H_1 = dependent, that is, it depends on position

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
30	26	4	16	0,615385
31	18	13	169	9,388889
100	93	7	49	0,526882
55	62	-7	49	0,790323

df = 1, chi-square value = 3,84 $c2 = \sum \frac{(A-E)2}{E} = \mathbf{11,32148}$

→ Not assuming the null hypothesis.

Significanse test 3

Does the intrest or uninterest in being contaced by e-mail depend on position?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on position

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
21	18	3	9	0,5
40	43	-3	9	0,209302
42	45	-3	9	0,2
113	110	3	9	0,081818

df = 1, chi-square value = 3,84 $c2 = \sum \frac{(A-E)2}{E} = \mathbf{0,991121}$

→ Assuming the null hypothesis.

Significanse test 4

Does the intrest or uninterest in being contaced by e-mail depend on age (that is, younger or older than 40)?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on age

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
16	18	-2	4	0,222222
44	43	1	1	0,023256
47	46	1	1	0,021739
109	111	-2	4	0,036036

df = 1, chi-square value = 3,84 $c2 = \sum \frac{(A-E)2}{E} = \mathbf{0,303253}$

→ Assuming the null hypothesis.

Significanse test 5

Does the intrest or uninterest in being contacted by phone depend on country belonging?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on country belonging

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
4	15	-11	121	8,066667
43	32	11	121	3,78125
30	22	8	64	2,909091
37	45	-8	64	1,422222
2	10	-8	64	6,4
28	20	8	64	3,2
7	7	0	0	0
16	16	0	0	0
27	16	11	121	7,5625
22	33	-11	121	3,666667

df = 4, chi-square value = 9,49 $\qquad c2 = \sum \frac{(A-E)2}{E} = \mathbf{37{,}0084}$

→ Not assuming the null hypothesis.

Significance test 6
Does the intrest or uninterest in being contacted by phone depend on position
H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on position

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
12	20	-8	64	3,2
49	41	8	64	1,560976
58	50	8	64	1,28
97	105	-8	64	0,609524

df = 1, chi-square value = 3,94 $\qquad c2 = \sum \frac{(A-E)2}{E} = \mathbf{6{,}650499}$

→ Not assuming the null hypothesis.

Significanse test 7
Does the frequency of use (divided into once/week or more and less than once/week or not at all) of Internet depend on age (that is, younger or older than 40)?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on age

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
19	15	4	16	1,066667
1	5	-4	16	3,2
44	48	-4	16	0,333333
21	17	4	16	0,941176

df = 1, chi-square value = 3,94 $\qquad c2 = \sum \frac{(A-E)2}{E} = \mathbf{5{,}541176}$

→ Not assuming the null hypothesis.

Signifikans test 8
Does the frequency of use of Internet depend on country belonging? →
This test could not be done as one of the förutsättningarn is that neither the
observed nor the expected frequencies is lower/below 5. In our case the
people having access and possibility to use Internet in Spain was less than
5.

Signifikans test 9
*Does the frequency of use (divided into once/week or more and less than
once/week or not at all) of Internet depend on position?*
H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on position

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
17	13	4	16	1,230769
13	17	-4	16	0,941176
19	23	-4	16	0,695652
36	32	4	16	0,5

df = 1, chi-square value = 3,94 $c2 = \sum \frac{(A-E)2}{E} = \mathbf{3,367598}$

→ Assuming the null hypothesis.

Signifikans test 10
*Does the frequency of use (divided into once/week or more and less than
once/week or not at all) of e-mail depend on age (that is, younger or older
than 40)?*
H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on age

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
18	19	-1	1	0,052632
8	7	1	1	0,142857
59	58	1	1	0,017241
20	21	-1	1	0,047619

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df = 1, chi-square value = 3,94 $\qquad$ $c2 = \sum \frac{(A-E)2}{E} = \mathbf{0,260349}$

→ Assuming the null hypothesis.

Signifikans test 11

Does the frequency of use of e-mail depend on country belonging? → This test could not be done as one of the förutsättningarn is that neither the observed nor the expected frequencies is lower/below 5. In our case the people having access and possibility to use e-mail in Spain was less than 5.

Signifikans test 12

Does the frequency of use (divided into once/week or more and less than once/week or not at all) of e-mail depend on position?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on position

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
28	22	6	36	1,636364
3	9	-6	36	4
48	54	-6	36	0,666667
26	20	6	36	1,8

df = 1, chi-square value = 3,94 $\qquad$ $c2 = \sum \frac{(A-E)2}{E} = \mathbf{8,10303}$

→ Not assuming the null hypothesis.

Signifikans test 13

Does the interest for e-mail as contact form depends on the access to e-mail today?

H_0 = independent, that is, it depends on sampling error

H_1 = beroende, that is, it depends on the access

A	E	A-E	$(A-E)^2$	$(A-E)^2/E$
39	31	8	64	2,064516
66	74	-8	64	0,864865
24	32	-8	64	2

| 87 | 79 | 8 | 64 | 0,810127 |

df = 1, chi-square value = 3,94 $c2 = \sum \frac{(A-E)2}{E} = \textbf{5,739508}$

→ Not assuming the null hypothesis.

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| 87 | 79 | 8 | 64 | 0,810127 |

df = 1, chi-square value = 3,94 $c2 = \sum \frac{(A-E)2}{E} = \textbf{5,739508}$

→ Not assuming the null hypothesis.

Questionnaire for Master thesis

Sex? ☐ Male ☐ Female
Age? ☐ < 30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ 60-
Country? ☐ Denmark ☐ Germany ☐ Spain ☐ United Kingdom
Profession? ☐ General Practitioner ☐ Nurse ☐ Other………………

1. **At home**, do you have access to:

	Yes	**No**
- A computer?	☐	☐
- Internet?	☐	☐

2. **At work**, do you have access to:

	Yes	**No**	**No, but there are plans to install it**
- A computer?	☐	☐	☐
- Internet?	☐	☐	☐

   If you don't have access to Internet at work, please go to question 5!

3. How often do you use the Internet at work? (tick only one option)

   ☐ Every day
   ☐ Every week
   ☐ Less than once a week
   ☐ Not at all (go to question 5)

4. To what do you use the Internet at work? (tick all relevant answers)

   ☐ Looking for medical research
   ☐ Visiting homepages for product information
   ☐ Visiting homepages for company information
   ☐ Ordering products
   ☐ e-mail
   ☐ Other…………………………………………………….

5. Do you have access to e-mail at work? (tick only one option)

   ☐ Yes, for internal use
   ☐ Yes, for external use
   ☐ Yes, for both internal and external use
   ☐ No, not now but there are plans to install it (go to question 7)
   ☐ No (go to question 7)

6. How often do you use your e-mail at work? (tick only one option)

☐ More than once a day
☐ About once a day
☐ More than once a week
☐ Less than once a week
☐ Not at all

7. How are you mainly contacted **today** by sales reps. and suppliers of wound care products? (tick all relevant answers)

☐ Personal visits
☐ Fax
☐ Telephone
☐ Mail
☐ e-mail

8. How **would you prefer** to be contacted by sales reps. and suppliers of wound care products? (tick all relevant answers)

☐ Personal visits
☐ Fax
☐ Telephone
☐ Mail
☐ e-mail

9. What **Internet and/or e-mail applications** do you think would be interesting for you to use in your work? (tick one option for each alternative)

	Interested	Not interested	Don't know
- Visit a suppliers homepage to get information about the company its products, prices etc.	☐	☐	☐
- Receive information about new products via e-mail.	☐	☐	☐
- Receive newsletters via e-mail based on your preferences and interest (e.g. current research).	☐	☐	☐
- Search for articles and links to relevant research.	☐	☐	☐
- Use a supplier's homepage to voice complaints and give feed-back.	☐	☐	☐
- Register to seminars and conferences on-line.	☐	☐	☐
- Book visits from sales reps and suppliers.	☐	☐	☐
- Use the homepage to have the supplier call you back.	☐	☐	☐
- Participate in discussion forums on the Internet.	☐	☐	☐
- Others ………………………………………	☐	☐	☐

10. Disregarding if you have access to Internet and/or e-mail, what do you consider as possible barriers for using it (more) in your work? (tick all relevant answers)

	Internet	e-mail
- I do not have the time to use:	☐	☐
- I do not have enough knowledge to use:	☐	☐
- I am not interested in using:	☐	☐
- Other…………………………………..	☐	☐

11. Which of the following alternatives, concerning the use of the **telephone,** do you consider interesting for you and your suppliers of wound care products to use in your contact? (tick one option for each alternative)

	Interested	Not interested	Don't know
- A supplier calls you up to book visits.	☐	☐	☐
- A new supplier calls you to introduce themselves and their products.	☐	☐	☐
- A supplier calls you to promote new products	☐	☐	☐
- A supplier calls you to follow-up a product campaign.	☐	☐	☐
- A supplier calls you to follow-up a personal visit.	☐	☐	☐
- A hot-line to a supplier that you can call to raise complaints.	☐	☐	☐
- A help-line at a supplier to which you could call to ask questions and get advice.	☐	☐	☐
- An automated help-line at a supplier to which you could call for product information, e.g. prices, size etc.	☐	☐	☐
- A supplier calls to invite you to seminars, meetings etc.	☐	☐	☐
- Other…………………………………………	☐	☐	☐

12. What do you think of using Internet, e-mail and telephone in the contact with your suppliers? Please share your reflections and/or any comments you might have with us!

…………………………………………………………………………………………

…………………………………………………………………………………………

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…………………………………………………………………………………………

…………………………………………………………………………………………

Interview guide used for indirect customers, and with slight modifications also for the direct customers.

Could you describe your work?

1. Product choice

- Do you have any possibility to influence what kind of wound care products to use?

- How do you decide what product to use/purchase?

- What would make you use/purchase new product?

2. Supplier contact today?

- How do you receive information about wound care products today? How would you like to receive it? What kind of information do you expect/want?

- How often do suppliers contact you? Good or bad?

- What do you want from a supplier, what additional services can he provide to make you a "happy customer"?

3. Internet?

- Do you have access to a computer/Internet/e-mail?

- Are you currently using these?   If YES, in what purpose? Why?

                                    If No, why not?

- If you found information about a product on the Internet that you thought was interesting, would you contact the supplier for more information?

- What kind of information and services would make you use the Internet (more)?

- Do you think that the computer/Internet will affect your work in the future? In what ways?

- What do you consider to be the largest barrier for using Internet and e-mail? Why?

4. TELEMARKETING?

- Are you currently using any hot/help-line? Do you think this is a good service? What kind of telephone services would you like to use?

5. RELATIONSHIP

- What "kind of contacts" do you want to have to your suppliers? How, how often, when?

- Do you consider your relations to suppliers to be good? Could you tell us what you think is characteristic for a good relation? How should the supplier behave/offer you?