



COLLEGIUM HUMANUM
WARSAW MANAGEMENT UNIVERSITY

CONFERENCE VOLUME

**Interdisciplinary Economics and
Management Research Congress
IEMR 2020**

Current topics in Economics and Social Sciences

Date: 23./24.10.2020

**Place: COLLEGIUM HUMANUM - Szkoła Główna
Menedżerska ul. Moniuszki 1A, 00-014 Warszawa**

Published by:

COLLEGIUM HUMANUM, Warsaw Management University

Center of European Studies

ISBN 978-83-958245-2-4

Due to the corona pandemic in 2020, this conference was held virtually

Editor and Chairman

HM Prof. dr. hab. inż. Paweł Czarnecki, MBA, LL.M, MPH, Dr h.c.
Rector Collegium Humanum, Warsaw Management University

Scientific Committee (in alphabetic order)

Prof. Dr habil. Tadeusz Bąk- Polish Accreditation Committee (Poland), Theological Faculty in Kosice, KUR, Slovakia

Prof. Dr hab. Pavol Dancak, Dr h.c. University of Presov, Slovakia

Prof. Dr. Thorsten Eidenmueller, LL.M., Collegium Humanum, Warsaw Management University

Prof. Dr. Urs Gruber, Health Campus SEU Ebikon, Switzerland

Prof. Dr habil. Jarosław Kostrubiec, University of Maria Curie-Skłodowska, Lublin

Prof. Dr. Heiko Meyer, Collegium Humanum, Warsaw Management University

doc. PhDr. Jaroslav Mihálik, PhD., Faculty of Social Sciences, University of Saints Cyril and Methodius, Trnava, Slovakia

Prof. Dr. Dr. Claus Muss, PhD., Collegium Humanum, Warsaw Management University

Prof. Dr. Burkhard Schuetz, Collegium Humanum, Warsaw Management University

Prof. Dr hab. Wojciech Słomski, Dr h.c. mult. University of Economics and Human Sciences, Warsaw

Preface

We are proud to present the conference volume of the conference *Interdisciplinary Economics and Management Research Congress - IEMR*. The conference IEMR in 2020 took place on the topic *Current topics in Economics and Social Sciences*. The main focus of the congress are lectures and their articles with topics in economic research in an interdisciplinary context. Interdisciplinarity is imperative in today's world in order to answer questions in today's modern world. The participants and authors are experts in their respective fields. They have many years of professional and research experience in their disciplines. Often they can look back on an impressive achievementst - not least because of applied experience, through which they promote science and research to a high degree. In our conference volume, the abstracts of the detailed presentations have been published.

Warsaw, October 2020

The editors



COLLEGIUM HUMANUM
WARSAW MANAGEMENT UNIVERSITY

Contents

Blankenberg, Mike Markovic, Peter <i>How do marketing instruments from the social media area work for the church in view of ongoing developments and current framework conditions</i>	7
Bruns, Lukas <i>Can companies generate additional revenue with pay what you want pricing models?</i>	24
Krüger, Sven <i>Economic Theory, European Competition Policy and European Market Integration</i>	29
Nisch, Stefan <i>An analysis of citizens' perceptions of government communications during the coronavirus pandemic</i>	34
Seitenberg, Markus <i>„Good faith“ principles and pre-contractual liability under the CISG</i>	46
Weber, Marc <i>How digital approaches can foster international collaborations – an overview</i>	57
Weber, Jens <i>A comparison between non-profit and for-profit organizations in regards of their contribution to social sustainability</i>	62
Changae, Ali <i>Targeted measures in personnel management in regional branch pharmacy structures against the background of demographic change and shortage of skilled workers</i>	67



Hosseini, Mohammad <i>Communication strategies as a solution-oriented marketing instrument for the pharmaceutical trade in the context of increasing competition</i>	73
Herold, Mark <i>Logistics concept for the supply of medicines to health care facilities by pharmacies with a focus on the concept of secondary blister packaging and the associated supply of medicines</i>	78
Tahir, Ismail <i>Social media in political communication and in election campaigns</i>	83
Niemuth, Lukas <i>Crisis and risk management of supply chains in the pharmaceutical industry</i>	88
Storck, Wolfgang <i>The reintroduction of the juvenile sentence of indefinite duration. Social necessity due to changes in society caused by various factors</i>	93
Niemuth, Robert <i>Use of CRM and churn management in stationary pharmacies to secure and expand the customer base</i>	99
Wick, Alexander <i>Correlation of multichannel marketing to purchasing behavior in the healthcare sector</i>	104
Hasltreiter-Yilmaz, Erdem <i>Strategic change and supply chain of pharmacies industry</i>	110
Lange, Jürgen <i>Status Quo von Banken und deren Messinstrumente</i>	115
Ahmad, Iyad <i>Consequences of the strategic and technological influencing factors on stationary pharmacies</i>	119
Krieger, Alexander <i>Digitalisation and automation in tax services</i>	124



Stahl, Nico <i>The successful implementation of CRM in the pharmaceutical market</i>	129
Rezepa, Stefan <i>Strategy for the pharmaceutical industry through "eRezept"</i>	134
Kozcian, Bernhard <i>The new role of the modern pharmacist- What new tasks will pharmacists have to face in the future?</i>	140

Imprint



COLLEGIUM HUMANUM
WARSAW MANAGEMENT UNIVERSITY

Collegium Humanum

Warsaw Management University

Moniuszki 1a Str. 00-014 Warsaw, Poland

www.humanum.pl

ISBN 978-83-958245-2-4

(c) 2020 Collegium Humanum Warsaw

How do marketing instruments from the social media area work for the church in view of ongoing developments and current framework conditions?

Mike Blankenberg, PhD.-Student at Comenius University Bratislava
Peter Markovic, Professor

Abstract

Current demographic conditions and foreseeable future developments are forcing Germany's two major Christian churches to develop innovative strategies to recruit members or to retain them in the long term. Already today, less than 50 percent of 6 to 18-year-olds are Protestant or Catholic. According to forecasts, this figure will be halved by 2060. Church marketing offers a variety of promising options to survive in the increasingly difficult competition on the "market" for believers and followers. One of the sub-questions is how marketing measures from the social marketing sector can be used to recruit volunteers for service in the church and people interested in religion. This paper examines the effects of different approaches that social marketing offers for church management. The main conclusion is that bringing together the thinking of economists and theologians is indispensable to help the church in the 21st century to innovate and become more attractive in the competition with people interested in religion.

Keywords: Church Management; Church Marketing; Monetary donation; Social Media; Church Tax.

1.0 Introduction

The loss of members, with which both the Roman Catholic Church and the Evangelical Church in Germany (EKD) are confronted, is a growing cause for concern. Moreover, as the second chapter of this paper shows, this trend will become even more dramatic. For this reason, innovative approaches are needed on the part of the churches in order to get people excited about the gospel, to reach out to visitors at church services and to win over volunteers for work in the parishes. Promising in this context are strategies and instruments from the field of church marketing, especially social marketing. This sub-area of economics offers a variety of approaches to take innovative paths and to introduce even "unchurched" individuals to the good news of God.

The present elaboration consists of the subject area, to what extent the marketing instruments of social media effectively reach church members and religiously interested people. First of all, a description of the current and predicted demographic conditions that form the framework for action for the two large Christian churches in Germany is given. The main part of this elaboration focuses on church marketing. After a theoretical introduction, it is worked out how protagonists of the scientific discipline of economics can be used effectively and in a contemporary way in the sub-area of marketing. This elaboration is rounded off by practical data of a rural/small-town church community, which stand for innovative measures in the area of church marketing.



2.0 Current demographic and social conditions

In recent years, the two major Christian churches in Germany have lost significant numbers of members. In 2005, 25.87 million people belonged to the Roman Catholic Church and 25.39 million to the EKD. In 2018, these figures had fallen to 23.00 million and 21.14 million church members, respectively, and both churches had recently recorded more departures and deaths than new members..¹ The two decreasing trends are shown in Figure 1.

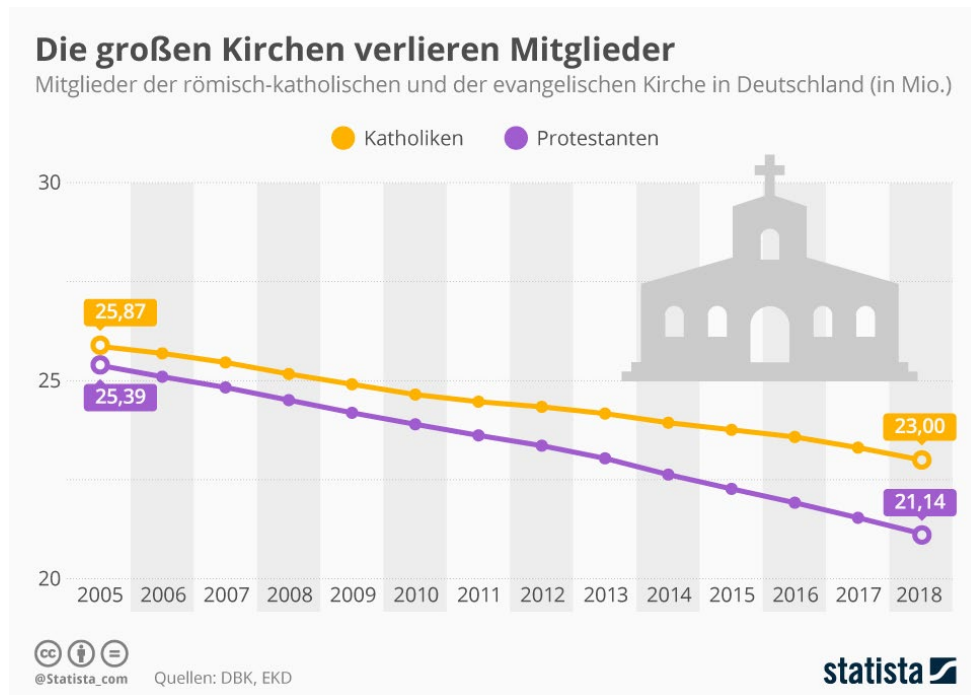


Figure 1 Decline in membership of the two major churches in Germany 2005-2018²

In the coming decades, both churches will also have to adjust to serious demographic changes. According to a current study, the number of members is likely to halve again by 2060. With the religion-educationally important age group of the 6 - to 18-years old the trend is still more dramatic. In 2017, around 52 percent of this cohort belonged to one of the two major churches. By 2020, the majority will be non-denominational or belong to another religious community for the first time. Forecasts assume that in 2060 only a quarter of the population aged 6 to 18 years will be Protestant or Catholic.³

The beginning of this development could already be seen at the end of the 1980s. In contrast to the decades before, non-membership in the church was no longer negatively sanctioned by

¹ Comp.. Nier (2019), Abs. 1.

² Source: Nier (2019).

³ Comp. Peters, Ilg & Gutmann (2019), P. 197 ff.

society. A liberal normality was established, and the two large churches in Germany gradually lost their status as main institutions whose role and function had previously been accepted by the population as a matter of course. Even then, their development into social sub-organizations became apparent, which had to be attractive to existing and new members and had to face competition.⁴ Today's demographic reality and predicted future developments force the churches to develop innovative strategies. They must, for example, adapt their personnel structure plans, develop future plans for church kindergartens, schools and diaconia or Caritas and implement advertising measures.⁵ Pandemic-related restrictions due to official requirements on the one hand, and on the other hand the extensive granting of short-time work compensation and the associated reduction in payroll tax, and consequently also in church tax, make things more difficult, so that a financial restriction greatly hinders the revitalization of church work. In these strategic measures, social media activities are a building block of church marketing measures, which will be examined in more detail below.

3.0 Church-Marketing

Until a few years ago, marketing was usually regarded as a task within the company in the private, profit-oriented sector. However, more and more organizations in the non-commercial sector have been confronted with problems in recent years, such as insufficient demand, growing need for financial resources or declining donations. As a result, approaches and instruments of the private sector to solve such problems - i.e. also in the field of marketing - have emerged. The increasing growth of non-profit organizations, and in this case the churches, in turn requires a more professional orientation and management of activities. In fact, however, marketing is nothing entirely new for non-profit organizations. Instruments such as advertising, public relations, target group identification are also currently in use.

Despite the existing reservations about marketing measures in the sense of "We don't want to sell anything, so why should we do marketing?", the realization is gaining ground among organizations in the non-profit and social sectors that an active and goal-oriented design of their exchange processes and the relationships with their buyers, customers, citizens, members or donors must not be neglected. If one considers further, how important it is in this area in

⁴ Comp. Daiber (1988), P. 70 f.

⁵ Comp. Peters, Ilg & Gutmann (2019), P. 206.



particular to reach as many people as possible with a limited budget, it becomes clear that economic efficiency must be a law of the market for social action.

The extension of the marketing concept to non-profit organizations is based on the conviction that marketing should be used as a mindset (orientation towards the needs and satisfaction of believers and spiritually interested people) and as a mix of instruments likewise to solve problems and achieve goals in the non-profit sector.

Therefore, the term marketing includes those activities that are directed towards the design and control of all exchange processes in human life. These processes can concern material or immaterial products, ideas and attitudes. actors in these exchange processes in human life. These processes can concern material or immaterial goods, ideas and attitudes. Participants in these exchange processes can be individuals, groups of people, non-profit or business organizations, private or public companies. This marketing term therefore covers not only exchange processes in the economy, but also in other areas such as politics, society, state or the private sector.

An overview of marketing in the ecclesiastical, diaconal or social sector (non-profit, non-business)⁶

Social media activities	Examples of institutions
Non-commercial state or state-controlled institutions	Health authorities, local health insurance, social services
Cultural institutions	adult education center, theater, museums
Charitable foundations and actions	Red Cross, Action Problem Child
Religious institutions	Churches, denominations

The marketing of non-commercial state or state-controlled political, cultural and religious institutions and non-profit foundations is called social marketing.

„Social-Marketing ist die Konzeption, Planung, Durchführung und Kontrolle von Marketingstrategien und -aktivitäten nicht-erwerbswirtschaftlicher, sozialer Organisationen, die auf die Lösung sozialer Aufgaben gerichtet sind.“⁷

„Dabei wird die Lösung sozialer Aufgaben nicht mit Gütern und Dienstleistungen erreicht, sondern sie umschließt das Vermitteln von Werten, Normen und Verhaltensmustern

⁶ Comp. Merkle, E. (1982)

⁷ Comp. Bruhn, M.; Tilmes, J.(1989), P.13



(Sozialisation). Liegt der Schwerpunkt des Marketings in dieser Vermittlung, so spricht man auch vom Sozialisierungsmarketing.“⁸

3.1 Operational implementation of church marketing

The church must ask itself which questions lead to the goal, so that existing resources are not scattered indiscriminately and used without results. Therefore a theoretical basis by the following proven question according to Günter Wöhe⁹ is goal-prominent in the planning and control of market communication:

Phase		Question
Planning of the	Goals	(1) What should be achieved through communication? (2) How should target groups react?
	Data	(3) Which object should be advertised? (4) Which target group should be wooed? (5) How does the recipient (advertising subject) process the (advertising) message?
	Instruments	(6) How must the message be (purposefully) designed? (7) Which media should be used to convey the message?
Controlling		(8) Has the message influenced the buying behavior of the recipient?

For the target-oriented formulation of results in social marketing for church, social or diaconal institutions, the following process flow for information processing by advertising subjects¹⁰ is helpful:

Process stage	Brief characteristics
Contact with the message	Werbesubjekt muss die Botschaft sehen bzw. hören.
Recording the message	Recording of the message Advertising subject must <ul style="list-style-type: none"> • Be attentive • Provide the message (Problem: selective perception)
Cognitive reaction	Intention Positive attitude turns into willingness to buy, if <ul style="list-style-type: none"> • Personal setting • - Social environment
Attitude building	Cognitive process can change the attitude towards the product (positive or negative).
Intention	A positive attitude turns into willingness to buy, if <ul style="list-style-type: none"> • Personal setting • Social environment Approves the purchase
Act of Purchase	Purchase intention leads to an act of purchase, if <ul style="list-style-type: none"> • Inertia is overcome • - No external disruptive factors (e.g. loss of jobs)

⁸ Comp. Holscher, C.; Meyer, A.: (1990), S. 221-262

⁹ Comp. Wöhe, G. (2010), S. 481

¹⁰ Comp. Wöhe, G. (2010), S. 486:

3.2 Mistakes in commercial marketing

The term marketing is often used in connection with the church or community work only with uneasy feelings or even causes vehement rejection. Of course the critical attitude to marketing in the church does not exist without reason, since in traditional, commercial marketing often crucial errors were made which brought a loss of confidence with itself. The sales-oriented, commercial marketing with focus on quick sales and high turnover figures without consideration of the addressee and the environment led to socially established annoyance.

But also profit-oriented companies have learned from the mistakes of the past, especially since this advertising behavior also caused damage to their reputation. A short-sighted use of individual instruments of marketing, such as advertising or an aggressive sales policy, had rarely led to customer satisfaction. But an unsatisfied customer, if he has the choice, no longer buys from such companies. But it is precisely the loyalty of customers to their company that is very important today.

That is why the modern marketing concept is increasingly gaining acceptance. This concept has the satisfied customer, or in the church context, the satisfied believer as its goal. The fulfillment of expectations in turn leads the advertiser to the desired economic and measurable success. This shows that contemporary marketing tries to avoid the mistakes of the past and focuses on the human being. Therefore marketing thinking understood in such a way can represent quite also an aid for the church.

The negative opinions about marketing often expressed by pastors or other church employees may be surprising, since they often unconsciously, already do marketing or at least use individual instruments of marketing more or less. Because also between church and believers exchange processes take place. The church enables the believers to have religious experiences, to find meaning and self-awareness. Religious, social and moral values are conveyed in various events. The believers in turn offer the churches money, voluntary participation and support. Since these exchange processes are consciously designed and controlled, the church engages in marketing, even though it is often unaware of this. In many cases, even the success of particularly committed pastors can be attributed to the consistent use of marketing.



3.3 The church-communicative exchange process

The diversity of the exchange process

1. Profit-oriented, private sector:

Seller or lessor provides goods and services to the buyer, tenant in exchange for money.

2. Employer/employee area

Employer provides the employee with money for his work services

3. State/citizen area

The state provides goods and services to citizens in return for taxes and fees.

4. Church/believers

The church provides the believers with ideal, material and immaterial benefits in return for church tax, contributions, participation and time

5. Caritative area

Charitable organizations provide a measure of recognition to volunteers and members in return for work and support. It has already been noted that individual instruments and methods of marketing are used in the Church; now the question remains: Should the Church consciously and systematically use marketing to fulfill its divine mission?¹¹

3.4 Mission of the Church in the context of marketing

In Matthew 28:19-20, the mission of the Church can be deduced: "Go therefore to all nations and make disciples of all men; baptize them in the name of the Father and of the Son and of the Holy Spirit, and teach them to observe all that I have commanded you

How can the church fulfill this task today? The statistics from Chapter 1 show an increasing number of church exits. There is no longer a monopoly position for the church in terms of meaning and values; it is in competition with alternative denominations or value orientations. The dominance of material values in society has an even stronger impact than religious competition. The church has lost significant importance in both private and public life. Here the church is well advised to oppose these developments. The use of goal-oriented marketing will support it in this task. The coordination of services and benefits to the faithful, uniform communication or targeted and coordinated actions will help to make the Church's offer clear to the faithful. At the same time, the church can use both time and financial resources more effectively and meaningfully through a goal-oriented and systematic approach, for example by intensifying interpersonal and appreciative conversations.

¹¹ Comp. Kotler, Ph. (1978)

How active and persistent should the pastor and other church workers be in fulfilling the mission? Church members are usually baptized, but to what extent can Christian values, norms and behavior be passed on to them? According to Matthew 10:14, missionary Christians are advised to be guided by the needs of the people and not to linger where there is no need for Christian teaching.

"If you are not received in a house or in a city and do not want to hear your words, go away and shake the dust off your feet. But in the parable of the lost sheep, the shepherd does not shrug his shoulders and say "I still have the others", but he searches for the lost sheep and finds it full of joy. Matthew 18:13: "And when he has finally found it, he rejoices over this one more than over the ninety-nine who had not lost their way.

This message can also be understood as a guideline for the use of marketing instruments, by actively trying to make the church's achievements, services and Christian content acceptable, understandable, believable, liveable and experiencable to the believer. However, targeted manipulation or even "soul-catching" and adaptation at any price would be counterproductive here.

The goal of marketing for and in the church should therefore not be to bring the biblical message, the love of God or the forgiveness of God to the consumer like a packet of washing powder. The special nature, value and distinctiveness of the "message" must always be emphasized and taken into account. Nevertheless, science and its application in non-commercial practice has shown that the systematic and goal-oriented application of marketing can help to achieve goals more effectively and efficiently. Therefore, marketing should be used as a mindset and as a tool to bring religious values to people, while making the time and resources of the community and community workers more effective. The basis of marketing for the church is therefore the Christian values that are at the heart of the actor.

In order to use the findings of science for the benefit of the church or the community, it takes a certain amount of getting used to the developed terminology of marketing, even though it may often seem unfamiliar and perhaps alienating at first glance.

The following can be said about the initial question of this paper How marketing instruments from the social media area work for the church in view of ongoing developments and current framework conditions: The continuing external criteria were analyzed in detail in the



introductory chapter. The effects of the CoVid19 pandemic and the associated official requirements must also be considered as a new framework. In this context, the official authorities prohibited gatherings of any kind due to the risk of infection, which meant that church services such as church services, weddings and funerals were also prohibited. The following chapter will analyze which marketing measures had an effect.

4.0 Social media activities using the example of a small-town church community

Thus, active and ambitious volunteers have created various alternative formats in order to bring these in digital form to those interested in religion. In this chapter only a segmented evaluation of a small-town church community is treated, but it shows first insights into social media activities with general validity. The evaluation period is from October 2019 to July 2020, which means that insights can be gained into regular church operations as well as into the times of Corona.

4.1 Users by terminal equipment

It can be seen that the visitors, broken down by end devices, reveal a balanced user behavior. For example, around 2,172 users visit the homepage¹² from their desktop PC, which represents a higher probability of a targeted search. Users with mobile devices are more likely to display casual visits or appearances in the history and allow a presumption that these are non-targeted searchers.

Visitors by end device	
Smartphone	2.341
Desktop	2.172
Tablet	235

Also noticeable are the high abort rate and the short retention time, which indicates that the clicked homepage of the church community does not address the primary interest of some visitors.

It is comprehensibly recognizable that of the 4,817 visitors concrete side titles clicked on and refer your information content from the Internet side. In all other respects a frequency, as it is not able to furnish by the information supply by a local church office



¹² Homepage of Kirchengemeinde www.kirche-heide.de

Pagetitle¹³	Page views
Church Heide - Church parish Heide - Church for the city	3.804
News - Parish Heide - Dates and news	1.369
Podcast - Word and music - Parish Heide	1.052
Contact - Parish Heide - Church office and staff	937
Offer in times of Corona - Parish Heide	833

It can be said that the homepage is an indispensable representation of the church's work and administrative access.

4.2 Social-media- activities

For a resilient evaluation, several partly comparable, partly subjective individual social media channels are to be used for analysis.

4.2.1 Facebook

Using the American social network Facebook, the following campaigns were run during the evaluation period:

#morgengebetsamstag

With this format, theological, biblical quotations were posted weekly and a hopeful start to the week was shown.

#Meinstjuergen

Due to construction work on Heider's central church of St. Jürgen, the progress of construction work is regularly reported and the memories of city and church members are called up.

Further formats are *#segnensamstag* and *#gottesdienankündigungen* as well as *#mitsprachemittwoch*. Here it is to be stated that in the evaluation period 425 clicks came with "Like", which by no means suggests that the articles posted were not taken into account. A range (without clicks I like) came in places to over 500 people on the terminal.

Which target group could be reached, this answer is provided by the evaluation of the statistics on the subscribers of the persons reached. Indications from the respective age structure are recognizable, the age group of 45-64 is most strongly represented for the church-specific topics and contributions. The 35-44-year-olds and 55-64-year-olds are also strongly conspicuous. When breaking down by gender, it is noticeable that men represent fewer subscribers, which corresponds to the assumption that spiritual access is more likely to be found among women and in the age group of 35 and older.

¹³ The most frequent page titles of the homepage www.kirche-heide.de (Status: 07/2020)



The evaluation of the most successful articles on Facebook shows how much reach this media reaches compared to the conventional homepage.

Facebook posts that were most successful	
Job advertisement <i>Küsterstelle</i>	6,1k
Volunteer coordinator Tanja Kartens	5,7k
Cancellation of events	5,3k
Second audio service with choir	3,7k
First audio service on 22.03.2020	3,4k
KubuKimo Podcast	2,9k
#meinstjuergen	2,8k
Confetti box for home	2,7k
Video digital choir	2,2k

Apart from the call for tenders for the job market, which would have to be ignored here from the statistics in addition to the church's own interests for the job market, the other articles have nothing to hide behind. The lesson from the actions is that articles that bring a personality with them and show people of the public place life and present emotions and stories for everyone have a high frequency. Likewise, contributions that call for or enable interaction are conspicuously frequent in the number of clicks.

This was recorded by the data collector as follows:

Types of contributions that are successful
People, pictures, emotions
If groups are involved
Openness
Construction site updates
Specials

4.2.2 Instagramm

In the appendix you can find articles with the respective coverage. These can be found in a variance of 275-478 clicks, or with the respective "Like" feature of 54-77 clicks. Likewise also divided and stored contributions are to be taken, which are noticeably in the marginal range. In the summary it can be stated that in the evaluation period 3,146 impressions were generated, which led to a range of 542. Otherwise, an increase of +234 compared to the previous evaluation period. Here, too, the age structure is recorded and it is noticeable that the most frequent frequented age group is 25-34 year olds and 35-44 year olds with 24% each. This is due to the generally younger target group of instagram-users.



It is remarkable that the location analysis does not show a dominating demand from the urban areas contrary to expectations. Here only 27% can be assigned regionally. The majority of the uses are supra-regional, mainly in the next largest cities, which suggests that people who have moved away still maintain a connection to the church in their home country through the social networks.

4.2.3 YouTube

The church congregation uploaded videos of the church service, Easter Sunday, Low German services, word and music and other events via the video portal YouTube. These video sequences were usually no longer than five minutes. It is noticeable here that during the initial pandemic periods and church closures, the number of users was quite high. The top videos were viewed with 579 views, which is an unexpectedly high number for the small-town church community compared to regular churchgoers at that time. It is also striking, however, that just one month later the demand for this supply format fell to double-digit, sometimes single-digit usage figures.

This may be due to the inflationary supply and can be attributed to the entertaining and varied user behavior of YouTube users.

4.3 Evaluation

The use of YouTube is noticeably decreasing fast, that interest is exposed to a fluctuation which cannot be stopped without appropriate new formats. The expenditure for the production of the video clips is quite high for honorary forces. Here a "storytelling" measure with every two weeks analogous to other social media channels would be useful

Facebook and Instagram reach the target group unexpectedly well and should be a mandatory program for church marketing activities, even in a local church. This offer makes it possible to carry the good news to the outside world and also to show people who are not close to the church, but something of the social diaconal work, the people behind it and the emotions.¹⁴

5.0 Recommendation for action

It is important to constructively counter the reservations about marketing measures of church institutions and to open up innovative ideas. The evaluation of the available data has shown that social media have been an effective and frequented use in regular operations and in pandemic crisis situations. However, it is imperative to keep in mind that corporate design, a conceptual

¹⁴ Comp. Spenn, S. (2020) Datenerhebung Social Media Kirche Heide

elaboration of the contributions does not endanger the church's goal by unreflected contributions. Further more personal and emotionally filled contributions are to be brought, provided with a red thread, which can (re)inspire people for church work by a "storytelling".

Contributions in the format #meinststjueren were successful and should be focused by further developments.

Further campaigns should be considered, such as introducing volunteer groups and their experiences and encouraging participation. Presenting full-time and volunteer employees and promoting sympathy and also like to introduce them with fates. It is important that the planning of these conceptual considerations take a long time horizon into account.



6.0 List of figures

Figure 1: Decline in membership of the two major churches in Germany 2005-2018.

7.0 Bibliography

Bruhn, M.; Tilmes, J.: (1989) Social Marketing, Stuttgart

Daiber, Karl-Fritz (1988): Religiöse Orientierungen und Kirchenmitgliedschaft in der Bundesrepublik Deutschland. In: Franz-Xaver Kaufmann & Bernhard Schäfers (Hrsg.): Religion, Kirchen und Gesellschaft in Deutschland. GEGENWARTSKUNDE Sonderheft 5.

Holscher, C.; Meyer, A.: (1990) Sozio-Marketing, in P.W. Meyer u. A.Meyer (Hrg.), Marketing-Systeme, Stuttgart

Kotler, Ph.; Bliemel, F.: (1992) Marketing-Management, Analyse, Planung, Umsetzung und Steuerung, Stuttgart

Merkle, E.: (1982) Social Marketing, in: Wirtschaft und Statistik, 1/1976, zitiert nach Gruner & Jahr AG (Hrsg.): Der zum öffentlichen Verständnis – Eine Dokumentation, Hamburg.

Nier, Hedda (2019): Die großen Kirchen verlieren Mitglieder. Statista online vom 19.07.2019. <https://de.statista.com/infografik/10410/grossen-kirchen-verlieren-mitglieder/>, Aufgerufen am 22.03.2020.

Peters, Fabian, Wolfgang Ilg & David Gutmann (2019): Demografischer Wandel und nachlassende Kirchenzugehörigkeit: Ergebnisse aus der Mitgliederprojektion der evangelischen und katholischen Kirche in Deutschland und ihre Folgen für die Religionspädagogik. In: Zeitschrift für Pädagogik und Theologie. Band 71, Heft 2.

Peters, Thomas (2019): Wahrnehmungsbasiertes Marketing von Pfarrgemeinden – Eine praxisorientierte Bestandsaufnahme am Beispiel katholischer Akademiker und Studenten. Wiesbaden: Springer Gabler.

Spenn, Steffi (2020): Social Media Kirche Heide – Statistiken und Informationen



Wöhe, Günter (2010): Einführung in die Allgemeine Betriebswirtschaftslehre, München, 24. Aufl. Verlag Vahlen

Information about the authors

Mike Blankenberg – the author of this paper, year of birth 1978. He studied Tax and corporate law with master degree, actual he is doctoral Student on the Faculty of Management, worked as Consultant for Taxes and corporate law in a church district administration for several years at least also at local government. This paper is a part of the dissertation project. So the author research interests are church taxes models, administration practices and fundraising alternatives to church taxes models in Germany.

Peter Markovič – the co-author of this article and supervisor of M. Blankenberg, born in 1974, has been active at WU in Bratislava since he graduated from university. His main focus is on the problems of corporate financing, with special emphasis on investment decisions, risk management and accounting for important financial instruments. He is the author or co-author of more than 10 monographs, 5 textbooks and more than 100 scientific articles. Since 2003, he has been active in the supervision of foreign doctoral students in German or English.



Can companies generate additional revenue with pay what you want pricing models?

Pre-interviews and current considerations of pay what you want models

Lukas B. Bruns

PhD candidate at Comenius University Bratislava

E-Mail: Lukas.brunsb@gmail.com

The goal of this work is to bundle and compile and partially answer part of the existing research on the topic "Pay what you want" with regard to the question whether companies can generate additional revenue through this pricing model. Since a large number of results are available from research and first own results are available through preliminary discussions on the question whether companies can generate additional revenue with pay what you want pricing models, another piece of the puzzle in research can be contributed here.

Pay what you want (PWYW) is a pricing and marketing model in which the purchase price for a product or service is determined only by the buyer. Thus, products or services are offered without an awarded price and the buyer decides which price he wants to pay. Of particular emphasis is that the buyer also has the option of paying nothing at all for the offer. The seller bears the risk for this. The exchange of services for money is done exactly at the price stated by the buyer, without the seller being able to withdraw from his offer.

Kim, Natter and Spann (2009)¹ declare PWA as a pricing mechanism in which consumers have maximum control over the price they pay. For this price mechanism there are also broad terms in the literature, such as "name your own price", but the basic principle of free price choice down to point zero always remains the same. Although Schons et al. (2014)² work indicates that prices fall in steady and long-term PWYW decisions, nonetheless, countless studies (Egbert, Greiff and Xhangolli (2015)³, Kunter (2015)⁴, Samahita (2020)⁵) show that most of the time, the price deviates significantly from zero and that good prices can also be achieved for the seller (Hoffmann, 2016)⁶.

¹ Kim, J.Y., Natter, M., Spann, M., (2009). Pay What You Want: A New Participative Pricing Mechanism. *Journal of Marketing*, 73(1), p. 44-58.

² Schons, L. M., Rese, M., Wieseke, J., Rasmussen, W., Weber, D., Strotmann, W.C., (2014). There is nothing permanent except change – Analyzing individual price dynamics in »pay-what-you-want« situations. *Marketing Letters*, 25 (2014), p. 25–36.

³ Egbert, H., Greiff, M. & Xhangolli, K. (2015). Pay What You Want (PWYW) pricing ex post consumption: a sales strategy for experience goods. *Journal of Innovation Economics & Management*, 16(1), p. 249-264. 9

⁴ Kunter, M., (2015). Exploring the Pay-What-You-Want payment motivation. *Journal of Business Research*, 68, 2347-2357.

⁵ Samahita, M., (2020). Pay-What-You-Want in Competition. *The B.E. Journal of Theoretical Economics*, 2020, 20 (1), 16. <https://doi.org/10.1515/bejte-2018-0063>

⁶ Hofmann, E. (2016). Zahl' doch einfach, was du willst!. Tectum Verlag. P. 33-48.



Pay what you want is not a new phenomenon. This type of offer has long existed in the economy in different variations. Companies (often also charities) work with this principle, but also bars, museums, zoos, labels or media houses. Donations or tips can also be counted among the PWYW principle. The experiments of Schmidt, Spann, and Zeithammer (2015)⁷ show in their study: “First of all, we can identify key causal factors that induce buyers to pay positive prices voluntarily. Second, we can show that some buyers prefer to buy at a posted price over PWYW holding everything else constant.” The Pay-What-You-Want method can achieve high customer acceptance, although the so-called price discrimination is aimed at selling the same good at different prices (Kalka, Krämer, 2020)⁸. This approach promises higher sales and profits than a uniform price (Kalka, Krämer, 2020). Kukla- Gryz and Zagorska (2017)⁹ found that PWYW values increase with a suggested external reference price, even if the expected quality of the offered product is unchanged. Furthermore Kukla- Gryz and Zagorska (2017) stated that, “when internal reference price is higher than external reference price, estimated PWYW payments are significantly higher if reference price is not provided.”

In the reverse order, contrary results were shown. Marett et al. (2012)¹⁰ believe that social factors are important and name loyalty and fairness, which should be strong within the customer base in order to realize good results and prices with the PWYW approach. Stürmer et al. (2014)¹¹ argues that the price often works as an indicator of value of an offer. Consequently, possible customers could have problems rating the offered product or service quality, if they do not know a set price.

From the marketing side, however, it can be stated that interactivity ("you set the price") and the associated price mechanisms and the inclusion of consumers can generate a higher degree of attention and are also suitable for sales promotion activities. Companies can thus stand out from other sales promotion activities and arouse interest, while making pricing entertaining and exciting for the buyer (Hinz, Creusen, 2009)¹². It is also important for marketing to mention that there are two possibilities for self-determined paying. PWYW and the so-called "name your own price" (NYOP) model. The impression that the offers are the same is wrong, because with PWYW consumption can take place before paying, but not with the NYOP model (Simon, Fassnacht, 2016)¹³. Thus, with PWYW, a low price can occur afterwards, for example, due to a service or product disappointment. If the price is determined or quoted first, the customer's satisfaction is negligible with regard to the sales of the seller. Sander (2019)¹⁴ explains a further marketing aspect, because reference prices, quality assurances for the product or the service and appeals to the fairness of the customer have an influence on the final price and purchase readiness. But there are also dark sides to

⁷ Schmidt, K.M., Spann, M., Zeithammer, R., (2015). Pay What You Want as a Marketing Strategy. *Management Science*, 61(6), 1232.

⁸ Kalka, R., Krämer, A., (2020). *Preiskommunikation*. Springer Gabler. P. 12, 78-82

⁹ Kukla- Gryz, A., Zagorska, K., (2017). THE STRENGTH OF THE ANCHORING EFFECT ON PAY WHAT YOU WANT PAYMENTS: EVIDENCE FROM A VIGNETTE EXPERIMENT. *Working Papers*, University of Warsaw, 14 (243), p. 13.

¹⁰ Marett, K., Pearson, R., & Moore, R. S. (2012). Pay What You Want: An Exploratory Study of Social Exchange and Buyer-Determined Prices of iProducts. *Communications of the Association for Information Systems*, 30, article 10.

¹¹ Stürmer, R., Schmidt, J., (2014). *Erfolgreiches Marketing durch Emotionsforschung: Messung, Analyse, Best Practice*. Haufe, p. 105-112.

¹² Hinz, O., Creusen, U., (2009). Interaktive Preismechanismen – Die Preis- verhandlung als Begegnung mit dem Kunden. *Marketing Review St. Gallen*, 6 (2009), p. 38.

¹³ Simon, H., Fassnacht, M., (2016). *Preismanagement*. Springer Gabler. P. 581.

¹⁴ Sander, M., (2019). *Marketing Management*. Utb. P. 506-507.

PWYW. Not every customer is always able to quote a price. The reasons are manifold. For one thing, some customers are unable or simply do not want to think about a price. On the other hand, customers may be afraid of paying too much, too little or a socially inappropriate price. Furthermore, PWYW can be considered too innovative by customers and can make them feel insecure because they are unaware of such actions (Sander, 2019).

Raju and Zhang (2010)¹⁵ depict: “Set pricing makes every transaction an adversarial encounter, a conflict in which neither the seller nor the buyer ever leaves completely satisfied.” Sales people want to have a high margin and a satisfied customer. The customer wants to be satisfied and have a product for a good price. Whether both sides are constantly content after a purchase and do not often doubt whether the salesman could have sold the product or the service more expensively or the buyer not a still better price to get out, remains here first untreated. Theoretically, many of the requirements of both sides (seller and buyer) can be met by PWYW. However, PWYW also raises the same questions about the transaction for both the seller and the buyer, because also here the customer might have been able to obtain his goods even cheaper and the seller still remains in uncertainty as to whether the customer is satisfied and whether he might not have been able to obtain a better price. Thus, PWYW does not solve this conflict of objectives or at least not completely. Furthermore, it must never be forgotten that the customer is always in a stronger position in the end. After all, he can make a deal where he does not buy anything at all or only for e.g. a symbolic Euro. This would create a win-lose situation that only benefits the buyer. Nevertheless, the question is open whether the realization that a customer is only willing to pay very little is not also valuable and whether conclusions can be drawn from this about the offer or customer relationship.

Through own preliminary talks as preparation for structured expert interviews on PWYW, it is possible to establish that customers are also unwilling to buy or pay very little money. Interviewee (manager at a publishing house): "I had quite a few customers who didn't buy from PWYW at all, or were even so brazen as to book half a newspaper page for five euros." Other interviewees have made the experience that customers paid very little because a.) they felt they had paid too much in the past and b.) their expectations of the service were not met. The preliminary talks are used to evoke problems among the sellers, to find research questions and to test the satisfaction with the PWYW model. The respondents are media managers at a medium-sized publishing house who have proactively offered PWYW for one month to their customers for two consecutive years. They also tried to get more offers, win new customers and encourage existing customers to buy more. The media managers will be interviewed with structured interviews in a follow-up study and the results will be evaluated. These first experiences from seven preliminary talks thus only serve as a first sounding out with regard to the topic PWYW.

To return to the rejection of PWYW, the description of Maziriri and Madinga (2015)¹⁶ is exciting because they describe that the remorse of a purchase (buyers remorse) has an influence on future purchases from a vendor. These influences are often negative and therefore do not give an immediate picture of whether PWYW can successfully be used.

¹⁵ Raju, J, Zhang, Z., (2010). Smart Pricing. Pearson. P. 22.

¹⁶ Maziriri, E.T., Madinga, N. W., (2015). The Effect of Buyer's Remorse on Consumer's Repeat-Purchase Intention: Experiences of Generation Y Apparel Student Consumers within the Vaal Triangle. International Journal of Research in Business Studies and Management, 2, p. 24-31.

Furthermore, the anchor effect can also have a great influence on the PWYW decision. This is because if a customer has already purchased a product or service from a supplier in advance, the customer has an idea of what an otherwise usual price would be. For the time being, this should not be seen in a positive or negative light. The anchor effect with regard to Gläßner (2017)¹⁷ means, among other things, that people are strongly influenced by initial values. For example, the anchor effect means that a high value in advance works in order to be rated high again later. Thus, from a price and marketing point of view, it is good if a potential buyer is confronted in advance with the highest possible "actual" price.

This is where the research question comes in, which will be discussed in the following interviews: is PWYW pricing a good sales model for existing customers? Exciting as an example is the work of Brinker¹⁸(2019), which works with reference values, but which the customer can still correct upwards or downwards. Here, old and new customers are treated equally. Hofmann (2016)¹⁹ describes that PWYW enables old customers who have switched to other offers or show less interest to make purchases again. Important is also the assumption by the results of Kim, Kaufmann and Stegemann (2013)²⁰ that: "Social distance within the buyer–seller relationship also affects PWYW prices". The results also indicate that customers are more likely to have a sympathetic relationship with small companies and are therefore more willing to pay higher prices.

It is clear from previous research that PWYW cannot be directly evaluated as a suitable tool for a company's sales activities. Many different factors play a role in this dynamic pricing process, which makes it difficult to make a simple evaluation. The risk always lies with the seller, and not only in the fact that he does not obtain a price or only a very low price, but also in the fact that he overburdens his customers. On the other hand, PWYW is seen as a good marketing tool that stands out from the countless mass of sales promotions. One interviewee said: "PWYW is a poison that is only good in small doses and should be put back in the poison cabinet quickly after use." Nevertheless, many study results suggest that higher unit sales by PWYW can compensate for the resulting lower prices (Roy, Rabbane and Sharma, 2016)²¹.

There are further indications that customer relations are important, because no matter whether new or old customer, the tendency of buyers to act "fair" at PWYW seems to be present (Haws and Bearden, 2006)²². Finally, there are norms that seem to be another factor influencing the PWYW negotiations.

There are norms that seem to be another factor influencing the PWYW negotiations. People often do not want to break these social norms, which also apply to paying and buying,

¹⁷ Gläßner, A., (2017). Die Beschränkung des Vertriebs von Finanzprodukten. Nomos. P. 50.

¹⁸ <https://www.list-gruppe.de/journal/detailansicht/zahl-so-viel-du-willst-der-etwas-andere-online-shop/>

¹⁹ Hofmann, E. (2016). Zahl' doch einfach, was du willst!. Tectum Verlag. P. 179.

²⁰ Kim, J., Kaufmann, K. & Stegemann, M., (2013). The impact of buyer–seller relationships and reference prices on the effectiveness of the pay what you want pricing mechanism. Marketing Letters, 25, p. 409–423.

²¹ Roy, R., Rabbane, F. K., & Sharma, P. (2016). Antecedents, outcomes, and mediating role of internal reference prices in pay-what-you-want (PWYW) pricing. Marketing Intelligence & Planning, 34(1), P. 119.

²² Haws, K.L. and Bearden, W.O. (2006), "Dynamic pricing and consumer fairness perceptions", Journal of Consumer Research, Vol. 33 No. 3, pp. 304-311.

because they can feel bad, ashamed or guilty (Rienera and Traxler, 2012)²³. In the end, there are many opportunities but also risks when a company offers "pay what you want" to its customers. However, the individual factors should always be taken into account. The following interviews will provide additional information on the question of whether PWYW is a suitable sales tool.



²³ Riener, G., Traxler, C., (2012). Norms, moods, and free lunch: Longitudinal evidence on payments from a paywhat-you-want restaurant. *Journal of Socio-Economics*, 41, p. 476–483.

Interdisciplinary Economics and Management Research - Current Topics in
Economics and Management

Economic Theory, European Competition Policy and European Market Integration

Sven Krüger

PhD candidate at Faculty of Social and Economic Sciences (FSES), Comenius
University in Bratislava, Mlynské luhy 4, 821 05 Bratislava, Slovakia,
newsberlin@web.de,

The aim of this abstract is to explore the dichotomy of economic theory, competition law and market integration. In Europe, it is worth acknowledging that non-economic principles are significant in the implementation of current competition policy. Regulators consider more than simply allocation efficiency, as characterized in welfare economics, when they pass and implement competition laws. Whereas welfare economics examines the allocation of resources and goods impact on social welfare, relating directly to the study of economic efficiency and income distribution.¹ It also encompasses the effect on the economy's citizen's well-being. However, the subjectivity of the study of welfare economics relies significantly on chosen assumptions such as, the definition, measurement and individual comparison on society as a whole.

In fact, competition policy encompasses many political aims. Most significantly is the aim of market integration. Sometimes this can occur to the detriment of inadequacies in the dissemination of production and distribution. The emphasis of competition policy is on consumer welfare instead of economic welfare. Global economic welfare is evaluated by the amount of producer and consumer surplus. It also covers fairness and freedom of action, as well as other considerations regarding industrial policy. As a result of the multi-faceted application assigned to the function of competition policy, and competition law, it is not always homogenous with economic theory.

In the European common market there is a need to dismantle national boundaries between the Community member states and it is important to

¹ J Pelkmans European Integration Methods and Economic Analysis 183-205 (1997)



consider European competition law in this context. Following the 1966 *Grundig*² case in the European Court of Justice there has been a continuation of the common Community objective of developing an internal common market, conforming with the notion of free competition, and clearly establishing the policy of market integration.^{3 4}

The combined definition and goal of market integration is the eradication of economic boundaries between two or more economies. The obligations of member states and private businesses are to not conduct themselves in practices which contravene or frustrate the common market alliance. Member states should not pass regulations which impede the free movement of services, goods, people or capital.⁵ The EU in return should not approve restrictive business practices which impede competition emanating from other member states. For example, legislation on the composition of goods inhibiting free interstate trade⁶ should not be changed by producers who seek to limit their activities to specified member states. This ensures that any attempts to create private barriers cannot render the removal of public barriers ineffective. Competition policy seeks to ensure that these substitutions cannot occur.

In current European competition policy, the application of consumer welfare has a crucial role. Article 81 (3) EC treaty ratifies that European Community competition policy is not supportive of the objective of augmenting the sum of consumer and producer surplus. Consumers must be allowed the fair share of benefit, from Cartel agreements, which add to the improvement of production and goods distribution. There remains an unlawful restriction of competition should the agreement reduce consumer surplus, even if the sum of welfare increases.⁷ As it stands, European competition law does not permit the adjustment of efficiency savings with any distributional impact on consumers. The position of the European legislator is that one euro of consumer surplus does not equate to one euro of producer surplus. This view is not wholly compatible with an economic definition of allocative efficiency, which occurs when there is an optimal distribution of goods and services, and consumer's preferences are considered. However, it is possible to apply an economic interpretation to the European competition rules with a broader perspective

² Joint cases 56 and 58/64, *Consten Sarl and Grundig-Verkaifs Gmbh v. Commission*, E.C.R, 1966, 1-299

³ Article 2 juncto 4 EC Treaty

⁴ Article 3 (1) (c) EC Treaty

⁵ P.D Camesasca. *European Merger Control: Getting The Efficiencies Right*, part II, 2.3 (2000)

⁶ Case 178/84, *Commission v. Germany*, E.C.R 1987, 1227 (*Reinheitsgebot*).

⁷ See also Article 2 (1,b) of the Merger regulation prohibiting trade-off between productive efficiency and allocative efficiency



on the traditional theorems of welfare economics. This does, however, make the analysis more complex.

In terms of the considerations of Industrial policy, competition law is not insensitive. A healthy competitive environment can only be possible by protecting the interests of small firms. This is justified by alluding to the notion of fairness and preserving equal opportunity. The rationale behind this divergence from allocative efficiency lies in philosophical thought⁸ and whilst its foundations are unstable the consideration that the powers of big corporations should be restricted is not unusual in European competition policy. Putting the economic goals of allocative and productive efficiency aside existing competition policy incorporates regulations which seek to decentralize power, preserve the equal opportunities of competition for small business and protect the freedom of decisions of independent companies.

Considerations of fairness is a significant influencer in European competition law and competitive process regulations. For examples, Cartel agreements between small and medium sized businesses are protected from the ban on Cartels because this form of alliance provides the only manner in which they can compete with larger organizations.⁹ Further, in some member states there are laws on unfair competition which do not follow an efficiency focussed competition policy.

In terms of efficiency It is useful to consider the role of competition law with regards to the prevention of the exploitation of market power, which wastes scarce resources, in both the long and the short term. The economic study of efficiency examines the optimal production and distribution of scarce resources. There are different types of efficiency; productive efficiency happens when goods are produced for the lowest cost. More specifically when a maximum number of goods and services are produced with a given amount of inputs. Allocative efficiency is the distribution of resources according to consumer preference and need. X inefficiency happens when firms do not have incentives to reduce costs, for example, a monopoly which makes supernormal profits has no incentive to cut surplus labour. Dynamic efficiency occurs over time. For example, a car manufacturer, in 2005, may

⁸ D. Neven, R. Nuttall & P Seabright, Merger In Daylight. The Economics and Politics of European Merger Control, 12 (1993)

⁹ Commission Notice on agreements of minor importance which do not fall under Article [81] I of the Treaty establishing the European Community (de minimis Notice) [1997] OJ C 372/13; Commission Notice concerning agreements, decisions, and concerted practices in the field of co-operation between enterprises, [1968] OJ C 75/3

operate efficiently during that period, but by 2015, this relative advantage could be lost and comparatively, would now be inefficient. Therefore, dynamic efficiency involves the introduction of new technology and working practices which serve to reduce costs over time. Technical efficiency needs the optimum combination of factor inputs to produce a product and it is related to productive efficiency. Whereas, distributive efficiency focuses on the allocation of goods and services based on greatest need, so therefore, requiring an equitable distribution.

It is worth noting that the individual efficiency goals are not entirely symbiotic. Mergers can provide merging firms with the opportunity to achieve important economies of scale and thereby improving productive efficiency, but could enable competitors to increase prices and so causing allocative inefficiency. Economists also debate the equivalency between market power and technological advancement. A dip in costs may be a result of technological innovation providing competitive advantage whilst concurrently market concentration may increase. Prices greater than marginal costs may be required to enable companies a suitable return on the research investments.

Politicians who draft the laws relating to the consumer welfare or small business protection do not always consider the qualification of efficiency as the key objective of competition law. There can be legal objections made against efficiency from a non-economic perspective; as attaining efficiency implies a different treatment from cases which could be considered identical. This could create legal uncertainty if arguments are based on probability statements, conceptions of frequency and hypothetical scenarios, such as, potential entry, which may be met with reluctance by the courts. Justice and equality conceptually have inhibited economic analysis' full application. However, non-economic goals can, on some level, can be consistent with efficiency elements. Monopolies can cause a misallocation of resource whilst creating greater profits for the producer at the expense of the consumer, which could be considered as a less preferable income distribution. By preventing large scale mergers, which can create efficiency deficits, this satisfies the objective of efficiency whilst also supporting the non-economic goal of power dispersal. Significantly, if in competition law non-economic goals must concede to efficiency goals then society is still free to pursue economic goals by different means. It doesn't undermine the notion of fairness within public policy, but does suggest that distributional issues, such as the protection



of small firms being provided a fair and equal platform, by which to compete, are better dealt with by different means other than public policy.¹⁰

The development of more advanced measurement techniques in economic science has served to make the significance of legal certainty less pressing. A sophisticated range of empirical tools have provided a more accurate estimation of the consequences of competitive parameters. Despite being complicated in application they offer a solution to enable the scrutiny and assessment of company behaviour and predict the likely outcome. Combining reliable quantitative measurement techniques with economic theory offers greater legal certainty and reducing the inconsistencies harboured by European competition law. This offers greater predictability in decision making.

The emphasis on market integration goal of European competition law may impact the role of economic efficiency to the prevalence of the internal market while economic integration reaches the completion stage. Practices which serve to undo the effects of market integration will be banned. Examples of this being; absolute territorial protection and vertical minimum price fixing.¹¹ A greater openness to sophisticated economic arguments which do not contradict the market integration goal are, however, being detected. Within the existing framework, the quality of reasoning could be enhanced by referring to economic insights thus paving the way for economic arguments to be adopted in legal discourse.

¹⁰ M. Graf von der Schulenburg & G. Skogh eds., 1986 Law And Economics And The Economics of Legal Regulation 185-205

¹¹ Commission Regulation (EC) Nr. 2790/1999 of December 22, 1999 on the application of Article 81 (3) EC Treaty to categories of vertical agreements and concerted practices [1999] OJ L.336/21



An analysis of citizens' perceptions of government communications during the coronavirus pandemic

Stefan Nisch, PhD. Student at Comenius University Bratislava

About the Author: **Stefan Nisch** is a PhD candidate of European Studies and Politics, Faculty of Social and Economic Science at the Comenius University in Bratislava. His research interests primarily relate to the efficacy of government communication through social media instruments in particular, how social media enables government to inform, influence their citizens and build up their trust and engagement.

Abstract: During the coronavirus pandemic, one of the main communication channels used to inform citizens was social media. Social media enables people to communicate with each other by removing time and spatial constraints to share knowledge, experience, opinions and ideas. This study provides insights about how government communication through social media is perceived by the citizens during the coronavirus. To analyze this matter, 306 German citizens were asked in an online survey about how they perceived government social media communication. Key findings include the following: (1.) Citizens mainly get information about the coronavirus pandemic on social media channels, (2.) Citizens perceive social media as a communication channel during the corona pandemic between useful and essential and, (3.) Social media is mainly chosen by the citizens as a communication channel because of the possibility to interact with others. These findings will help governments develop future strategies to foster communication addressing its citizen via social media channels more efficiently.

Key words: social media, government communication, coronavirus, pandemic communication

1. INTRODUCTION

The World Health Organization declared on 11th of March 2020 the spate of infections caused by SARS-CoV-2 (COVID-19), a pandemic (World Health Organization, 2020). The novel coronavirus was named as SARS-CoV-2. SARS is an acronym that stands for severe acute



respiratory syndrome. It has a close relationship to the SARS coronavirus, which caused an epidemic in 2002/2003. The respiratory disease that can be caused by SARS-CoV-2 has also been given the name corona virus diseases 2019, shortened as Covid-19 (German Federal Ministry of Health, 2020). The virus spreads very fast between people when they have close contact via small droplets produced by coughing, sneezing or talking. Until now, there are no specific antiviral medications approved for COVID-19, so there are only recommended preventive measures such as hand washing, using facemasks, maintaining distance from other people, monitoring and self-isolation for people that are suspects to have the virus. (World Health Organization, 2020).

An empathetic and open style of communication that engenders the public's trust is the most effective when officials try to refrain from a harmful act or attempt to galvanize the population to take a positive action during the crisis (Reynolds & Quinn, 2008). An article at the Journal HORIZONT discusses the communication on social media during the coronavirus pandemic from the Austrian government and politicians. In total, in March there were in March about 2000 posts on social media with 1.7 million interactions regarding information and explanation about the current situation and the measures taken (Fiala, 2020). The reason for this tremendous amount of posts and interactions on social media channels according to Austin, Liu, & Jin (2012) is because audiences seek unfiltered, unique up-to-date crisis information that they cannot get elsewhere. Additionally, audiences also choose social media for emotional support and recovery from these crises.

Social media has not only reached popularity in the world of business; it is also used by governments and municipalities. With the rapid growth of social media, it is not surprising that governments are following this trend by reaching out their citizens with this new communication channel (Bonsón, Royo, & Ratkai, 2016). Social media is changing political communication radically because they are instruments that can be used to mobilize and inform users in different ways. One of them is by engaging political activities by connecting directly to politicians and their parties (Bossetta, 2018).

This study will analyze the citizen perception of the communication from the government through social media during the coronavirus pandemic. The findings of this study provide a significant contribution to our understanding of if and how government communication can reach its citizen and how it was perceived during the corona pandemic. Specifically, this research provides insight into 'if and why' citizens chose social media to receive their information about the coronavirus pandemic. Furthermore, the results presented will be able to



explain if communication through social media about coronavirus pandemic helped them during this crisis. Governments, and especially the administrators of their social media profiles, can make use of the conclusions drawn in this study to develop future strategies to foster communication addressing its citizen via social media channels.

2. LITERATURE REVIEW

2.1 Social Media

Social media can be seen as digital instruments or applications that foster and facilitate interactive communication with content exchange among audiences and organizations (Wright & Hinson, 2009). Social media platforms continue to grow day by day, Facebook reported currently more than 2 billion users (Facebook, 2020), while Instagram, a social media platform that primary focuses on pictures, currently has over 1 billion users (Instagram, 2020), while Twitter, a short text messenger, has about 330 million users (Twitter, 2019). There are around 3.8 billion active social media users worldwide, with a growth of 9% over the past year, which means that half of the population has now somehow access to social media platforms (Forbes, 2020). As a result of these staggering users, these platforms also allow politicians and citizens to participate in political discussions. Furthermore, it is important for politicians and their parties to actively join social media based on the reach of political communications on social media (Wattal, Schuff, Mandviwalla, & Williams, 2010).

Comparing different authors leads to the conclusion that there is not a common definition of social media in government. In other words, social media can be defined as a set of technologies that enable public bodies to engage with citizens and other organizations using Web 2.0 technology. (Criado, Sandoval-Almazan, & Gil-Garcia, 2013). Approaches until now have highlighted this social dimension of Web 2.0 technologies through which individuals are active participants in creating, commenting, sharing, organizing and rating Web content as a social network through interacting and linking to each other (Chun, Shulman, Sandoval, & Hovy, 2010). Because of social media tools, governments are changing their landscape of public agencies around the world. (Criado, Sandoval-Almazan, & Gil-Garcia, 2013)

Bonsón et al (2012), describes that the main benefit of social media is that it enables the public sector to enhance its transparency and citizen participation. This can be reached by increasing government's visibility and accessibility using natural functionalities of social media platforms in sharing data and insights of decision-making processes or becoming more open, engaging and participatory. This opens the possibility to stakeholders everywhere at anytime to



become involved in collaborative processes by commenting (Mergel & Bretschneider, 2013). Also Bertot, Jaeger, & Grimes (2010) describes social media as a platform that offers chances for crowd-sourcing solutions, coproduction, transparency and accountability, as well as real-time information updates. Furthermore, Mergel (2013) describes social media positive impact as increasing transparency through information sharing and collaboration possibilities with citizens by preparing decisions or searching for solutions to government problems that can be addressed.

One main issue that plagues the relationship between government and citizen is trust, which can mainly be gained by being transparent, engaging with stakeholders and taking effective action. Therefore, social media use for governments must be understood as a paradigmatic shift to achieve greater citizen participation and empowerment through government accountability, transparency and open collaboration (Bonsón, Royo, & Ratkai, 2016). According to Snead (2013), the government entities are adopting social media as a reaction to declining citizen trust, confidence and engagement with government activities and democratic processes in the past. Therefore, social media offers an opportunity for governments to enable direct interaction with their target audience and provides an innovative channel for participation, which integrates citizens, provides transparency and has a huge range of reach that a traditional and static website can't provide (Bonsón, Royo, & Ratkai, 2016).

However, with all of these possible positive benefits, not every technological progress or adoption is 100% positive (Farazmand, 2012; Joseph, 2012). Farazmand (2012) describes Technology as an enabler and a destroyer at the same time, a tool with opportunities and repressions, freedom and tyranny, progress and degeneration, and democracy and despotism. Examples of these negative aspects could be the spread of fake news, which has been growing since the rise of social media, or the censorship of social media channels in different countries.

2.2 Crisis communication

With the beginning of a crisis, information holes can be created so that the government, politicians and organizations work together to fill this hole by creating and sharing information, which is often needed in real time (Liu, Fraustino, & Jin, 2015). An example could be observed after the bombings at the 2013 Boston Marathon. The Boston Globe converted its homepage temporarily to a live blog that pulled so called "tweets" from the social media platform, Twitter, which were created by government, news outlets and citizens (Gilgoff & Lee, 2013). During crises, the public increases the use of social media, because they rely more and



more on these immediate interactive channels for information and emotional support (Austin, Liu, & Jin, 2012).

During a pandemic, when health risks are uncertain, people need information about what is already known and unknown, as well as guidance for citizens to help protect their health and the health of others. The coordination of messages and release of information among government and local health officials is critical to decrease confusion, which can help undermine public trust, raise fear and impede response measures (Reynolds & Quinn, 2008).

2.3 Research question

The aim of this study is to investigate the citizen perception of the government communication through social media during the coronavirus pandemic. Therefore, the following research questions have been formulated:

Research Question 1: Do citizens try to get information about the coronavirus pandemic primarily on social media channels?

Research Question 2: Does communication about the coronavirus through social media help citizens?

Research Question 3: How do citizens perceive government communication?

This article contributes to this research field by examining the relevance of government social media communication during the corona pandemic from the perspective of German. The insights of these formulated research questions will help governments to optimize their communication to be more effective and increase their citizen reach and engagement. Furthermore, this research also is related to previous researches. Gintova (2019) and Hofmann et al. (2013) writes in their article about interactions between government and citizens and mention that further researches are needed to analyze needs and expectations of the citizens. Additionally, this research gives more insights into government citizen engagement relationship through social media communication which has also been researched by Bonsón et al. (2016) and DePaula et al. (2018).

3. METHOD

For this exploratory study random people were asked to answer online “a quick academic survey about government communication during corona pandemic”. The survey consisted of 9 questions, which could be answered in about 6 minutes. Convenience sampling is common among surveys of social media and Internet use (Johnson, Kaye, Bichard, & Wong, 2007; Macafee, 2013). At the beginning of the survey the interviewed were informed about the purpose of the survey. They were also told not participate unless they use social media and are at



least 18 years old. The survey included also some security features to prevent abuse. Only participants that have answered all questions could finish and send out the survey. To prevent that the participants submit a survey more than once, on purpose or on accident, a short “thank you for your participation” message appeared after they submitted their answers. Also, the online survey was protected so that the IP address of the participants were saved and didn’t allow a second execution. None of the participants received compensation. The sample includes 306 respondents who at least use social media.

At the beginning participants were asked two demographic questions. The first question was “What is your gender?” where they could choose between “male” and “female”. The second question was to “Choose your age range” there they had the options “18-29”, “30-59” and “59 or older”. These answers will help during the survey so that a demographic balance can be achieved which represents the population better.

After the demographic questions participants needed to answer “How frequently do you use social media?” and they could choose between “Several times a day”, “Once a day”, “Several times a week”, “Once a week” and “Never, I’m not active in a Social Media network”.

Furthermore, the participants were asked about “From where do you mainly get your information about the coronavirus pandemic?” and they could choose between “On Television”, “Newspaper”, “Social Media” and “Radio”.

The next question should give insights about the aspects to choose social media as information source. The question was formulated as “What are the main reasons of receiving your news regarding the coronavirus pandemic through social media?”. Interviewed citizens could multiselect one of the following options: “Receiving information faster”, “Possibility by interacting with others (likes, comments, etc. ...)”, “Possibility in sharing information with others”, “Information there is easier to understand” and “Other reasons”

By the question “How do you perceive communication from the government regarding the virus on social media?” citizen could choose between “Hypocritical, they use it to distinguish themselves”, “Trustworthy, they are trying to help us during this crisis”, “Caring, they are trying to protect us”, “Frightening, they want to scare us” and “They don't reach me on social media”. The questions should give an impression of how the communication is perceived by citizens during the coronavirus pandemic.

Participants responded to the statement “How useful would you rate government communication through social media during coronavirus pandemic?” by using a scale from 1 as “Not



useful”, 2 as “little bit useful”, 3 as “useful”, with 4 it is “more than useful” and with 5 as “very useful”.

For the question “Would you do what the government is demanding during the pandemic?” the respondents could choose between “Yes”, “No” and “It depends”.

In the last question the questioned were confronted with “How trustworthy are government communications on social media to you?” and could choose between “I trust information on Social Media”, “I don’t trust information on Social Media” and “It depends on the source”.

4. RESULTS

The survey was finished with 306 participants that concluded the survey. Regarding the demographic data from the respondents, 37,9% were female and 62,1% were male. The sample includes with 71.9% that were in an age range of 30–59 years old, while 28.1% was in the age range 18–29.

The respondents were using social media 48.7% multiple times a day, 47.7% once a day and 3.3% multiple times a week.

The feedback in which channel news are mainly consumed where 67% in social media, 14.7% on TV, 13.1% on Newspaper and 5.2% on Radio (Figure 1).

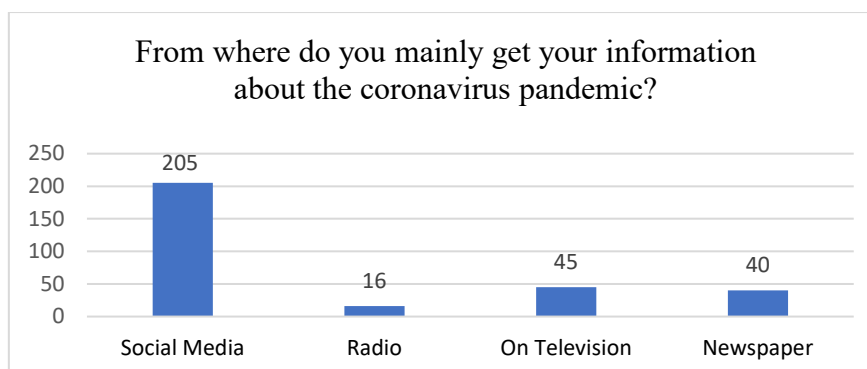


Figure 1. News source for coronavirus pandemic.

The reasons for receiving news on social media was mostly chosen by the citizens with 233 times with about 76,1% the “possibility by interacting with others”. The second most chosen was with 52.9% and 162 times “news were easier to understand”, about 50% with 153 votes was that “the news is received faster” and 42.8% with 131 votes was “possibility of sharing information with others”. Only the option “other reasons” was chosen about 16 times with 5.2% of the votes.

The examined responded to the question how they perceive government communication on social media with 24.5% as trustworthy, 24.2% as caring, 24.2% as frightening, 23.2% as hypocritical and 3.2% think that the politicians aren't reaching them with their communication (Figure 2).

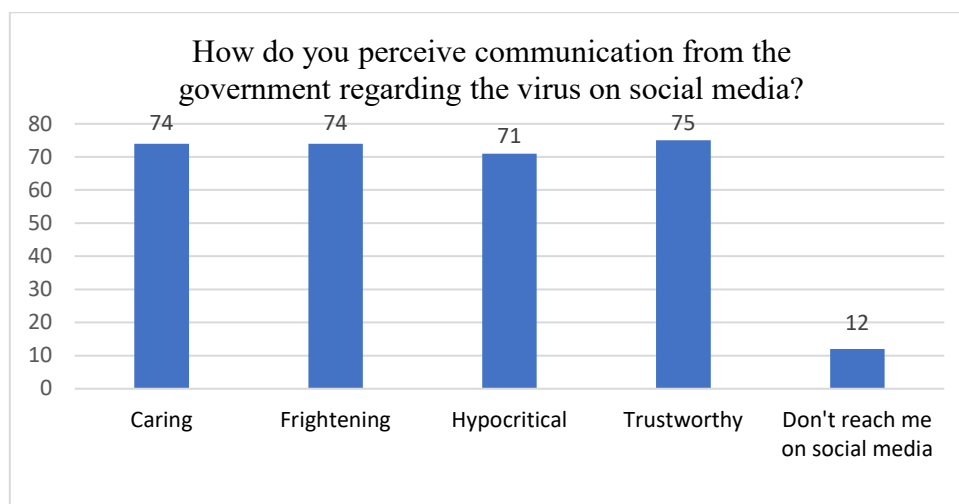


Figure 2. Perceived government communication on social media.

Within the range of usefulness of political communication through social media during corona pandemic the feedback was 8.5% it was useful, 28.1% it was more than useful and 63.4% very useful.

About 44.8% would do what government is demanding, 40.5% don't know if they would do that and 14.7% wouldn't follow (Figure 3).

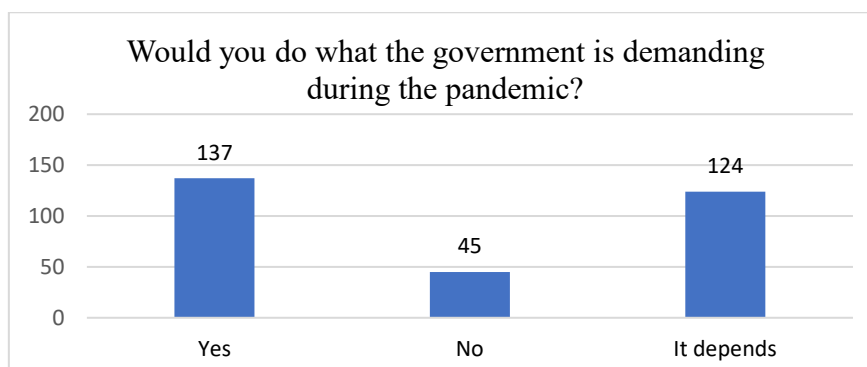


Figure 3. Government communication effectiveness result.

The respondents reported with 62.4% that it depends on the source if they would trust government communication on social media. About 20.6% don't trust that type of communication on social media and 17% trust it (Figure 4).

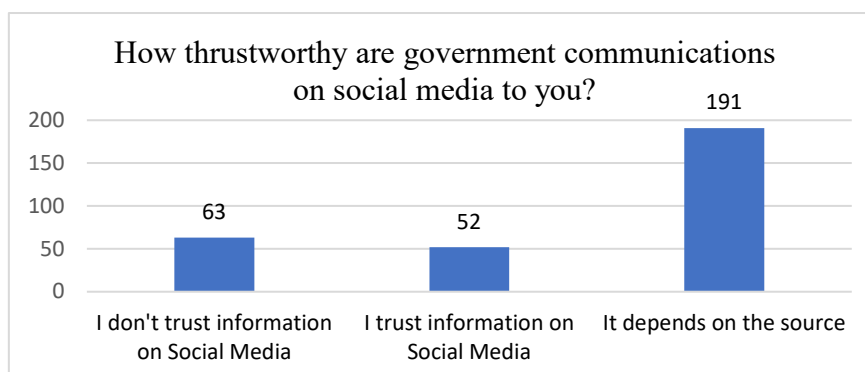


Figure 4. Trustworthiness of social media communication.

As the Author Reynolds & Quinn (2008) described in their research that an open and empathetic communication which build on trust leads to galvanize the population to take positive action or even to refrain from harmful act.

5. DISCUSSION

During a pandemic, it is elementary that the government communicates and reaches out its citizens, because when health risks are uncertain, people need information about what is already known and unknown, as well as guidance on how to behave. Therefore, the formulated questions will be answered according to the revealed results of the executed survey. The research question 1 can be answered as “yes”, more than 67% of the questioned citizens get their news and information on social media. Traditional media such as radio, television or newspaper wasn’t so often used to get information regarding the coronavirus pandemic. The research question 2 about if social media helps citizen during coronavirus pandemic can also be positively answered. Since all the respondents have at least rated in the questionnaire, that social media is “useful” and was mainly higher rated as “more than useful” and about 63,4% think that it is “very useful”. The third research question can’t be answered that easily. The respondents mostly think that social media communication depends on the source of who is forwarding that information and they don’t trust social media posts blindly. Also, citizens would mainly do what governments are demanding on social media channels or think about the spelled demand. This means citizens take communication on social media serious. What couldn’t be answered is that the communication of the government was perceived as balanced between caring, frightening, hypocritical and trustworthy. Finally, the citizens chose social media as primary information channel because it had the possibility to interact with others, the news was easier to understand and because citizens report that they get the news there faster. Therefore, because of the results of this study it is recommended for governments and

administrator of their social media profile to intensify during a pandemic their work on social media.

Like several other studies, this study has also limitations. One of them is that this study focuses on Germany, and only the German population was asked with this survey. In addition, this survey was only conducted online, which typically encourages individuals with a certain affiliation to IT to participate. This might lead to bias in the results. Furthermore, this survey included a relatively small and random sample. This survey should be repeated in several countries with a larger sample size to get a representative result. There is also a need to conduct qualitative methods, such as in-depth interviews with citizens, which can clarify and enable a better understanding of how citizens would like the government address them in the best way and give additional ideas in how the communication can be better addressed.

LITERATURE

- Austin, L., Liu, B. F., & Jin, Y. (2012). How Audiences Seek Out Crisis Information: Exploring the Social-Mediated Crisis Communication Model. *Journal of Applied Communication Research*, 40(2), pp. 188-207.
- Bertot, J. C., Jaeger, P. T., & Grimes, J. M. (2010). Using ICTs to create a culture of transparency: E-government and social media as openness and anti-corruption tools for societies. *Government Information Quarterly*, 27(3), pp. 264-271.
- Bonsón, E., Royo, S., & Ratkai, M. (2016). Facebook Practices in Western European Municipalities. *Administration & Society*, 49(3), pp. 320-347.
- Bonsón, E., Torres, L., Royo, S., Flores, F., & Flores, F. (2012). Local E-Government 2.0: Social Media and Corporate Transparency in Municipalities. *Government Information Quarterly*, 29(2), pp. 123-132. doi:10.1016/j.giq.2011.10.001
- Bossetta, M. (2018). The Digital Architectures of Social Media. *Journalism and Mass Communication Quarterly*, pp. 471-496.
- Chun, S. A., Shulman, S., Sandoval, R., & Hovy, E. (2010). Government 2.0: Making connections between citizens, data and government. *Information Polity*, 15(1,2), S. 1-9.
- Criado, I. J., Sandoval-Almazan, R., & Gil-Garcia, R. J. (2013). Government innovation through social media. *Government Information Quarterly*, 30(4), pp. 319-326.
- DePaula, N., Dincelli, E., & Harrison, T. M. (2018). Toward a typology of government social media communication: Democratic goals, symbolic acts and self-presentation. *Government Information Quarterly*, 35(1), S. 98-108.
- Facebook. (2020). *About Facebook*. Retrieved April 08, 2020, from <https://about.fb.com/news/2020/02/two-billion-users/>



- Farazmand, A. (2012). The future of public administration: Challenges and opportunities - A critical perspective. *Administration & Society*, 44(4), pp. 487-517.
- Fiala, M. (2020). #COVID19: Krisenkommunikation der Regierung im Social Web. Retrieved April 05, 2020, from HORIZONT: <https://www.horizont.at/digital/news/analyse-covid19-krisenkommunikation-der-regierung-im-social-web-80705>
- Forbes. (2020). *Why 2020 Is A Critical Global Tipping Point For Social Media*. Retrieved 04 02, 2020, from <https://www.forbes.com/sites/johnkoetsier/2020/02/18/why-2020-is-a-critical-global-tipping-point-for-social-media/>
- German Federal Ministry of Health. (2020). *Current information on the coronavirus*. Retrieved 03 20, 2020, from <https://www.bundesgesundheitsministerium.de/en/press/2020/coronavirus.html>
- Gilgoff, D., & Lee, J. (2013). *National Geographic News*. Retrieved 03 29, 2020, from Social Media Shapes Boston Bombings Response: <https://www.nationalgeographic.com/news/2013/4/130415-boston-marathon-bombings-terrorism-social-media-twitter-facebook/>
- Gintova, M. (2019). Understanding government social media users: an analysis of interactions on Immigration, Refugees and Citizenship Canada Twitter and Facebook. *Government Information Quarterly*, 36(4).
- Hofmann, S., Beverungen, D., Räckers, M., & Becker, J. (2013). What makes local governments' online communications successful? Insights from a multi-method analysis of Facebook. *Government Information Quarterly*, 30(4), S. 387–396.
- Instagram. (2020). *About Instagram*. Retrieved 04 06, 2020, from <https://about.instagram.com/about-us>
- Johnson, T. J., Kaye, B. K., Bichard, S. L., & Wong, J. W. (2007). Every Blog Has Its Day: Politically-interested Internet Users' Perceptions of Blog Credibility. *Journal of Computer-Mediated Communication*, 13(1), pp. 100-122.
- Joseph, R. C. (2012). E-government meets social media: Realities and risks. *IT Professional*, 14(6), pp. 9-15.
- Liu, B. F., Fraustino, J. D., & Jin, Y. (2015). Social Media Use During Disasters: How Information Form and Source Influence Intended Behavioral Responses. *Communication Research*, 43(5), pp. 1-21.
- Macafee, T. (2013). Some of these things are not like the others: Examining motivations and political predispositions among political Facebook activity. *Computers in Human Behavior*, 29(6), S. 2766-2775.
- Mergel, I. (2013). Social media adoption and resulting tactics in the U.S. federal government. *Government Information Quarterly*, 30(2), pp. 123-130.
- Mergel, I., & Bretschneider, S. (2013). A three-stage adoption process for Social Media Use in Government. *Public Administration Review*, 73(3), pp. 390-400.

- Reynolds, B., & Quinn, S. G. (2008). Effective Communication During an Influenza Pandemic: The Value of Using a Crisis and Emergency Risk Communication Framework. *Health Promotion Practice, 9*(4), pp. 13-17.
- Snead, J. T. (2013). Social media use in the U.S. Executive branch. *Government Information Quarterly, 30*(1), pp. 56-63.
- Twitter. (2019). *First Quarter 2019 Earnings Press Release*. Retrieved April 03, 2020, from <https://investor.twitterinc.com/financial-information/quarterly-results/default.aspx>
- Wattal, S., Schuff, D., Mandviwalla, M., & Williams, C. (2010). Web 2.0 and Politics: The 2008 U.S. Presidential Election and an E-Politics Research Agenda. *MIS Quarterly, 34*(4), pp. 669-688.
- World Health Organization. (2020). *Q&A on coronaviruses (COVID-19)*. Retrieved 03 25, 2020, from <https://www.who.int/news-room/q-a-detail/q-a-coronaviruses>
- World Health Organization. (2020). *WHO Director-General's opening remarks at the media briefing on COVID-19 - 11 March 2020*. Retrieved 03 19, 2020, from <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>
- Wright, D., & Hinson, M. (2009). An Updated Look at the Impact of Social Media on Public Relation Practice. *Public Relations Journal, 3*(2).

„Good faith“ principles and pre-contractual liability under the CISG

Seitenberg, Markus, Ass.iur., LL.M., MBA

PhD.-Student at University of Matej Bel, Banská Bystrica

Abstract:

The paper evaluates and summarizes the discussions surrounding the applicability of *good faith* principles under the United Nations Convention on the International Sale of Goods (hereinafter CISG).

Even with the final version of the CISG, the debate about the applicability of *good faith* principles within the CISG, its extent thereof, respectively, has continued. The paper will evaluate some of the key arguments made, both for and against a more liberal application of the principle of *good faith* in the context of the CISG.

Key Words:

United Nations Convention on the International Sale of Goods, CISG, *good faith*, duty of *good faith*, precontractual liability

1. Introduction

1.1. The principle of *good faith*

The principle of *good faith* can be described as a general contract law principle demanding a certain degree of fair dealing and honesty within a contractual relationship of commercial parties.¹

The term *good faith* is abstract and comprehensive and encompasses a sincere belief or motive without any malice or the desire to defraud others. It derives from the translation of the Latin term *bona fide*, and courts use the two terms interchangeably.²

¹ See Mercurius, *Application of the good faith principle under the CISG*



Contract law generally presumes that the respective parties to a contract will deal with each other honestly, fairly, and in *good faith*, so as to not destroy the right of the other party or parties to receive the benefits of the contract.³

1.2. Good faith and pre-contractual liability under common law and civil law

Contracting parties are generally not considered to be bound by any agreement with respect to the mere formation of the contract at the pre-contractual stage. Yet, in order to avoid unfair consequences, most legal systems do recognize the need to govern the parties' relations already during the contracting stage, at least to some extent.

Different legal systems hereby differ in how they regulate this relation.

Generally, most civil law countries of the European Union do recognize precontractual liability in various forms and to various extent, while common law countries traditionally do not.

2. The principle of “good faith” within the CISG⁴

As far as international contractual activity is concerned, with continuously increased international trade activity, the International Institute for the Unification of Private Law (hereinafter UNIDROIT) instructed, beginning of the 1930s, a group of European scholars to draft a document to govern international transactions with the purpose of developing a uniform set of laws for the international sale of goods.⁵

² See Wikipedia, *good faith*, available at: [https://en.wikipedia.org/wiki/Good_faith_\(law\)](https://en.wikipedia.org/wiki/Good_faith_(law)) and Thefreedictionary, legal dictionary available at: <https://legal-dictionary.thefreedictionary.com/good+faith>

³ The implied covenant of *good faith* and fair dealing was incorporated into the Uniform Commercial Code (as part of Section 1-304), and was codified by the American Law Institute as Section 205 of the Restatement (Second) of Contracts.

⁴ The United Nations Convention on Contracts for the International Sale of Goods (CISG), sometimes known as the Vienna Convention, is a multilateral treaty with the goal to facilitate international trade that establishes a uniform framework for international commerce, see Wikipedia, *United Nations Convention on Contracts for the International Sale of Goods*, available at:

https://en.wikipedia.org/wiki/United_Nations_Convention_on_Contracts_for_the_International_Sale_of_Goods

⁵ On 11 April 1980, a diplomatic conference comprised of sixty-two countries approved the CISG. For more details on the beginnings of the CISG, see Seitenberg, *Pre-contractual liability*, page 12, note.30. Two conventions eventually emerged from these efforts, the so-called Hague Conventions. Consequently, the Uniform Law on the International Sale of Goods (ULIS), and the Uniform Law on the Formation of Contracts for the International Sale of Goods (ULF) were created. However, only nine out of the twenty-eight Member



Already during the drafting of the CISG, there was much debate about the question whether, and if so to what extent, the principle of *good faith* should be observed in the application of the CISG.

The Convention in its final form did not contain a specific type of *good faith* provision. Therefore, parties to international contracts under the Convention are under no explicit obligation to act in *good faith*, neither during the formation nor during the performance of the contract.⁶

Art. 7(1) of the CISG mentions the principle of *good faith*, but does not speak directly as to the application thereof.

Instead, the principle of *good faith* was adopted as a principle guiding the interpretation of the CISG.

Article 7(1) CISG reads: „*In the interpretation of this Convention, regard is to be had to its international character and to the need to promote uniformity in its application and the observance of good faith in international trade.*”⁷

Hence, a general duty to observe “*good faith*” during a contractual or pre-contractual phase is *expressis verbis* not included in the CISG, even though there are several different ways this provision can be read and understood; some suggest, it can be read mainly in three different ways.⁸

It can be read as referring to *good faith* in interpreting the CISG itself. Second, it can be read as promoting *good faith* in international trade. Third, it can be read as a governing principle for contracts falling under its control.⁹

While there have been plenty of discussion surrounding the specific extend and application of this *good faith* provision of Art. 7(1) CISG, the provision itself is generally understood to be the result of a compromise between the viewpoints of common law and civil law countries.¹⁰

States gave force to these laws. This lack of global support led the United Nations Commission on International Trade Law (UNCITRAL) to attempt a revision of the uniform set of laws.

⁶ Seitenberg, *Pre-contractual liability*, III.3.a) page 16 with further references

⁷ Article 7(1) CISG. The text of the Convention is available at <http://www.cisg-online.ch/cisg/materials-commentary.html>

⁸ Sheehy, *Good Faith in the CISG*, 3.a), page 12

⁹ See Sheehy, *Idem*.



In general, the common law approaches the creation of legal rules at a significantly lower level of abstraction than the civil law does.

The drive to codify the law in the civil law tradition creates a need for general clauses, such as those dealing with *good faith*. There is a much higher level of abstraction, while common law views any abstract statements of this kind as potentially jeopardizing the principle of legal certainty.¹¹

While the CISG does not directly, expressively, impose a duty on the contracting parties to act in *good faith*, the principle of *good faith* is nonetheless commonly referred to in both respects in judicial decisions.¹²

The actual challenge as far as the CISG then lies within the specific determination as to what *good faith* means or what its extend, if any, should be. This holds true for both contractual as well as pre-contractual stages within the application of the CISG.

2.1. Pre-contractual liability under the CISG

As the CISG does not *expressis verbis* address a duty to act in *good faith*, it is not surprising that the CISG does not contain an explicit provision addressing pre-contractual liabilities of the parties, either.

Yet, UNICTRAL considered the *good faith* provision at several meetings of the „working group“. ¹³ The draft Convention then set forth in Article 5: „*In the course of the formation of the contract, the parties must observe the principle of fair dealing and act in good faith.*“

Ever since the CISG had been enacted, the question whether the parties to a contract under the CISG are under any obligation to act according to a certain standard of *good faith*, including a potential pre-contractual liability, has been discussed in great length.

2.2. The lack of a precise definition of *good faith*

¹⁰ Mercurius, *Application of the good faith principle under the CISG*

¹¹ See Bridge, *Good Faith, the Common Law, and the CISG*

¹² Bridge, *Good Faith, the Common Law, and the CISG*

¹³ See Seitenberg, *Pre-contractual liability*, III.3., page 16 with further references. UNICTRAL considered this provision at its 190th meeting (May 31, 1978), at its 191st meeting (June 1, 1978), and at its 201st meeting (June 8, 1978). See Goderre, *Precontractual Liability under the United Nations Sales Convention* note 32, at 261-62.

The idea of applying the *good faith* principle in assessing the parties' behavior is hereby often denied, because “*good faith*”, it is being argued, cannot be defined in precise terms. Rather, its content is always dependent on the specific context the principle is applied in, and this generates unpredictability, resulting in legal uncertainty.¹⁴

The principle of legal certainty however demands that any time legal duties or obligations are imposed on a party, this party must be able to recognize those obligations in order to act appropriately and avoid any detrimental legal consequences.

The requirements on the principle of legal certainty thereby are particularly high in the area of international law in order to avoid different understandings and interpretations of the relevant provisions by national courts.¹⁵

2.3. The risk of a non-uniform interpretation of the CISG

Some argue that any liberal understanding of Art. 7 CISG to the extent to create a duty of the contracting parties to act in *good faith* would run the risks of defeating the very purpose of the CISG, namely to unify and clarify contracts in international business transactions.

This is, because any interpretation of a „*good faith*“ provision in the CISG by national courts would, due to the subjective character of terms like „*good faith*“, likely lead to a non-uniform interpretation and hence a non-uniform application of the CISG.¹⁶

Supporters of the “*good faith*” provision on the other hand argue to this point that the provision would actually create uniformity in the long run as national courts would be able to rely on the body of case law that would develop in dealing with the questions of interpretation and scope and the consequences for failure to comply.¹⁷

2.4. The *good faith* principle as an internationally applicable standard

¹⁴ Mercurius, *Application of the good faith principle under the CISG*

¹⁵ Seitenberg, *Pre-contractual liability*, III.3.b), page 17.

¹⁶ See Goderre, *Precontractual Liability under the United Nations Sales Convention* at 263, citing John O. Honnold, *Documentary History of the Uniform Law for International Sales*, Kluwer Law & Taxation Pub., Deventer (1989), at 369.

¹⁷ See Goderre *Id.*, at 262. Goderre thereby notes that: “*This would also allow courts to deal with sanctions in a flexible manner, giving appropriate weight to the facts of each case.*” *Id.*

Against the concern of potential legal uncertainty, it is sometimes suggested that any unpredictability resulting from a lack of a uniform, generally accepted definition of the term “*good faith*” could be avoided by construing an internationally applicable standard of such *good faith* principle.¹⁸

Yet, it is argued against this approach that it is questionable how the involved parties could then become familiar with such “international standard” when it would necessarily be construed case by case, potentially making every new application of the principle unexpected, at least for the concerned parties.¹⁹

2.5. An international interpretation of the principle of good faith

As far as the interpretation of *good faith* is concerned, while not being able to utilize any definition provided by the CISG, it is widely understood and accepted that *good faith* cannot be defined or even approached based on merely domestic definitions. Instead, the concept has to be observed in the context of international trade and is also firmly tied to the mandate of uniformity.²⁰

Good faith, it is noted, cannot be applied with (merely) domestic concepts and principle in mind. Such a combination suggests that a recourse to domestic definitions of *good faith* is contrary to the autonomous interpretation of the CISG pursuant to article 7(1)²¹

2.6. National laws justifying an international application of the principle of good faith

The proponents of expanding the *good faith* principle within the CISG essentially suggest a more liberal interpretation of the CISG as they argue that such *good faith* principle is already well-recognized in various national laws representing different legal cultures and that there

¹⁸ Mercurius, *Application of the good faith principle under the CISG*

¹⁹ *Id.*

²⁰ Zeller, *Good Faith*

²¹ Zeller, *Id.* noting that this was confirmed in *Dulces Luisi, S.A. de C.V. v. Seoul International Co. Ltd y Seolia Confectionery Co.* (Mexico 30 November 1998, available at: <http://cisgw3.law.pace.edu/cases/981130m1.html>) where the court stated that the principle of good faith must be interpreted internationally without "resorting to its meaning under Mexican law." See also Spagnolo, *Good Faith and Precontractual Liability in the CISG*, I., B., page 264, noting that “As uniform law, the CISG must be interpreted autonomously and not through a domestic lense”.

would otherwise exist a potential risk of the CISG becoming an outdated tool within international sales if reforms are not made.²²

2.7. The text of the CISG

As noted, Article 7 (1) CISG is the result of the UNICTRAL's decision that a *good faith* provision should not govern contract formation per se. Rather, *good faith* as an underlying principle should be utilized for interpreting the Conventions as a whole.

It is this clear wording of the law in Article 7 (1) CISG that opposes the idea of reading and understanding the provisions of the CISG extensively to impose any general *good faith* obligation, including any potential pre-contractual obligation, on the respective parties.²³

The wording of Article 7 CISG clearly is concerned with the interpretation of the Convention itself, not with the interpretation of the contract or the contracting parties' duties. The text of the law is unambiguously in this regard and clearly reflects the intention of UNICTRAL. As the wording is unambiguous, it also sets forth the limit for interpretations.

2.8. The systematical interpretation of the CISG

A systematical interpretation of the provisions of the CISG shows that whereas Article 7 CISG is concerned with the interpretation of the Convention itself, Article 8 and Article 9 of the Convention are concerned with „[...] statements [...] and other conduct of a party [...]“²⁴ and with the „[...] usage they have agreed upon [...]“.²⁵

This clear distinction between Article 7 CISG on one hand, and Article 8 and 9 CISG on the other hand, makes it difficult to understand Article 7 CISG as being concerned with legal obligations of the party to a contract.²⁶

²² Mercurius, *Application of the good faith principle under the CISG*

²³ In this direction, e.g. R. Doak Bishop, *The Duty To negotiate in Good Faith And The Enforceability Of Short-Term Natural Gas Clauses In Production Sharing Agreements*, The Centre for Energy, Petroleum and Mineral Law and Policy, The Journal, Volume 2 Article 1 (2000), at 3, available at <http://www.dundee.ac.uk/cepmlp/journal/html/article2-1.html>

²⁴ CISG Article 8 (1).

²⁵ CISG Article 9 (1).

²⁶ See Seitenberg, *Pre-contractual liability*, III.3.b), page 16



2.9. The historical interpretation of the CISG

The historical interpretation shows that the Convention, its drafters respectively, were well aware of any potential advantages or disadvantages of an inclusion of a contractual “*good faith*” obligation in the CISG.²⁷

As Article 7 CISG ultimately avoided to impose such duty to *good faith*, it must be assumed that the drafters did not want such a result. Alternatively, they would have created a more distinct provision by e.g. referring to the parties’ legal obligations *expressis verbis*.²⁸

2.10. The lack of specified consequences

Finally, the provision, its draft respectively, does not specify the consequences of any failure to comply with its requirements. If, however, the drafters of the provision would have wanted Article 7 CISG to impose legal duties on the parties to a contract (or in the field of pre-contractual negotiations), they certainly would have included in the CISG the legal consequences arising out of a breach of those imposed duties.²⁹

3. Conclusion

Taken all major arguments for and against a more liberal interpretation of the CISG with respect to a potential duty of the involved parties to act in “*good faith*”, it is a rather doubtful approach to understand Article 7 CISG as a provision imposing a duty to dealing or acting in “*good faith*”, let alone to understand it as a provision that sets forth any specific pre-contractual obligation to a proposed contract.³⁰

In particular the text of the law and the historical and systematical interpretation of the CISG support this conclusion.

It is also worth mentioning that even those voices that, for one reason or another, believe there is in fact, or should be, a duty of *good faith* on the parties to an agreement governed by

²⁷ For the legislative history of Article 7 CISG, see also Spagnolo, *Good Faith and Precontractual Liability in the CISG*, II., page 267 et seq.

²⁸ Seitenberg, *Pre-contractual liability*, III.3.b), page 17

²⁹ Seitenberg, *Pre-contractual liability*, III.3.b), page 17 with further references

³⁰ See Seitenberg, *Pre-contractual liability*, III.3.b), page 17



the CISG, have not come to any agreement as to the specific content of such requirement to act in *good faith*.³¹

Further, the question remains that if a duty to *good faith* should in fact be triggered, what level of judicial activism it permits, whether it creates new rights and obligations, and whether there are additional liabilities or remedies tied to good faith.³²

³¹ See Sheehy, *Good Faith in the CISG*, 2., page 7 with further references

³² Sheehy, *Good Faith in the CISG*, 2., page 8



References:

Bridge, Michael. *Good Faith, the Common Law, and the CISG*. Uniform Law Review, Volume 22, Issue 1, March 17th 2017, pp.98-115, [viewed date: Oct.2nd 2020]. Abstract available from: < <https://academic.oup.com/ulr/article-abstract/22/1/98/3074188?redirectedFrom=fulltext>>

(cited as Bridge, *Good Faith, the Common Law, and the CISG*)

Goderre, Diane Madeline. *International Negotiations Gone Sour: Precontractual Liability under the United Nations Sales Convention*. Pace Law School Institute of International Commercial Law, Last updated April 17, 2001. Reproduced with permission from 66 U. Cincinnati Law Review (1997) 258-281 [viewed date: Oct. 2nd 2020]. Available from: <<https://www.cisg.law.pace.edu/cisg/biblio/goderre.html>>

(cited as: Goderre, *Precontractual Liability under the United Nations Sales Convention*)

Merkurius Attorneys Ltd. *Application of the good faith principle under the CISG - a mere tool for interpretation or something more?* [viewed date: Oct. 2nd 2020]. Available from: <<https://merkuriuslaw.fi/en/application-good-faith-principle-cisg/>>

(cited as: Mercurius, *Application of the good faith principle under the CISG*)

Seitenberg, Markus. *Pre-contractual liability under the German civil law system, the American common law system, and the rules governing international transactions. A brief comparison*. DAJV-NL 1/2004, pp.11-17

(cited as: Seitenberg, *Pre-contractual liability*)

Sheehy, Benedict. *Good Faith in the CISG: The Interpretation Problems of Article 7*, Article in SSRN Electronic Journal, October 2004 [viewed date: Oct. 6th 2020]. Available from:



<[https://www.researchgate.net/publication/228175740 Good Faith in the CISG The Interpretation Problems of Article 7](https://www.researchgate.net/publication/228175740_Good_Faith_in_the_CISG_The_Interpretation_Problems_of_Article_7)>

(cited as: Sheehy, *Good Faith in the CISG*)

Spagnolo, Lisa. *Opening Pandora's Box: Good Faith and Precontractual Liability in the CISG* (February 26, 2009). Temple International & Comparative Law Journal, Vol. 21, No. 2, 2007, Monash University Faculty of Law Legal Studies Research Paper No. 2007/37 [viewed date: 29.9.2020]. Available from: <<https://ssrn.com/abstract=1350088>>

(cited as: Spagnolo, *Good Faith and Precontractual Liability in the CISG*)

Wikipedia, the free encyclopedia. *Good faith (law)* [viewed date: 10.5.2020]. Available from: <[https://en.wikipedia.org/wiki/Good_faith_\(law\)](https://en.wikipedia.org/wiki/Good_faith_(law))>

(cited as Wikipedia, *Good faith*)

Zeller, Bruno. *Good Faith - The Scarlet Pimpernel of the CISG* (May 2000). Victoria University of Technology, Melbourne [viewed date: 10.5.2020]. Available from: <https://www.cisg.law.pace.edu/cisg/biblio/zeller2.html#N_1>

(cited as Zeller. *Good Faith*)

Contact: Markus, Seitenberg, Ass.iur., LL.M., MBA

PhD.-Student at Matej-Bel University Banska Bystrica, Faculty of Law

markus.seitenberg@web.de



How digital approaches can foster international collaborations – an overview

Marc Weber, *PhD Student*

Faculty of Social and Economic Sciences, Comenius University Bratislava, Slovakia

E-mail: weber21@uniba.sk

Abstract

This paper addresses one of the core challenges many small and medium enterprises (SMEs) are facing, but which is typically overlooked in scientific research. The trend towards stronger globalization requires not only corporations but also SMEs to also operate in an increasingly international environment, which influences both their internal and their external collaborations. This paper presents examples of both internal and external collaboration approaches and argues how digital technologies can support them. A theoretical framework which can be a baseline for future research on the topic is deduced and discussed in the light of the COVID-19 crisis with its ubiquitous consequences on communication.

Keywords: international collaboration; SME; internal collaboration; external collaboration; digital collaboration; virtual teams; open innovation

About the Author: Marc Weber is co-founder of InfinCube d.o.o., a Slovenian IT company and CEO of a consulting firm in the Middle East. As such, he is responsible for digital business development, which is also one of his main research interests. Both in his research and in his practical approach, he aims to find digital solutions for today's challenges. Marc Weber specializes in business development and digitalization for small and medium-sized companies.

1 Introduction and Problem Statement

This paper focuses on different approaches towards internationalization of small and medium enterprises with particular attention to the question, how digital approaches can foster this development. This overview paper can therefore be considered an impulse for future research that can using empirical approaches assess the validity of the conclusions drawn here.

Small and medium enterprises are described by Ebrahim, Ahmed, and Taha to be “indeed the engines of global economic growth“ (Ebrahim, Ahmed & Taha 2010: 916). At the same time, the authors point out that these companies (SMEs) receive comparatively little attention in comparison to multinational enterprises, who are more often in the center of research and science. GalbRaith (2014: 3) points out, however, that especially SMEs are facing a series of new challenges and thus require new strategies to grow – also on an international level..

The (international) business environment of SMEs is for the sake of this research paper defined in two different ways: internally and externally. While SMEs are typically not multinational enterprises in terms of size, they still can span different locations in different geographical regions or countries, thus implying the need for communication processes that allow for such collaborations and external channels that allow so as well, as Biggiero (2007: 445) explains.

2 Internationalization and Digitalization – Selected Approaches

For the sake of this research paper, four different approaches to (possibly international) collaboration will be discussed in light of the usage of modern technologies, using four examples of collaboration approaches. However, these examples, both on the side of the types of collaboration and on the side of the possible digital solutions to them, only offer an overview to illustrate possible solutions and not a definitive list of possibilities.

2.1 Collaboration within Companies

2.1.1 Shared Service Centres

Boone (2000:550) argues that an increasingly competitive entrepreneurial environment that is profoundly shaped by rising cost pressures also influences management practices and firm organization. Companies are looking for new ways to increase their efficiency, especially when it comes to support functions, such as human resource management or similar back-office agendas, Nguyen (2019: 2005) explains. Leinwand and Mainardi (2013) describe that one of the possible solutions to increase efficiency in support functions such as human resources, finances, IT, or research and development is to analyze their optimization. One of the outcomes of such optimization processes can be the shift towards shared service centers. While this is not a new concept in itself, as Haller (2017: 78) argues, there is a clear trend towards centralization of such services to internal service centers.

Brühl, Kajüter, Fischer, Hirsch, Dornbusch, Hoffmann and Vollmer (2017: 4) define shared service centers as business units that are implemented in companies in order to support typical back-office processes, such as financing and accounting, human resource administration or IT, in an independent organizational unit within the company. Thus, these business units are separate departments, which stands in contrast to older approaches where these functions were usually handled within the business units. Some of the main goals of concentrating these processes in so-called Shared Service Centers (SSC) are cost reduction and quality improvement, Brühl et al. (2017: 5) summarize.

Bangemann (2017: 29) describes an example of a successful implementation of shared service centres for international expansion. Hewlett Packard opened in the late 1980s a shared service centre in Belgium with the primary goal of fostering company growth in new areas in Europe with a focus on Eastern Europe, that was at this time a new market for most IT companies, as Bangemann (2017: 29) explains. The implementation of such an SSC in Belgium allowed Hewlett Packard to expand more fluidly, as not every new location of business required the establishment of local administration and back-office services. This allowed the company higher flexibility in approaching the new market, as not always a full set of organizational infrastructure needed to be established. Thus, Bangemann (2017:28) further explains, it enabled the company to grow faster and with a smaller risk than anticipated.

2.1.2 Virtual Teams

According to Gemünden and Högl (2005: 8), the term international team refers to a team whose members are of different nationalities with different mother tongues and can be recognised from outside as members of the unit and

perceive themselves as members. According to the authors, these teams are integrated into the overall organisation independently of the individual legal entities and carry out joint tasks through direct cooperation.

While virtual teams offer benefits for companies – like a more accessible approach to international collaboration – they are also shaped by several challenges and unique requirements both on a technical point of view and from a managerial perspective, as Gibson and Cohen (2003: 35) point out. These collaborations are typically shaped by difficulties in regards to communication and management, leading to typically lower efficiency ratings than in non-virtual teams.

2.2 Collaborations outside of Companies

2.2.1 Business Process Outsourcing

Sako (2010: 27) explains that two competing approaches exist when it comes to shared services and how they can be treated, with a distinction between internal and external solutions. The author argues that one group of practitioners and researchers prefer internal solutions where – for example – the IT function becomes an internal service provider to other business units (see chapter 2.1.2). The other group, Sako (2010: 28), further describes, also prefers a unified solution for such services, but one outside of the company, thus arguing for the outsourcing of such business activities that are not in the core of a company's business model.

Zhang, Liu, Tan, Juang and Zhu (2018: 627) describe the external approach: "Business process outsourcing (BPO) project refers to projects where service providers accept, manage, and control business processes that a client entrusts and selects" (Zhang et al., 2018, p. 627). Thus, back-office business processes within this approach are not outsourced to internal partners (as described within the section regarding shared service centres) but to external ones. BPO suppliers can, therefore, be considered to be competition to internal shared service suppliers.

These outsourcing approaches, however, are not without risk, Zhang et al. (2018: 628) argue further. Based on their survey of more than 120 BPO projects, they were able to show that in order for these projects to be successful, a wide variety of risks needs to be managed. One of the requirements lies in the standardization of both business and IT processes, which allows collaboration with external shared service centres or BPO suppliers.

Business process outsourcing is not only profoundly shaped by various digital developments but will also continue to do so, authors such as O'Neill, Roy, Grasso, and Martin (2013: 198) point out. While the business approach of business process outsourcing is heavily shaped by digital developments, as the authors explain, it also goes along with

a variety of managerial changes that are enabled by technological developments.

2.2.2 Open Innovation

Hultink, Hart, Robben, and Griffin (2000: 6) point out that modern innovation or research and development processes require collaboration between various partners in order to be successful. Especially the (early) involvement of potential customers or clients within the innovation process is described by the authors to be an important success factor. This is mostly, as the clients are the ones, Hultink et al. (2000: 7) argue who finally decide over a new product's or service's success on the market. The involvement of relevant partners in the innovation process is thus identified to be a core success factor (He & King, 2008: 302) and one of the leading principles of so-called open innovation processes, which are described by Enkel, Gassmann, and Chesbrough (2009: 312) to be among the most relevant approaches when it comes to contemporary discussions about research and development.

The leading idea behind the concept of open innovation is, Chesbrough (2003: 37) explains that, nowadays, a single company on its own is not or only very rarely able to truly foster innovation anymore, which holds especially true for smaller companies, the author points out. Innovation in our contemporary business environment, therefore, cannot be conducted isolated from the ecosystem of a company, which includes the potential customers and clients, partners from other industries and, in some cases, even competitors in the same field, who are also forced to collaborate in order to stay relevant and innovative.

Digitalization is of twofold relevance towards the field of open innovation. On the one hand, open innovation is enabled and fostered by the availability of digital solutions for communication and collaboration (see chapter 2.3). On the other hand, especially in the light of the digitalization, products, and services tend to become more complex, requiring stronger collaboration, and in general, a more research and development focused business strategy (Hafkesbrink & Schroll, 2010: 21). Hafkesbrink and Schroll (2010: 21) explain that the digital economy is heavily shaped by the collaboration of various actors in general. The close connection between digital technologies, open innovation and success is highlighted by the authors as follows:

“the way firms and employees act on different layers of the innovation system is highly influenced by the immense enabling potential of the Internet with open information flows and easy accessibility to knowledge in online-communities, open source communities, etc. as well as supported by a distinct openness in organizational structures and processes.” (Hafkesbrink & Schroll, 2010, p. 21)

2.3 Digital Technologies and the ways they can foster collaborations

Kerr, Nanda, and Rhodes-Kropf (2014: 27) explain that contemporary technological advancements and developments, such as the growing availability of cloud computing services and the rising abundance of available online software, significant costs and problems for new and existing ventures and companies. Today, the authors argue, entrepreneurs do not have to pay for costly programming services in order to create a new website but can instead use software available online, in order to construct professionally looking websites with their own hands. The same goes for another critical factor for many enterprises, for information storage. The introduction of cloud computing and its growing availability reduces or even eliminates the necessity for companies to be renting out servers or acquiring the necessary infrastructure themselves. Thus, the vast and – as Kerr, Nanda and Rhodes-Kropf (2014: 28) add – mostly affordable availability of technological resources provides entrepreneurs with an opportunity for experimentation without taking on a substantial financial risk (Kerr, Nanda & Rhodes-Kropf, 2014: 28). New services and solutions can be implemented faster and without the financial and logistic risk that comes from being required to fabricate the necessary IT infrastructure.

Especially cloud computing is therefore pointed out by researchers such as Chang, Bacigalupo, Wills, and De Roure (2010: 510) to have a strong influence on the way modern business is conducted. The authors explain that the availability of cloud computing does not only allow for often more flexible changes and developments (as also described by Kerr, Nanda & Rhodes-Kropf, 2014: 28) but can also influence the business models of companies themselves. The impact cloud computing has on further developments is summarized by Ahmed and Hossain (2014, p. 25): “Cloud computing has formed the conceptual and infrastructural basis for tomorrow's computing.”

Another digital development that heavily influences the way companies can operate is digital communication technologies, which Cascio (2000: 85) summarized as virtual workplaces. They allow for fast and – typically – reliable communication and thus enable virtual collaborations, as Anderson, McEwan, Bal, and Carletta (2007: 2559) show on the example of virtual team-meetings. The virtualization of communication processes – while not without risks of its own – can reduce both cost and other challenges such as the stress induced by intense traveling of project managers in international teams, which von Zedtwitz and Gassmann (2002: 571) describe as one of the core problems of international collaborations.

3 Research Gap and Possibilities for Future Research

Chapter 2 of this research paper described the relevant concepts that shape the environment of international collaborations. Internal and external ways of collaboration are explained based on a total of four use-cases, that – as the overview showed – are relevant for organizations operating in an increasingly globalized environment. These use-cases described within sections 2.1 and 2.2 represent only examples of approaches companies are using for collaborating on a regional and international level.

The author argues that trends in the field of digital solutions (cloud computing, data usage, availability of video-phones, and other means of digital communication) powerfully shape SMEs' ability to perform in international environments. Digital solutions impact the possibilities that companies have to collaborate on an international level and influence, therefore, business models and corporate culture alike. At the same time, the need for stronger internalization also fosters digital approaches that are increasingly becoming crucial for organizations' success. A gaze towards managerial practice makes clear, that digitalization seems to be a concept partially understood in SMEs, however, in many cases it remains unclear, whether the idea of using digitalization as a means to develop and expand on an international level, is fully implemented.

Thus, one core research question is derived, that can influence future research on the subject:

How is the usage of modern communication and collaboration technologies perceived by leaders and managers of SMEs as tools to foster internationalization?

4 Outlook

Digitalization and globalization are two trends that seem to continue shaping the business landscape – although developments like the COVID-19-crisis come as a strong disruption to many areas of business. However, a gaze towards recent developments implies, that the usage of digital technologies as a collaboration tool might even increase in relevance (Beaunoyer, Dupere & Guitton, 2020; Ramsetty & Adams, 2020; Ting, Carin, Dzau & Wong, 2020). Even more than before, a digital divide can be observed: the implementation of digital strategies and communication tools was already during this work – which mostly cited papers from before the beginning of the pandemic – a strong success factor. With the on-going situation, authors such as Ramsetty and Adams (2020) point out a growing digital divide. Summarizingly, the present paper concludes, that the usage of digital communication technologies might not only be a key success factor, but even a prerequisite for sustainable survival of many firms and companies.

References

- Ahmed, M. and Hossain, M. A., Cloud computing and security issues in the cloud. "International Journal of Network Security & Its Applications" nr 6(1), 2014, p. 25.
- Anderson, A. H., McEwan, R., Bal, J. and Carletta, J., *Virtual team meetings: An analysis of communication and context. "Computers in Human Behavior"* nr23(5), 2007, pp. 2558-2580.
- Bangemann, T. O., Definition of shared services, London 2017
- Beaunoyer, E., Dupéré, S., and Guitton, M. J., COVID-19 and digital inequalities: Reciprocal impacts and mitigation strategies. *Computers in Human Behavior*, 106424, 2020
- Biggiero, L., Industrial and knowledge relocation strategies under the challenges of globalization and digitalization: the move of small and medium enterprises among territorial systems, "Entrepreneurship and Regional Development" nr 18(6), 2006, pp. 443-471.
- Boone, J., Competitive pressure: the effects on investments in product and process innovation, "The RAND Journal of Economics", 2000 pp. 549-569.
- Brühl, R., Kajüter, P., Fischer, T. M., Hirsch, S., Dornbusch, D., Hoffmann, J. and Vollmer, M., Shared Services–Relevanz, Ziele und Entwicklungsstand, in: Erfolgreiche Führung von Shared Services, red.: T. Fischer, M. Vollmer, Wiesbaden 2017
- Cascio, W. F., Managing a virtual workplace, "Academy of Management Perspectives" nr 14(3), 2000, pp. 81-90.
- Chang, V., Bacigalupo, D., Wills, G. and De Roure, D., A categorisation of cloud computing business models, in: Proceedings of the 2010 10th IEEE/ACM International Conference on Cluster, Cloud and Grid Computing, Southampton 2010.
- Chesbrough, H., The logic of open innovation: managing intellectual property. "California Management Review" nr 45(3), 2003, pp. 33–58.
- Dunning, J. H., Regions, globalization, and the knowledge-based economy, Oxford 2002
- Ebrahim, N., Ahmed, S. and Taha, Z., SMEs; Virtual research and development (R&D) teams and new product development: A literature review, "International Journal of the Physical Sciences" nr5(7), 2010, pp. 916-930.
- Enkel, E., Gassmann, O., and Chesbrough, H., Open R&D and open innovation: exploring the phenomenon, "R&D Management" nr39(4) 2009, pp. 311–316.
- Fleming, L., Recombinant uncertainty in technological search, "Management Science" nr 47(1), 2001, pp. 117–132.

- Galbraith, J. R., Organizational design challenges resulting from big data, „Journal of Organization Design” nr3(1), 2014, pp. 2-13
- Gemünden, H. G., Högl, M., Management von Teams – Theoretische Konzepte und empirische Befunde, Wiesbaden 2005.
- Hinds, P. J. and Weisband S. P., Knowledge Sharing and Shared Understanding in Virtual Teams, in: Virtual teams that work: Creating conditions for virtual team effectiveness, red. C. B. Gibson and S. G. Cohen,, . Hoboken 2003.
- Hafkesbrink, J., and Schroll, M., Organizational Competences for open innovation in small and medium sized enterprises of the digital economy, „Competences Management for Open Innovation. Tools and IT-support to unlock the innovation potential beyond company boundaries”, pp., 21-52.
- Haller, S., Dienstleistungsmanagement Grundlagen – Konzepte – Instrumente, Wiesbaden 207..
- He, J. and King, W. R., The role of user participation in information systems development: implications from a meta-analysis, “Journal of Management Information Systems” nr 25(1), 2008, pp. 301–331.
- Hultink, E. J., Hart, S., Robben, H. S., and Griffin, A., Launch decisions and new product success: an empirical comparison of consumer and industrial products, “Journal of Product Innovation Management: An international Publication of the Product Development & Management Association” nr 17(1), 2000, pp. 5–23.
- Kerr, W. R., Nanda, R., and Rhodes-Kropf, M., Entrepreneurship as experimentation. “Journal of Economic Perspectives” nr28(3), 2014, pp. 25-48.
- Legner, C., Eymann, T., Hess, T., Matt, C., Böhm, T., Drews, P., ... and Ahlemann, F., Digitalization: opportunity and challenge for the business and information systems engineering community. “Business & information systems engineering” nr 59(4), 2017, pp. 301-308.
- Leinwand, P. and Mainardi C., Rethinking the Function of Business Functions, New York 2013.
- Lipnack, J., and Stamps, J., Virtual teams: The new way to work, “Strategy & Leadership” nr 27(1), 1999, pp. 14–19.
- Mergy, L. and Records, P., Unlocking shareholder value from shared services. „Strategy & Leadership” nr 29(3), 2001, pp. 19-23.
- Nguyen, H. P., Profitability of Vietnamese Banks Under Competitive Pressure, “Emerging Markets Finance and Trade” nr55(9), 2019, pp. 2004-2021.
- O'Neill, J., Roy, S., Grasso, A., & Martin, D., Form digitization in BPO: from outsourcing to crowdsourcing?, in: *Proceedings of the SIGCHI conference on Human factors in computing systems, Paris 2013*.
- Picot, A., Reichwald, R. and Wigand, R., Die grenzenlose Unternehmung. Information, Organisation und Management. Lehrbuch zur Unternehmensführung im Informationszeitalter, Wiesbaden 2002.
- Ramsetty, A., and Adams, C., Impact of the digital divide in the age of COVID-19. *Journal of the American Medical Informatics Association*, 27(7), 1147-1148, 2020.
- Sako, M. Outsourcing versus shared services. “Communications of the ACM” nr53(7), 2010, pp. 27-29.
- Sekaran, U., and Bougie, R., Research methods for business: A skill building approach, New Jersey, 2016..
- Ting, D. S. W., Carin, L., Dzau, V., & Wong, T. Y., Digital technology and COVID-19. *Nature medicine*, 26(4), 459-461, 2020
- Venkatesh, V., Brown, S. A., and Bala, H., Bridging the qualitative-quantitative divide: Guidelines for conducting mixed methods research in information systems. “MIS quarterly”, 2013, pp. 21-54.
- von Zedtwitz, M. and Gassmann, O., Market vs. technology drive in R&D internationalization: Four different patterns of managing research and development, “Research Policy” nr 31, 2002, pp. 569–588.
- Zhang, Y., Liu, S., Tan, J., Jiang, G. and Zhu, Q., Effects of risks on the performance of business process outsourcing projects: The moderating roles of knowledge management capabilities. “International Journal of Project Management” nr 36(4), 2018, pp. 627-639.

A comparison between non-profit and for-profit organizations in regards of their contribution to social sustainability

Jens Weber, *PhD student*

Faculty of Social and Economic Sciences, Comenius University Bratislava, Slovakia

E-mail: weber20@uniba.sk

Abstract

Sustainability is a topic which is present everywhere and plays an increasing role in societies but also organizations since a couple of years. Its importance for the human race is obvious but it needs to be discussed and explored which role organizations play in this scenario and above all if there are differences between non-profit and for-profit organizations. In my research project I will step exactly into this niche and give clear answers to the question if there is a significant difference between both forms of organizations or if both of them play similar roles with similar contributions.

About the author: Jens Weber has several years of work experience in leadership positions and is passionate about the interaction between societies, people and businesses. His research project specializes in civil society, especially non-profit organizations, and socio-economic theories.

Keywords: sustainability, non-profit organizations, for-profit organizations, socio-economy

1. Introduction

Sustainability itself is a term which is used very often these days and at the same time represents a very broad character. Our modern society is engaged with sustainability in many different contexts and defines it as a long-term maintenance of systems that is following environmental, economic, and social aspects (Crane, Matten, Glozer, & Spencer, 2019). This implies and at the same time demonstrates that sustainability as a multi-disciplinary construct is a topic which influences almost every area of human's activities and has a very complex profile (Clayton & Radcliffe, 2018).

Based on the significant relevance of sustainability today and for the future, the focus of this article lies on two of the disciplines that build sustainability's fundament: economy and society. Main target of a wider future research project is to determine and evaluate specific correlations between both sciences by putting non-profit (NPO) and for-profit organizations (FPO) in the centre of the economic research part and investigating on human's (employee's) degree of

satisfaction and consumption behaviour on the social sciences side. Both disciplines, economy and sociology, have various intersections and define daily life for the majority of populations worldwide. The entire scope of a potential future research project is defined as a socio-economic one which deduces strategies for both forms of organizations from its results and findings. It will be based on the interdependencies between economic and social aspects of life leading to a symbiotically characterized relationship: changes in economy impact society and vice versa.

This remarkable relationship has not been recognized over a long period of time but since around three decades a new thinking evolved and modern economic and social sciences started to grow closely together (Granovetter & Swedberg, 2011) respectively scientists on both sides realized that paying attention to each other is reasonable and leads to a combined approach in answering fundamental academic questions.

It is more than obvious that sustainability and socio-economic questions are modern streams with huge potential to impact future trends in organisations and society. Focusing on niches

and significant correlations might be the underlying intention of further investigations which in turn leads to new conclusions and recommendations for businesses and societies.

One of the biggest differentiators between non-profit (NPO) and for-profit (FPO) organizations is their fundamental business orientation and target. While non-profit organizations have primarily intangible goals, mainly but not solely charity driven, for-profit businesses focus on material objectives that are basically trying to maximize profits. When comparing both forms of organisations it is essential to have a closer look on the definition since the term non-profit does not automatically mean not-for-profit. It is more than reasonable that NPOs have to generate certain profit streams as well to pay different kind of costs (fixed and variable ones). Another formal definition respectively distinguishing feature for both organizational forms is putting a legal perspective in scope. Whilst FPOs have at least one owner (or several ones) who controls the business and wants to generate profits which go into his/her own account, NPOs are not allowed to share profits with the ones who control it (Hopkins, 2017).

Knowing the real characters and involving background information about the mentioned business models is essential in this context as organizational culture, strategies, leadership style, orientation and other attributes are different. All aspects that potentially impact employees' behaviour and lifestyle and therefore society play a important role in this scenario. Working life defines a significant part of most people's life and influences a various number of private life's parts. There is no doubt about the strong correlation between both areas of life: if someone is happy and motivated at work, enjoys his or her job and is satisfied with the majority of circumstances at the workplace it is a clear implication that such a person tends to be happier in private life as well. On the other side, if someone has no motivation to go to work, has specific dissatisfying problems with his or her manager or cannot find any reasonable justification for being employed it is obvious that those negative aspects will influence at least some of private life's areas in a disadvantageous way. This relationship between work and private life results in a significant correlation between organizations and society as well since human beings and their interactions define daily social life. This socio-economic aspect is fundamental, especially when it comes to the question how this affects and interacts with sustainability related development and streams in modern societies.

Getting a clear understanding and definition of social sustainability, NPOs, FPOs and one of the most important modern resources, namely the resource of human beings, is key when doing research in this area. An elementary task will be to show which form of organization really creates happy, satisfied, well-balanced and therefore healthy people and how

this in turn leads to a sustainable way of thinking. It might be the case that people working for FPOs, but that is my own hypothesis, tend to work under a higher level of pressure as maximizing profits is one of the main targets in such organisations. Higher pressure on employees, more stress but at the same time a significant better salary by trend, that is one of the double-edged swords in this research project. On the basis of existing research status quo, it needs to be evaluated if people with more money in their pocket are really the happier ones or if employees working for a company with a specific non-material goal and value creates satisfaction on another level that results in healthy and sustainable workforce.

When asking people about their opinion regarding the mentioned comparison between employees working for FPOs and NPOs, a very common statement is that "solely money makes not happy". This opinion is very popular and almost everyone knows it but is that really the case and, above all, how is this related to sustainability? Explaining this relation is reasonably based on facts since sustainability is not only limited to environment. As previously demonstrated sustainability might affect a various factors and circumstances of life. In the planned research project, human beings will play a central role, mainly described as human capital. Human capital as a variable in the context of sustainability is fundamental in modern societies as people are the factors that generate continuous social development and economic growth (Šlaus & Jacobs, 2011). Human capital should be one of the main contents when doing further research, also in combination with associated topics like health or work-life-balance. A positive work-life-balance supports a healthier life, makes people happier and therefore is an important variable in the context of sustainable human capital and also sustainable society. Only if organizations learn to create effective measurements and instruments, they will be able to support human capital's and society's sustainable ecosystem. In our modern world, and obviously this primarily refers to industrialized countries, topics like burnout-syndrome, bad work-life-balance, pressure and stress unfortunately play an increasing role. All of these factors jeopardize sustainable societies and that is exactly the reason why root causes, systemic risks and specific correlations needs to be determined. If employees working for FPOs or employees working for NPOs have significantly different levels of risk to suffer from sustainability jeopardizing factors or if there is no measurable discrepancy, that is objective of research that needs to be done to find valid answers to fundamental questions arising out of the content of this article's main focus.

Another aspect directly related to a socially based sustainability, next to the described human capital factor, completes this subject area: the potential correlation between working conditions and consumer behaviour. Without any doubt work, which defines a tremendous part of life, obviously



needs to have an impact on human behaviour like the influence on consumption. Consumption is something natural and represents one of human's basic need. If it is consumption for nutrition, consumption for clothing or consumption for personal entertainment, in all cases it demonstrates an interaction with our environment. Consumption itself is something that can happen in different ways but related to the aspired dissertation it is for sure something that might have two opposed characteristics: long-term oriented sustainable consumption or short-term oriented non-sustainable consumption. Specific life circumstances cause certain human behaviours. Several studies examined this correlation, for example how people react to stress. One outcome could be an increased behaviour in saving money (Durante & Laran, 2016) when consuming goods. A behaviour like does not automatically imply non-sustainable motivation but there are many examples that cheap products in meat industry for instance come from industrial livestock farming that in turn represents a modality not conformable with sustainable ideas and motivation. On the other hand, people spending more money because of a less stressful working life would support sustainability by trend in this scenario.

In summary it needs to be investigated and evaluated if there are significant correlations between organisational forms (non-profit and for-profit ones) and sustainable effects on society (human capital and consumer behaviour). If this is the case the outcomes might be useful for businesses to adapt and/or optimize internal processes or organizational culture in order to support a sustainable society. If organizations intensify their focus on those potential relations between working life, private life, behaviour and developments within societies, they are able to have a tremendous influence on sustainable effects in our modern world. This is a great example for the importance of socio-economic research which clearly represents the tight relation between economics, society and policy.

2. Status quo in research

An impressive number of research projects have been done regarding topics like sustainability, different forms of organization, employee satisfaction and consumer behaviour but there is no particular academic work focusing on the correlation between these factors. Demonstrating the current status quo of research regarding the mentioned aspects, which doubtlessly represent a major part of the underlying scientific question, will be the goal of this paragraph. Combining existing knowledge to create hypotheses and proofing them will be the ultimate goal of future investigations. Focusing on this niche, the correlation between different organizational forms and their potential impacts on sustainability within societies, is a new area of socio-economic research.

Presenting current state of the art needs to start with the existing status quo in the context of organizations. Understanding how FPOs and NPOs work and identifying similarities and differences is one of the key elements. There are a lot of similarities when having a look at non-profit and for-profit organizations like the abilities of growing, merging, transforming or the facts that both forms of organizations have no guarantee for success, require hard work, have cash as a defining variable and both of them need to plan, budget and perform. Additionally, NPOs and FPOs need to motivate employees, implement managements and above all both of them add certain values to society. Nevertheless there is also a fundamental distinctive feature between companies focusing on profit and companies with a non-profit objective: societal mission and the responsibility that wants to be fulfilled (Epstein & McFarlan, 2011). This implies, at least sometimes, different underlying motivations, supported by the fact that FPOs basically perform to increase the owner's account and satisfy financial interests through profits whereas NPOs are not allowed to do so (Hopkins, 2017). A study from Nowy, Wicker, Feiler and Breuer (2015) supports these findings by proofing that FPOs significantly overrun NPOs regarding financial performance. As a result of that it is more than popular to think that employees working for FPO have a higher wage level than the ones employed at NPOs. Several studies have been executed to examine on that topic with different findings, but latest empirical research projects came to similar conclusions. There is no mentionable wage level difference between FPO and NPO employees in low job levels but this significantly changes the higher you step within existing hierarchies (DeVaro, Maxwell, & Morita, 2015). This fact demonstrates how important it is to compare similar FPOs and NPOs with each other. They need to operate in the same industry, same geographical region and employees at same levels needs to be used as the basis for scientific data collection.

Next to the level of salary, the motivational factor itself and its relation to private and social life represents one of the variables important to explore. Two different kinds of motivation need to be distinguished: extrinsic and intrinsic. A lot of research has been done on those two different forms of motivation. Intrinsic incentives represent values which come from the job itself like power, reputation or autonomy, extrinsic incentives are more tangible values like salary, gifts, bonuses or promotions. Latest studies see advantages on the side of intrinsic elements when it comes to employee motivation and engagement (Coccia, 2019), which implies that NPO workers are more satisfied as they pull their intrinsic motivation out of the underlying social mission of their organization. On the other hand there are researchers who found out that exactly the opposite is the case and that employees working for non-profit businesses need financial rewards and compensations as well, in order to reach a certain



level of motivation and satisfaction (Park, Park, & Lim, 2018). It can be said that there is not one truth about real motivating factors. Studying different literature regarding this topic shows that a clear differentiation is not possible and that extrinsic and intrinsic motivations most probably coexist and interact with each other as well (Salinas-Jimenez, Salinas-Jimenez, & Artes, 2010). It needs to be evaluated if FPO employees on a certain hierarchy level are more satisfied since they have a higher wage level or if NPO workers are the more motivated ones as a result of a better intrinsic constellation.

On top of that, correlations between working conditions and its impact on private life, consumer behaviour and sustainability need to be taken into consideration. As mentioned before, the elementary scientific question is if there is a measurable difference between FPOs and NPOs in supporting sustainable mechanisms. First indicators maybe the findings of Brummelhuis, Hooft, Bakker & Peper (2011): they determined a strongly correlating character between intrinsic motivation and burnout prevention. Combined with the results from Coccia (2019), namely the fact that employees working for NPOs get their intrinsic motivation from the underlying societal mission, the hypothesis arises that NPOs might provide healthier and therefore more sustainability oriented conditions than for-profit businesses. These assumptions are supported from the phenomenon that employees move away from for-profit organizations to non-profit ones although there are negative wage differentials in order to get higher job satisfaction (Becchetti, Castriota, & Depedri, 2013) This hypothesis needs to be proved.

Picking up another aspect mentioned above, namely the correlation between income and consumer behaviour, leads to another hypothesis that needs to be considered. Without any doubt there are correlating factors between stress, household budgets and consumption styles as proven by Durante & Laran (2016) and Pechey & Monsivais (2016). Literature clearly states that people living under bad socioeconomic circumstances, people faced with stress and people with smaller household budgets try to save money when consuming goods and services. Based on previous findings regarding wage differences between FPOs and NPOs it needs to be investigated if there is a significant positive correlation between NPOs, lower wages by trend and non-sustainable consumer behaviour or between FPOs, higher wages by trend and sustainable consumer behaviour.

When summarizing this article's section, it can be stated that there is a huge number of literature and scientific work existing that deals with described individual topics. Research that has been done so far focuses on sub-aspects but in different contexts. No literature analysing the role of non-profit and for-profit organizations in the context of sustainable streams within societies could be found so far and there is no

clear scientific perception about it. This article and future research should focus exactly on this niche area in order to answer questions that are present in our modern time. Societies and businesses all over the world are engaged in developing sustainable strategies since humankind realized the dramatic importance of this topic all around the globe. If there is a measurable relation between forms of organizations and sustainable effects for society, the goal is to find and determine them. This will be a contribution to the scientific world with appropriate conclusions and recommendations for organizations. If businesses have a chance to contribute to sustainable societies in order to save our planet, it is more than obligation to detect them by understanding socio-economic correlations and interactions.

3. Conclusion

Organizations and their interaction with societies is a key element in modern discussions since humanity is well aware about the impact of working conditions on behaviour and health. In times of a certain need for sustainability, an issue which engages societies all over the world, it is an obligation to find out how different forms of organisations like non-profit and for-profit organizations are able to support sustainable thoughts, developments and effects.

Receiving clear answers to this entire topic complex is the ultimate goal and needs to result in precise recommendations for organizations if there is a significant difference in their individual contributions to sustainable streams. Potential new understandings of the interaction between business and society may lead to a better knowledge of how particular forms of organizations can stimulate sustainability or not. It is crucial to demonstrate, if validated, that a continuous knowledge exchange between NPOs and FPOs is key to provoke positive effects on societies and their sustainable environment. Both forms need to learn from each other and adapt principles in order to achieve an optimum in sustainability related issues.

The described socio-economic research project will analyse existing knowledge and findings, execute intensive research and combine both outcomes with each other. It represents a contribution to the scientific world that is new and may lead to new strategies in our modern business world and therefore new developments and trends in societies.



References

- Šlaus, & Jacobs. (2011). *Human Capital and Sustainability*. Retrieved January 2019, from MDPI: <https://www.mdpi.com/2071-1050/3/1/97/htm>
- Becchetti, Castriota, & Depedri. (2013, November 28). *Working in the for-profit versus not-for-profit sector: what difference does it make? An inquiry on preferences of voluntary and involuntary movers*. Retrieved January 2020, from Oxford Academic: <https://doi.org/10.1093/icc/dtt044>
- Clayton, & Radcliffe. (2018). *Sustainability* (Vol. 1st). London: Routledge.
- Coccia. (2019, April). Intrinsic and Extrinsic Incentives to Support Motivation and Performance of Public Organizations. *Journal of Economics Bibliography*, 6(1), 20-29.
- Crane, Matten, Glozer, & Spencer. (2019). *Business Ethics* (Vol. 5th). Oxford: Oxford University Press.
- DeVaro, Maxwell, & Morita. (2015, July). *Compensation and Intrinsic Motivation in Nonprofit and For-Profit Organizations*. Retrieved from SSRN: <https://ssrn.com/abstract=2634880>
- Durante, & Laran. (2016). The Effect of Stress on Consumer Saving and Spending. *Journal of Marketing Research*, 53(5), 814-828.
- Epstein, & McFarlan. (2011). *Joining a Nonprofit Board: What You Need to Know* (Vol. 1). San Francisco: Jossey-Bass.
- Granovetter, & Swedberg. (2011). *The Sociology of Economic Life* (Vol. 3rd). New York: Routledge.
- Hopkins. (2017). *Starting and managing a nonprofit organization* (Vol. 7th). New Jersey: Wiley.
- Nowy, Wicker, Feiler, & Breuer. (2015). Organizational performance of nonprofit and for-profit sport organizations. *European Sport Management Quarterly*, 15, 155-175.
- Park, K. S., Park, J., & Lim, D. H. (2018, January). *Work Engagement in Nonprofit Organizations: A Conceptual Model*. Retrieved January 2020, from Sage Journals: <https://doi.org/10.1177/1534484317750993>
- Pechey, & Monsivais. (2016, July). *Socioeconomic inequalities in the healthiness of food choices: Exploring the contributions of food expenditures*. Retrieved January 2020, from National Center for Biotechnology Information: [10.1016/j.ypmed.2016.04.012](https://doi.org/10.1016/j.ypmed.2016.04.012)
- Salinas-Jimenez, J., Salinas-Jimenez, M., & Artes, J. (2010, February 09). *Income, motivation, and satisfaction with life: an empirical analysis*. Retrieved January 2020, from Springer Link: <https://link.springer.com/article/10.1007/s10902-010-9185-y>
- ten Brummelhuis, L. L., ter Hoeven, C. L., Bakker, A. B., & Peper, B. (2011, February 8). *Breaking through the loss cycle of burnout: The role of motivation*. Retrieved January 2020, from Wiley Online Library: <https://doi.org/10.1111/j.2044-8325.2011.02019.x>



Targeted measures in personnel management in regional branch pharmacy structures against the background of demographic change and shortage of skilled workers

Ali Changae, Ph.D. Student at St. Elisabeth University Bratislava

Abstract

Medicine and pharmaceuticals are areas of research and work which are very much future-oriented, also with regard to industry 4.0 more resistant to crises, but the specific profession of pharmacist seems to fall out of this grid.

Key Words: skilled workers, CoVid 19, pharmacies.



For about ten years now, the German population has been experiencing the demographic change that has been predicted for some time, with low birth rates and a steadily increasing age structure of the existing population leading to bottlenecks in various areas. These affect the labour market as a whole, but also, due to rising life expectancy, the health sector in particular. This is despite the fact that the total population is continuing to decline in real terms and in line with forecasts, but in return the existing real population is getting older and older, thus increasing the proportion of age-typical illnesses requiring treatment.¹

An important factor in this development is the emerging and in some cases already existing shortage of skilled labour, which is already becoming a concern in some sectors of the economy. The health sector is also affected by this and not only since the current events and effects of the existing pandemic with CoVid-19.

It is therefore all the more surprising that the pharmacy sector shows a considerable lack of successors, although the pharmaceutical industry is considered one of the sectors that can be regarded as positive within promising professional fields.² Medicine and pharmaceuticals are areas of research and work which are very much future-oriented, also with regard to industry 4.0 more resistant to crises³, but the specific profession of pharmacist seems to fall out of this grid. There are fewer and fewer stationary pharmacies in Germany and the forecast is that the trend will continue. In 2000, the highest number of stationary pharmacies over the period from 1990 to 2018 was 21,592, and by 2018 the number had fallen to 19,423, the lowest point in this time frame.⁴

Becoming and being a pharmacist is a professional field that turns out to be an 'all-round subject' because many scientific areas have to be learned and applied within the student training. A lot of theory and a high proportion of practical laboratory work are necessary to obtain the academic title of pharmacist. And this also seems to be one of the disadvantages for the degree programme, as the demands are very high and the study period is very long at five years, with the fifth year including practical training at a pharmacy. Other subjects seem to be much easier to learn and teach here.

¹ Civity, 2017, S. 7/Veit et al., 2019, S. 21.

² Vgl. Dahlbeck/Hilbert, 2017, S. 1.

³ Vgl. Burmann et al., 2019, S. 15.

⁴ Datenquelle: ABDA, 2019, S. 10.



For this reason, the figures for graduates in the field of pharmacy, who ultimately also become pharmacists, show only a very slight increase in numbers, which the number of pharmacies that are disbanding cannot completely absorb.⁵ And this will be reflected in the near future, not only in the economic consequences of more competition in the sector, but also in the number of pharmacists leaving the profession. The average age of pharmacy managers in 2014 was around 50 years.⁶ This means that around 2030 a large proportion of these leaders will give up their profession. Conversely, this may also mean more complete pharmacy tasks, as succession can prove difficult if there are fewer young people with the same required qualifications.

The training situation is similar in the field of pharmaceutical technical assistance, which also places demands on trainees in its training requirements. The attractiveness seems to be no more than high, so that these development trends also have an impact on the pharmacy sector in the country and the increase in the vocational training field is only very slight, but many more graduates are needed than the current graduates can absorb. It is becoming more and more difficult for currently existing pharmacies to find personnel or for pharmacists who intend to leave the profession to find successors. However, this is also due to a decreasing number of pharmacies that are willing to offer training places. In the years from 2016 to 2018 the number has decreased by 177, which makes recruitment even more difficult.⁷

This is true for all stationary pharmacies, but for pharmacies that have a branch structure it seems even more difficult, as the personnel costs here turn out to be considerably higher, since in addition to the staff, each individual branch must have one or better two fully trained pharmacists. And the number of pharmacies managed in a branch structure has increased. The following table shows this development from 2005 to 2018.

In order to maintain the pharmacy structure here and thus also to be able to fulfil the state's mandate as a full-time distributor of medicines, pharmacies with branches must turn more strongly to new methods of personnel management. This would require the development of personnel management with new methods and instruments in order to find staff and potential successors as managers.

⁵ Vgl. ABDA, 2019, S. 19.

⁶ Datenquelle: ABDA, 2019, S. 16.

⁷ Datenquelle: ABDA, 2019, S. 18.



These include employer branding, talent relationship management, candidate experience management and human resource management, which can be considered as core methods here. For pharmacies with branches, these applications need to be modified in such a way that the shortage of personnel can be efficiently addressed. For this purpose, the methods in personnel recruitment must be adapted to the needs of the pharmacy sector and the binding factors in such a way that they can also generate success for the target group to be addressed. The primary objective of pharmacies in general must be that unique selling points can be created as an advantage in an otherwise very comparable range of jobs, also due to the strict regulations governing the operation of a pharmacy.⁸

However, it is not only necessary to modernize staff recruitment, but also to address the areas of staff retention and knowledge management in order to attract staff not only for a short period of time in the medium and long term, but to retain them in the pharmacy in a longer-term planning and organisation. This also includes human resource social management, which extends to the social and health prospects of a company, in this case the pharmacy. Work-life balance and health management within the head office and branches are important keywords here, which is now also offered by a certification for reputation as an employer.

In order to make all these theoretically examined aspects practically usable and realisable for pharmacies as well, a completely new process in the area of personnel management must be offered that is exactly tailored to this special form of business and universally applicable. This process must be designed in such a way that, as a basic instrument for personnel recruitment, it also allows pharmacies to implement individual features and approaches.

Here, clear goals must be formulated which the pharmacies should try to achieve in order to then concentrate them in a tangible way, for example within a self-created balance scorecard, on four core objectives which take all sub-objectives into account. From this, the steps for carrying out a restructuring can be planned within a project plan.

In order to be able to safely design such measures, which can be fundamental for the success of inpatient pharmacies, a system of key figures must be developed for the controlling of all management elements and measures, which makes the success visible and offers possibilities for intervention if the plan should deviate.

Research has hardly dealt with such a specific topic at all, which must be regarded as somewhat negligent, because the pharmacy sector in particular has a high priority as a mechanism for distributing drugs to the population and is therefore a sensitive area of overall welfare within the German health landscape. Against the existing background of the massive

⁸ Vgl. Friers, 2016, S. 6.

threat posed by demography and the shortage of skilled workers, there is therefore great justification for providing this important area of pharmacy structures with a tool that defuses the personnel situation and also helps to secure the supply basis for pharmaceutical products.



References

ABDA (Bundesvereinigung Deutscher Apothekerverbände) (2019): Die Apotheke. Zahlen Daten Fakten. Cyrano Kommunikations GmbH, Münster.

Burmann, Anja et al.: „Digital Health Maturity Index“. Analyse des Digitalisierungsgrades im Krankenhaus. In: „Digitale Transformation von Dienstleistungen im Gesundheitswesen VI“. Herausgegeben durch Mario A. Pfannenstiel et al. Wiesbaden: Springer, 2019. S. 3 – 18.

Civity Management Consultants: „Arzneimittelverbrauch im Spannungsfeld des demografischen Wandels“. Die Bedeutung des wachsenden Medikamentenkonsums in Deutschland für die Rohwasserressourcen. Im Auftrag des Bundesverbandes der Energie- und Wasserwirtschaft e.V. Berlin: Civity, 2017.

Dahlbeck, Elke/Hilbert, Josef: „20 Jahre regionale Gesundheitswirtschaftsinitiativen: Stand und Perspektiven“. In: „Gesundheitswirtschaft als Motor der Regionalentwicklung“. Herausgegeben durch Elke Dahlbeck und Josef Hilbert. Wiesbaden: Springer, 2017. S. 9 – 34.

Friers, Marion: „In: „Pharma Relations“. Das Magazin für modernes Healthcare-Marketing. 16. Jahrgang. Ausgabe Nr. 3. Schierling: Koessinger, 2016. S. 6 – 9.

Veit, Kim et al.: „Gesundheitsdaten und Digitalisierung – Neue Anforderungen an den Umgang mit Daten im Gesundheitswesen“. In: „Digitale Transformation von Dienstleistungen im Gesundheitswesen VI“. Herausgegeben durch Mario A. Pfannenstiel et al. Wiesbaden: Springer, 2019. S. 19 – 34.

Communication strategies as a solution-oriented marketing instrument for the pharmaceutical trade in the context of increasing competition.

Mohammad Hosseini, Ph.D. Student at St. Elisabeth University Bratislava

Abstract:

The health sectors are particularly affected by this exceptional situation, which are feeling the full impact of the new virus and have therefore had to make changes to their day-to-day business even faster than other sectors in order to maintain the supply situation in the medical sector.

Keywords: pharmaceutical trade, corona crises, social media.



The Corona crisis has taken hold of the whole world and this exceptional situation is giving rise to completely new patterns of behaviour in all areas of everyday life. These may have been imposed by force, but they will last for a long time and will certainly continue to shape the behaviour of societies.

The health sectors are particularly affected by this exceptional situation, which are feeling the full impact of the new virus and have therefore had to make changes to their day-to-day business even faster than other sectors in order to maintain the supply situation in the medical sector.

However, changes have also occurred in the behaviour of patients and customers of pharmaceutical products and medical care, which service providers at every level must take into account. In the supply of medicines, for example, there has been a very strong increase in online purchases, which, according to N-TV in the general news of 07.08.2020, rose by 90%. Especially the area of OTC products has benefited most from this.¹ Even before that, since the first significant changes in legislation at European level and the subsequent adjustment by national legislators since 2004, the debate had already flared up as to whether the development towards opening up markets for pure mail-order sales would be to the detriment of stationary pharmacies. This situation was exacerbated for retail pharmacies with further powers in favour of online providers, which put more pressure on pharmacists.²

With the aim of opening and liberalising markets in the pharmaceutical sector, a trend has emerged that is still prevalent today, which is giving way to in-patient pharmacies, without knowing for certain whether online trading will make it possible to maintain supplies at the same level.³ The current corona pandemic could have a catalytic effect here and further strengthen the online market. But how can the retail pharmacies, which are considered to be systemically relevant, ward off this competition and secure or slightly expand their market shares? There will be no return to the old days without online trading.

Against this background, the subject of the present research was focused on marketing in the drug supply sector and the fundamental question was raised as to how pharmacies in particular structure their marketing communication, which areas can still be developed and, above all, whether modern methods of marketing at the

¹ Quelle bildet hier ein Bericht in den Nachrichten von N-TV, der hier aufgegriffen wurde.

² Vgl. Kind, 2018, S. 1.

³ Vgl. Haucap et al., 2012, S. 1.

level of communication strategy can help retail pharmacies to present themselves better on the market. This also builds on the perspective of the retail pharmacies, to what extent they have dealt and/or are dealing with the current and future customer perspective.⁴ This topic should be seen in particular against the background that the possibilities have been expanding for some time now, with the development of technical communication channels and means of communication increasing the possibilities of communication. As a result, the points of contact between stationary pharmacies and customers have expanded by a number of factors which must also be accepted and offered by pharmacies.⁵ However, it is often the case that pharmacies are too conservative in their inpatient treatment.⁶ Here, special focus should be placed on forms that deal with digital communication, such as video consulting, social media or app functions. Core areas should be here:

- Assessment of communication as a marketing method
- Which methods and instruments are used
- Planning for new methods
- Problems with the creation of a new marketing portfolio in the pharmacy

However, it is also necessary to examine the existing touchpoints between customer and pharmacy to see what possibilities exist for changing and expanding communication with the existing instruments. This includes first and foremost the Internet presence via the homepage. Here the possibilities for stronger local marketing are to be sounded out in order to be able to address the customers in their traditional region in a targeted manner.⁷

⁴ Vgl. Kaufmann, 2014, S. 1.

⁵ Vgl. Haack, 2016, S. 42.

⁶ Vgl. Herzog, 2014, S. 9.

⁷ Vgl. Tittelbach, 2014, S. 17f.

The aim is to assist pharmacies by examining the most modern methods for their applicability to the form of retail outlets in the health sector and to prepare them in a potential strategic plan which can be used by pharmacies as a basis.

Thus, both the dangers and potentials of social media investments for the retail sector in the sector will be presented, as social media is touted as a must in the literature, but the retail sector has to position itself differently here than other companies - especially larger and other areas - have done so far.

The use of app functions, such as recipe management, reminder apps for taking medication or info apps for medication information, will also be examined in more detail here, especially in the area of profitability.



References

Haack, Matthias: „Fokus auf Käuferzielgruppen“. Mediaplanung. In: „Healthcare Marketing“. Ausgabe Nr. 6, 2016. S. 42 – 43.

Haucap, Justus et al.: „Der deutsche Apothekenmarkt: Reformoptionen für eine effiziente und nachhaltige Versorgung“. Studie im Auftrag der Initiative Neue Soziale Marktwirtschaft (INSM). Düsseldorf: Heinrich-Heine-Universität Düsseldorf, Wirtschaftswissenschaftliche Fakultät, Düsseldorf Institute for Competition Economics (DICE), 2012.

Herzog, Reinhard: „Qualität aus der Kundenperspektive betrachten: Qualitätsempfinden ist sehr stark Gefühlssache“. In: „Apotheke heute“. Herausgegeben durch das IWW Institut für Wissen in der Wirtschaft GmbH & Co.KG. Sonderausgabe. Lüdinghausen: Rademann GmbH Print + Business Partner, 2014. S. 9 – 13.

Kaufmann, Julia: „Kundenzufriedenheit gestern – heute – morgen: Diskussionsergebnisse von und für Apotheker“. In: „Apotheke heute“. Herausgegeben durch das IWW Institut für Wissen in der Wirtschaft GmbH & Co.KG. Sonderausgabe. Lüdinghausen: Rademann GmbH Print + Business Partner, 2014. S. 1 – 4.

Kind, Sonja: „Zukunft der Apotheken“. Themenkurzprofil des Büros für Technologiefolgen-Abschätzung beim Deutschen Bundestag. Nr. 24, 2018.

Schröder, Hendrik: „Strategisch denken“. Basiswissen Apothekenmarketing. In: „Apotheke + Marketing“. Ausgabe Nr. 1, 2017. S. 20 – 24.

Tittelbach, Jan: „Lokales Online-Marketing für die Apotheke: Seien Sie dort, wo Ihre Kunden Sie suchen“. In: „Apotheke heute“. Herausgegeben durch das IWW Institut für Wissen in der Wirtschaft GmbH & Co.KG. Sonderausgabe. Lüdinghausen: Rademann GmbH Print + Business Partner, 2014. S. 17 – 19.



Logistics concept for the supply of medicines to health care facilities by pharmacies with a focus on the concept of secondary blister packaging and the associated supply of medicines

Mark Herold, Ph.D. Student at St. Elisabeth University Bratislava

Abstract

Since this ruling, numerous pharmacies have taken part in second blister packaging and have made considerable investments in order to be able to participate in this business model.

In the meantime, the framework conditions within the Pharmacy Act have been clearly defined and the market has established itself as an important factor for the health landscape.

Key Words: supply of medicines, blister, health care



Since the decision of the Higher Administrative Court of Lüneburg on 16 May 2006 and its entry into force on 3 July of the same year, the secondary blister packaging of medicines has become a constant factor in the supply of medicines in the country. At the same time, the OVG also clarified that the secondary blister packaging of medicines is equivalent to the production of medicines and therefore requires a permit within the meaning of the law.¹

Since this ruling, numerous pharmacies have taken part in second blister packaging and have made considerable investments in order to be able to participate in this business model.

In the meantime, the framework conditions within the Pharmacy Act have been clearly defined and the market has established itself as an important factor for the health landscape. The decisive advantage of secondary blister packaging is seen above all in the prevention of incorrect medication, which until the establishment of the procedure represented a danger in the medication of people in need of care in designated facilities. The reasons for this were seen primarily in human error, as personnel in the health care sector often turned out to be a source of error due to increasing work pressure.

The possibilities of secondary blister packaging and the provision of medicines by pharmacies should reduce the frequency of errors and be an important step towards greater medication safety.² In 2005, for example, the probability of incorrect medication in nursing homes for a resident was still 53%.³

- But for the pharmacies, which perform this task on a contract basis for special care facilities or hospitals, changes in the work process resulted from the expansion of the duties and increased costs. These include:
 - - Investments in machines and material for the production of second blister
 - Provision of personnel for the production
 - Training needs for the professional production and handling of medicines in the process of secondary blister packaging
 - Creation of structured and demand-oriented supply concepts by the pharmacies
 - Investments in the vehicle fleet and transport solutions for the demand-oriented delivery of different medicines

¹ Vgl. Riesenberger, 2007, S. 44.

² Vgl. Wellenhofer, 2012, S. 2.

³ Vgl. Kohaupt, 2011, S. 112.



All these necessary changes have resulted in process flows of their own, which the pharmacies had to establish in other business processes. To this day, however, problem areas have repeatedly arisen as a result of various factors.⁴ These include:

- New legal requirements for secondary blister packaging (e.g. inspection and training in the field of medication)⁵

- Dealing with special features of the process (e.g. division of medication)
- emergence of pure specialists (blister centres) in the sector of secondary blistering⁶
- Requirements and innovations in the legal foundations for sustainability

After almost 15 years, pharmacies are thus at a point where they have to show whether the business with secondary blister packaging is still worthwhile.

This depends on how pharmacies position themselves as service providers for the care facilities. This means that pharmacies must think about the services they can offer to set themselves apart from the existing competition. To do this, it is necessary to carry out precise analyses of currently existing processes in order to be able to generate improvements in these processes in terms of factors such as costs, staff deployment, logistical requirements etc. by means of suitable measures.

The basis for such an approach lies in a balanced scorecard, which should lead from target states to a real ACTUAL state within a project sequence. For the pharmacies, this means an analysis of the entire supply chain in this area, which includes their own internal processes as well as the cooperation with suppliers, possible external logistics service providers and with the customer 'care facility' or 'hospital'.

After almost 15 years, such an analysis is necessary, as the technical possibilities for supporting these processes have changed. It is also important to include these possibilities in the analysis in order to be able to recognise positive changes in the work processes through automation or digitalisation.

In order to carry out such an analysis of existing processes and possible weak points and to make them more efficient through targeted changes, the following research design was

⁴ Vgl. IQWIG, 2019, S. III.

⁵ Vgl. Kohaupt, 2011, , S. 106.

⁶ Vgl. IQWIG, 2019, S. 1.

developed. The figure shows the mental model with the process flow and the research objectives to be achieved.

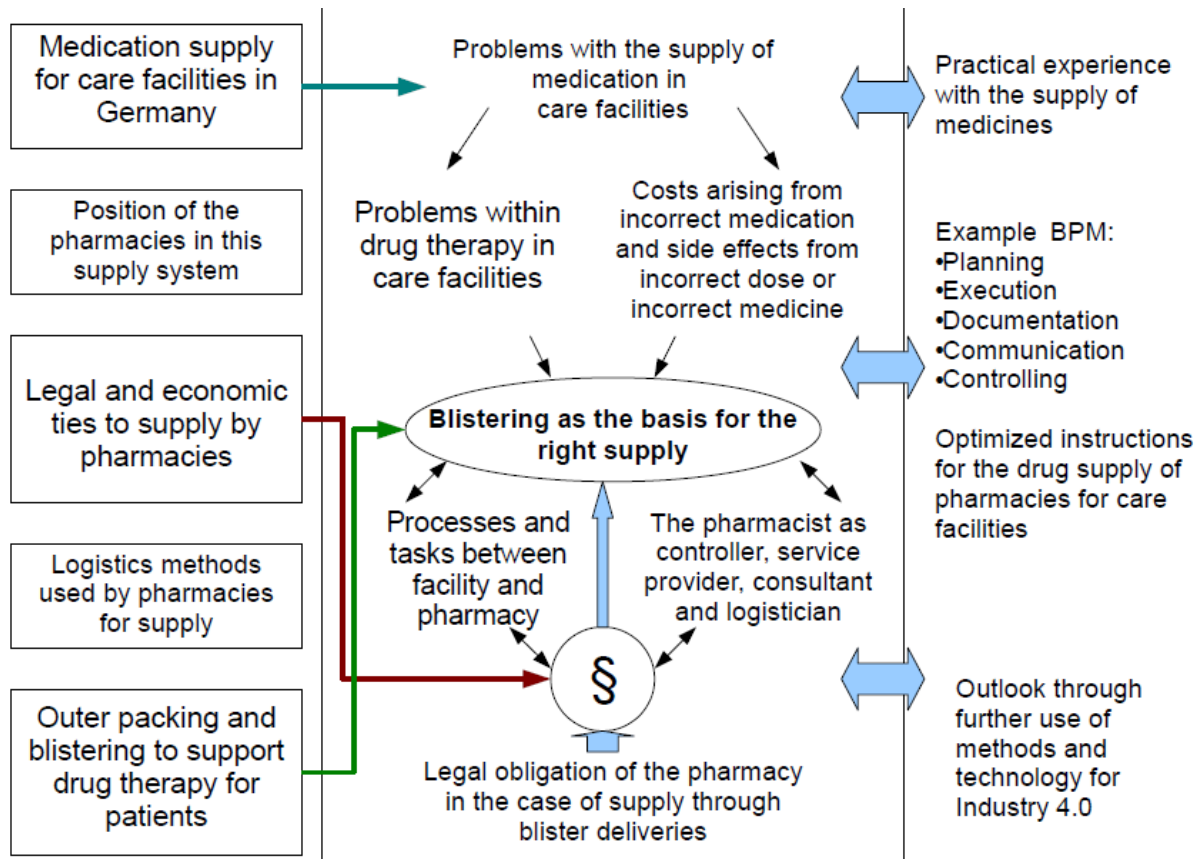


Figure1: Mental model of research structure, planning and achievement of objectives⁷

References

Institut für Qualität und Wirtschaftlichkeit im Gesundheitswesen (IQWiG): „Patientenindividuelle Verblisterung“. IQWiG-Berichte – Nr. 747. Im Auftrag des Bundesministeriums für Gesundheit. Köln: IQWiG, 2019.

Kohaupt, Ines Maria: „Untersuchung der Sicherheit beim Stellen von Arzneimitteln in deutschen Pflegeheimen“. Inaugural – Dissertation zur Erlangung der Würde eines doctor rerum medicinalium der Hohen Medizinischen Fakultät der Universität zu Köln. Münster: Copy-Center CCC, 2011.

Riesenberger, M.: „Patientenindividuelle Zweitverblisterung“. In: „Die Apothekenzeitung“. Ausgabe Nr. 48. Stuttgart: Deutscher Apotheker Verlag, 2007. S. 44.

Wellenhofer, Thomas: „Verblistern unter volkswirtschaftlicher Betrachtung“. Freilassing: FIPV, 2012.



Social media in political communication and in election campaigns

An empirical study with regard to the type and intention of use and the expected effects of use from the perspective of the content-generating group of politicians

Ismail Tahir, Ph.D. Student at Comenius University Bratislava

Abstract:

In the academic debate on the effects of communication on these channels between political organizations and politicians on the one hand and the voters on the other, it is often criticized that political science in particular has not dealt intensively enough with the effects of this type of election campaigning.

Keywords: Social Media Channels, Online campaign, Political Data Science



Within political communication, the USA is considered one of the pioneers in the use of online communication with voters. Here, the Internet has been used for over 15 years by politicians to be elected to publish opinions, content and comments and thus influence the opinion of voters in their favour.¹

Since the 2008 presidential election campaign in the USA, the internet as a platform for political content and discussion has increasingly become a mainstream in other states in the way politicians address voters. In particular, Barack Obama's use of social networking sites to communicate with voters on the internet has been an important tool for his campaign, and research literature describes this campaign strategy as the first planned 'online campaign'.²

Election campaigns play a slightly different role in political communication than in the periods following an election. This is especially true for the frequency and frequency of content posted during an election campaign and the periods without this special campaign design.³ Election campaigns are fixed in their planning and, because of their temporal limitation, they require a higher frequency and appearance in all available media channels. This also widens the points of contact between voters and those to be elected, as the aim of the politician's campaign is to attract attention, communicate political objectives and intentions and build trust and credibility in himself and the political objectives being advocated.⁴

In the academic debate on the effects of communication on these channels between political organizations and politicians on the one hand and the voters on the other, it is often criticized that political science in particular has not dealt intensively enough with the effects of this type of election campaigning. The fact that specific research has only been carried out in individual cases has created gaps that do not take sufficient account of the effect on elections or voter opinions. This is especially true in the face of a development that shows more and more clearly that the network is causing changes in the formation of opinion among voters in various directions - both positive and negative. The main negative aspects favoured are that the Internet and its communication solutions are increasingly moving away from the factual level and showing more bold and populist influences on opinion.⁵

¹ Vgl. Jungherr, 2017, S. 10.

² Vgl. Borucki, 2014, S. 34.

³ Vgl. Borucki, 2016, S. 50f.

⁴ Vgl. Donges/Jarren, 2017, S. 173f.

⁵ Vgl. Jungherr, 2017, S. 6f.



Well-known politicians are increasingly using populist opinions and 'fake facts' on the social media channels to address broad potential groups of voters for these opinions and 'facts', who seem to have an affinity for them.⁶ Such a development is increasingly evident in the use of social media channels by politicians through individual content that was not agreed in consultation with the party or the political minds of the party. Such publication of opinions is different from that published by governments or political parties. Governments and political parties as organisations usually act informatively (distributively) by publishing intentions and measures, and as a communicative act (dialogically) respond to the needs of citizens and plan accordingly.⁷

This type of communication gives rise to two questions, which are to be investigated in depth in our own research.

- How dialogical are the politicians to be elected and how many of the appearances in social media channels are distributive?
- Do politicians really enter into personal dialogue with voters, as they do, for example, in public campaign appearances in the streets during election campaigns?

Here it is important to find out within the research what intention(s) politicians have to present themselves on the social media channels and, at the same time, deal with direct communication with the voters.

Simon Hegelich, Professor of Political Science with a focus on Political Data Science at the Technical University of Munich, emphasises very clearly that this is currently an acute need and will therefore be quoted here:

"The general problem is that science, too, is completely overwhelmed by the intensity and speed of the current social change. There is no experience whatsoever in the social sciences to analyse the radical and short-term change of almost all social practices. Even if, of course, not everything is suddenly completely new, one must seriously ask oneself whether any social science category - such as public sphere, opinion formation, communication, friendship, milieu, party, society or politics - still means the same today as it did ten years ago."⁸

⁶ Vgl. Männle, 2017, S. 3.

⁷ Vgl. Borucki, 2016, S. 52.

⁸ Hegelich, 2017, S. 7.



In order to find an approach here that offers a contribution to the further investigation of political communication in the digital age, the following research approach has been chosen, the process structure of which is presented in the mental model shown here.

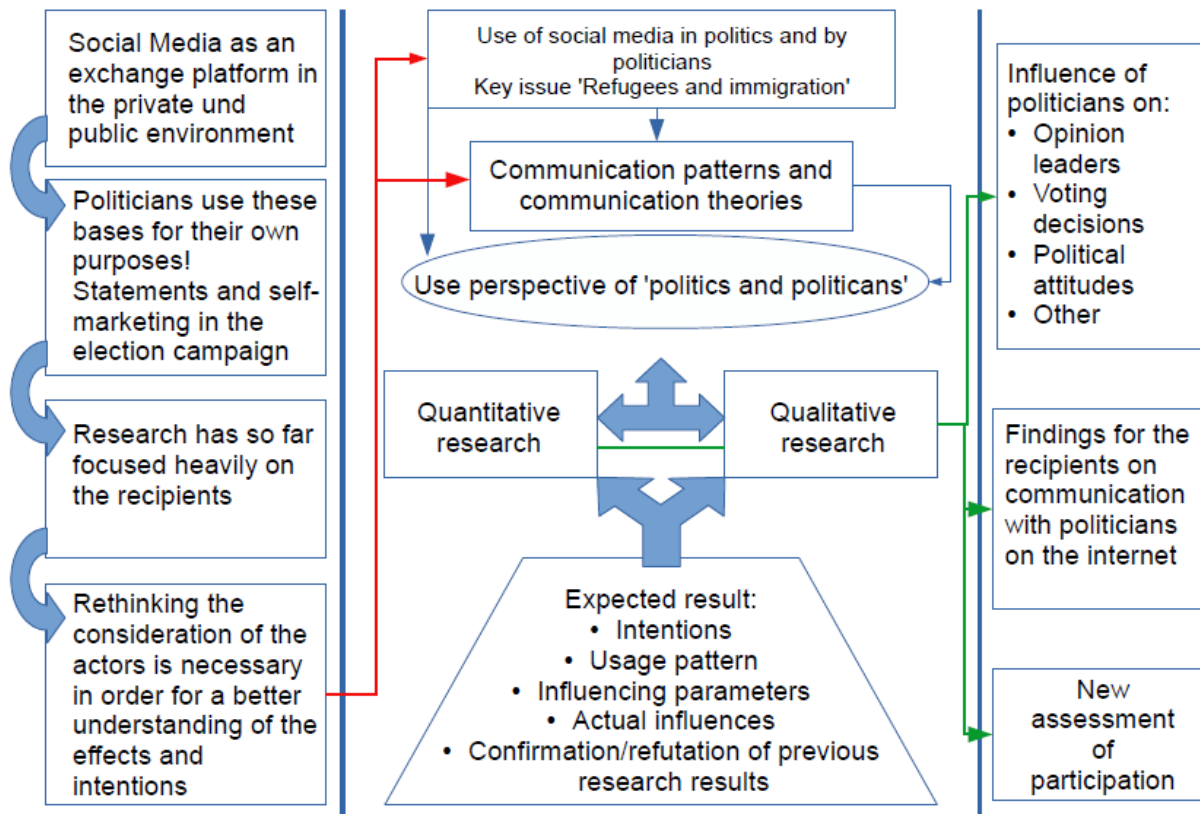


Illustration: Mental model for the structure and process of the research⁹

References

Borucki, Isabelle: „„Online-Regieren angesichts medialer Allgegenwart“ – Die Kanzlerin auf YouTube und ihr twitternder Regierungssprecher“. In: „ Social-Media-Kommunikation nationaler Regierungen in Europa“. Theoretische Grundlagen und vergleichende Länderanalyse. Herausgegeben durch Holger Sievert und Astrid Nelke. Wiesbaden: Springer, 2014. S. 34 – 49.

Borucki, Isabelle: „Regierungen auf Facebook: distributiv, dialogisch oder restriktiv?“. Eine Bestandsaufnahme. In: „Politische Online-Kommunikation“. Voraussetzungen und Folgen des strukturellen Wandels der politischen Kommunikation. Herausgegeben durch Philipp Henn und Dennis Frieb. Berlin: Böhlmann & Schremmer, 2016. S. 49 – 75.

Donges, Patrick/Jarren, Otfried: „Politische Kommunikation in der Mediengesellschaft“. Eine Einführung. 4. Auflage. Wiesbaden: Springer, 2017.

Heglich, Simon: „Social Media im Wahlkampf“. Die digitale Revolution der Meinungsbildung. Herausgegeben durch die Hanns-Seidel-Stiftung e.V. München: Hausdruckerei der Hanns-Seidel-Stiftung e.V., 2017.

Jungherr, Andreas: „Das Internet in der politischen Kommunikation: Forschungsstand und Perspektiven“. In: „Politische Vierteljahresschrift“. 58(2). Konstanz: Universität Konstanz, 2017. S. 285 – 316.

Männle, Ursula: „Vorwort“. In: Heglich, Simon: „Social Media im Wahlkampf“. Die digitale Revolution der Meinungsbildung. Herausgegeben durch die Hanns-Seidel-Stiftung e.V. München: Hausdruckerei der Hanns-Seidel-Stiftung e.V., 2017. S. 3.



Crisis and risk management of supply chains in the pharmaceutical industry

Lukas Niemuth, Ph.D. Student at St. Elisabeth University Bratislava

Abstract:

Since the end of 2019, the CoVid-19 pandemic has been added to this, causing significant disruption to supply chains through border closures and national security measures in the form of lockdowns or other restrictions. During the peak of the pandemic between January and April, the impact of the restrictions has been such that entire supply chains have partially collapsed.

Keywords: risk management, supply chains, pharmaceutical industry



In recent years, the conditions for secure supply bases in the health sector with medicines have deteriorated. More and more medicines are now considered difficult or impossible to supply, which in some cases leads to significant problems in treating patients who are dependent on certain medicines with active ingredients for their conditions. There are several reasons for this:

- Bottlenecks in the supply of active ingredients
- Trade disputes at State level
- Quality defects in delivered products Alternatives limited
- Discount agreements between industry and health insurance companies (In extreme cases: each health insurance company has a manufacturer¹)

This concerns in particular patented medicines for which no generics are available.²

Since the end of 2019, the CoVid-19 pandemic has been added to this, causing significant disruption to supply chains through border closures and national security measures in the form of lockdowns or other restrictions. During the peak of the pandemic between January and April, the impact of the restrictions has been such that entire supply chains have partially collapsed.³ One example is imports from India, from where standard medicines such as antibiotics, paracetamol and vitamin preparations are sourced in large quantities. In February 2020, India decreed that the quantities intended for export would be used for domestic consumption.⁴ If we look at the closer links between supply chains that have an international impact on the German health sector, then the links between China and India are particularly worthy of consideration, since India is dependent on the supply of semi-finished products and active ingredients from China. If China reduces these supplies or even stops them altogether, a chain reaction via India to Germany will result.⁵

In the meantime, the situation has eased somewhat because, despite rising infection rates, measures are concentrating more on local interventions. Supply chains have partially rebuilt during this period, but their volumes are still below the levels reached before the pandemic.

¹ Vgl. Stief, 2019, S. 24f.

² Vgl. Wissenschaftlicher Dienst des Deutschen Bundestages, 2019, S. 4.

³ Vgl. Huster, 2020, S. 3.

⁴ Vgl. Haug/Westenberger, 2020, S. 6f.

⁵ Vgl. Alex, 2020, S. 1.



In Germany, the government has taken comparatively rapid and comprehensive measures to safeguard the economic performance of companies and to secure supply chains.⁶

However, the pandemic has revealed gaps in the supply strategy of companies and also in the preventive measures of the state, as the supply situation in the area of protective equipment, medicines and other relevant goods in the event of a pandemic is considered to be too dependent on foreign suppliers. In this respect, the government is attempting to build and maintain infrastructure based on domestic production and supply through a new epidemic and pandemic plan in the event of an emergency.⁷

But relying solely on the state in times of crisis and hoping that support and assistance will always come from that side should not be the credo of the pharmaceutical industry. Particularly in view of the consequences of the pandemic, which have once again highlighted the existing problems, it is the supply chains that should receive more attention in the future throughout the entire value chain. Here in particular, the dependencies are very high, and therefore risk and crisis management must be reorganised.

The modelled representation of the supply chain in the supply contexts should show how sensitive these chains are.

It can be seen here that there is always risk and crisis potential at these intersections in every transition of the supply chains, which companies must constantly check for security and consistency. With the knowledge gained from the extreme situation of the pandemic, the supply chains and their weak points must now be reviewed again.

This means that several aspects have to be taken into account here, which make the chains more resistant to effects. These include, for example

- Distributing raw material procurement among more suppliers
- Extend stockholding and accept higher storage costs
- Do not concentrate the supply of finished products only abroad Promote own production
- Realign price development higher purchase prices for drugs take into account more agreements and new arrangements with the SHI and private health insurance

⁶ So wurde bspw. die Fälligkeit der Einfuhrumsatzsteuer auf einen späteren Zeitpunkt verlegt, was den Unternehmen mehr finanzielle Spielräume gibt. Zusätzlich wurden stark betroffenen Wirtschaftssektoren umfangreiche finanzielle Mittel zur Stützung bereitgestellt, die helfen, Verluste zu minimieren. Vgl. Koalitionsausschuss vom 03. Juni 2020.

⁷ Vgl. Koalitionsausschuss vom Juni 2020, S. 13f.

companiesDarauf aufbauend: Neue Regelungen bezüglich der Rabattverträge zwischen Pharmahersteller und Krankenkassen (Mehr Alternativen in den Produkten!)

- Eventuell mehr Einsatz von digitalisierten Möglichkeiten der Absicherung gegen Risiken und Krisen

The current situation therefore calls for a new risk and crisis management, as otherwise there is always the threat of massive failures of some, but vital, medicines or medical goods.



References

Alex, Boris: „Covid-19: Auswirkungen auf internationale Lieferketten“. Im Auftrag der German Trade & Invest. Quelle: <https://gtai-de/trade/specials/special/indien/covid-19-auswirkungen-auf-internationale-lieferketten-234428> (Letzter Aufruf: 02.10.2020).

Bundesregierung der Bundesrepublik Deutschland: „Corona-Folgen bekämpfen, Wohlstand sichern, Zukunftsfähigkeit stärken“. Ergebnis Koalitionsausschuss 3. Juni 2020. Quelle: <https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Schlaglichter/Konjunkturpaket/2020-06-03-eckpunktpapier.pdf> (Letzter Aufruf: 02.10.2020).

Haug, Achim/Westenberger, Anna: „Coronavirus – wirtschaftliche Auswirkungen auf Auslandsmärkte“. Im Auftrag der German Trade & Invest. Quelle: <https://www.gtai-de/trade/specials/special/wirtschaftliche-auswirkungen-auslandsmärkte-234852> (Letzter Aufruf: 02.10.2020).

Huster, Frank: „Speditionen und Logistikunternehmen brauchen schnelle Hilfestellung der öffentlichen Hand“. Covid-19 Pandemie bedroht Lieferketten und Versorgungssicherheit. Berlin: DSLV, 2020.

Körner, Chrsitine: „Pharmalogistik – hochkomplexe Supply Chain Anforderungen in einem sensiblen Markt“. Herausgegeben durch die Bundesvereinigung Logistik e.V. Bremen: BVL e.V., 2015.

Stief, Gabi: „Derzeit nicht lieferbar“. In: „Medizinischer Dienst der Krankenversicherung – Forum“. Heft 3. : Essen: MDK, 2019. S. 24 – 25.

Wissenschaftlicher Dienst des Deutschen Bundestages: „Vermeidung von Lieferengpässen bei Arzneimitteln“. Entwicklung der gesetzlichen Regelungen. Sachstand WD 9 - 3000 - 084/19. Berlin: WD, 2019.



**The reintroduction of the juvenile sentence of indefinite duration.
Social necessity due to changes in society caused by various factors**

Wolfgang Storck, Ph.D. Student at UCM Trnava, Faculty of Social Sciences/ Politology and European Studies

Abstract

Since the last major reform of juvenile criminal law took place in Germany in 1990, this topic has been discussed more often since the turn of the millennium. However, apart from various discussions in the judiciary and some in the political arena, little has been achieved so far that comes closer to a genuine reform, but rather selective adjustments.

Key Words: juvenile sentence, technological society, criminalization



With the onset of changes in a highly technological society, changes have taken place in German society, especially for young people. As a result, economic changes have also taken place in the strata, which are reflected in the fact that society is becoming increasingly polarized. Such polarizations lead to an effect whereby large sections of society can fall through the hitherto solid social safety net. The younger generations are particularly affected and there is an increased risk of criminalization of this social group. Here it is the task of the legislature and its bodies to react to this development and, especially in juvenile criminal law, to create foundations that are more problem-oriented and educational rather than purely punitive. Since the last major reform of juvenile criminal law took place in Germany in 1990, this topic has been discussed more often since the turn of the millennium.¹ However, apart from various discussions in the judiciary and some in the political arena, little has been achieved so far that comes closer to a genuine reform, but rather selective adjustments. Professor Dr. Dr. Uwe Scheffler from the European University Viadrina (Frankfurt an der Oder) already expressed his opinion on this in a specialist article in 2002, stating that this discussion was more about whether it was up-to-date and not about the actual relevant contents. The reason for this was above all to bring about changes in politics, as the public opinion of concerned citizens demanded more action against the 'marauding' young people.² The fire for this opinion was provided by the numerous classical and new media, which again and again highlighted cases that can be classified as drastic, but where it remained open whether they really corresponded to a new "violence mainstream" of young people.³ *Scheffler fears that reforms on such a basis would only result in further tightening and even more draconian penalties.*⁴

So reforms? Yes! But in what direction? Certainly not in a legal basis that does not allow young people to get out of the maelstrom once it has got out of hand!

¹ Vgl. Höynck/Ernst, 2014, S. 249.

² Vgl. Scheffler, 2002, S. 450.

³ Vgl. Ostendorf, 2017, S. 58.

⁴ Vgl. Scheffler, 2002, S. 450.



And certainly not in the direction of making the basic tasks of punishment lose their educational and thus also reserializing character, because then punishment has lost its educational meaning.

So what needs to be done and what scope is there for reforming juvenile criminal law so that it also corresponds to what is to be understood as contemporary, on the one hand, and developing or using methods and measures that also offer an opportunity for change for young people, on the other?

Politicians reacted in 2012 with the law on the expansion of the possibilities for action by juvenile courts, in which the colloquial 'warning shot detention' was anchored and the maximum sentence for murder was raised to 15 years. In addition, the principle of 'advance probation' and the strengthening of the rights of victims of sexual violence offences have been added.⁵

But the crimes now committed by young people no longer correspond to the previous categories alone, as new ones are added to the existing forms of crime. These are mainly crimes that arise from new environmental conditions in our society. These arise with the medium of the Internet, which, through its supposed anonymity, shows a quick willingness to use the Internet as a platform for new criminal offences. 'Cybercrime' is the key word here and it is used in many different ways. This includes crimes of bullying, defamation, insulting and even threatening. But hacking, data theft, destroying internet-based infrastructures or plagiarism are also forms of criminal offences that are now increasingly being committed by young people.

In all these newer and newer forms of crimes, however, the call for more and more drastic punishment is not the only viable way forward. This especially through the exchange of experts with politics and not only through politics, which in some cases tends to have a strong impact on the currently very populist thinking.⁶ The majority of the main actors, judges, criminologists, prosecutors, etc., who have to work directly with the current situations, have for a long time opposed a further tightening of the existing law.⁷

Rather, it is necessary to adapt juvenile criminal law to the circumstances of the youngest generation, who are now in the juvenile criminal justice system. This may even be done at European level, since standardization also brings considerable

⁵ Vgl. hierzu ausführlich Höynck/Ernst, 2014, S. 255 – 259.

⁶ Vgl. Ostendorf, 2017, S. 59.

⁷ Vgl. Ostendorf, 2015, S. 66/Heinz, 2008, S. 12.

benefits for all concerned. Europe, because in the meantime very strong social adjustments have become apparent, if one sees the main strata of society which are sinking into a criminal milieu. The number of members among young people from precarious situations is increasing in all the European Member States, and in almost all cases they show a convergent picture of these constellations. It is therefore necessary to concentrate on standardizing juvenile criminal law in all Member States if we want to act in a generatively fair way and give everyone a fair chance, even if they have a criminal past. This is a mandate of the moral obligation of the EU, which wants to be particularly committed to the situation of future generations.⁸ It seems necessary, especially from a German perspective, to turn to the neighbours and their legal dealings with young people and to learn from them. Examples can be seen here in the Benelux countries and the Scandinavian states, which seem to be more efficient in terms of jurisdiction because the statistics speak for them.⁹ It is therefore only a logical consequence to combine all country rights in order to take the best out of all 'worlds' and to create a very good whole from these good parts.

An important instrument in this respect, and one which is very much in keeping with the spirit of the times, is the 'indefinite sentence', which provides a high degree of flexibility for the judiciary and at the same time also indicates a punishment option appropriate to the offence, without destroying the future of an offender in his youth completely from the outset. Germany unfortunately got rid of this instrument of justice in the 1990s, but should think again about introducing it, as other European nations within the Union continue to use it successfully. With a uniform legal regulation and handling of juvenile criminal law, very positive synergy effects could be created within the Union, which would not only relate to the legal situation. For example, a uniform legal basis could also have effects on the labour market, which would mean that, with greater opportunities, young people in other countries would nevertheless build a future that would take them away from crime.

Changes in the social environment can be very helpful here and would be in line with the 1995 Schengen Agreement. Countries which need skilled workers - such as Germany - can thus take in young people and train them or make them work, even if they already have a criminal past. Countries with a particularly high proportion of people from precarious backgrounds could thus give them a second chance in other

⁸ Vgl. Radtke, 2011, S. 120.

⁹ Vgl. Dünkel, 2017, S. 275f.

countries. At the same time, however, it must be clear to young people that if they were to relapse they would be convicted according to the same standards that they find in their own country, which maintains the deterrent character.



References

Dünkel, Frieder: „100 Jahre DVJJ im Kontext internationaler Entwicklungen des Jugendstrafrechts und der Jugendgerichtsbarkeit“. In: „Neue Kriminalpolitik“. 29. Jahrgang. Heft 3. Baden-Baden: Nomos, 2017. S. 273 – 295.

Heinz, Wolfgang: „Das deutsche Jugendstrafrecht“. Ziel, Handhabungen, Wirkungen. Vortrag, gehalten an der Hokkai-Gakuen Universität, Sapporo. Tag des Vortrags: 08.11.2008. Konstanz: Lehrstuhl für Kriminologie und Strafrecht, 2008.

Höynck, Theresia/Ernst, Stephanie: „Jugendstrafrecht: Ein Vierteljahrhundert schlechte Zeiten für rationale Kriminalpolitik“. In: „Kritische Justiz“. 47. Jahrgang. Ausgabe 3. Kassel, 2014. S. 249 – 260.

Ostendorf, Heribert: „Die Entwicklungsgeschichte des deutschen Jugendstrafrechts“. Von den Anfängen bis zur Gegenwart. In: „Erziehen und Strafen, Bessern und Bewahren“. Entwicklungen und Diskussionen im Jugendrecht im 20. Jahrhundert. Herausgegeben durch Eva Schumann und Friedericke Walper. Göttinger Juristische Schriften. Band 20. Göttingen: Universitätsverlag Göttingen, 2017. S. 49 – 60.

Ostendorf, Heribert: „Jugendstrafrecht“. 8. Auflage. Baden-Baden: Nomos, 2015.

Radtke, Henning: „Europäisches Jugendstrafrecht?“ Zum unionsrechtlichen Rahmen für die Gestaltung des Jugendstrafrechts in den Mitgliedsstaaten der Europäischen Union. In: „Zeitschrift für Jugendkriminalrecht und Jugendhilfe“. 2011. S. 120 – 126.

Scheffler, Uwe: „Ist das deutsche Jugendstrafrecht noch zeitgemäß?“ In: „Neue Justiz“. Zeitschrift für Rechtsentwicklung und Rechtsprechung in den neuen Ländern. 56. Jahrgang. Ausgabe 9. Berlin, 2002. S. 449 – 504.



Use of CRM and churn management in stationary pharmacies to secure and expand the customer base

Robert Niemuth, Ph.D. Student at St. Elisabeth University Bratislava

Abstract

In the urban infrastructure, the number of pharmacies appears to be very large and there are often two or more pharmacies competing for customers in a few streets. This is a seemingly favourable situation for the customer, as his need for medication in the cities appears to be assured and other services are also covered by pharmacies throughout the country

Key Words: stationary pharmacies, Customer Relationship Management, over the counter



In Europe, the questions about comprehensive and modern medical care for people are also always asked in connection with costs and comprehensive service.¹ Governments try to prevent the emergence in societies of a two-tier social system that benefits the few and leaves the greater part dependent.²

However, how this is expressed on the provider side of medical services is only partially recorded and reveals major gaps in the analysis. In the hospital sector, many studies on the subject of 'privatization', 'staff shortage' and the associated consequences are considered³, but an important component in this wide-ranging portfolio of medical care has so far been largely ignored. We are talking here about pharmacies that are an integral part of a customer or patient's line of care.

In the urban infrastructure, the number of pharmacies appears to be very large and there are often two or more pharmacies competing for customers in a few streets. This is a seemingly favourable situation for the customer, as his need for medication in the cities appears to be assured and other services are also covered by pharmacies throughout the country.⁴ Until ten years ago this was certainly the case, but the pharmacy landscape has changed and the stationary pharmacies, most of which operate in the retail sector with a pharmacy, have to face new challenges. First of all, there are the pharmacy chains in the franchise system, which take over tasks of pharmacy service in a discount procedure. Secondly, an increased number of suppliers of online pharmacies has emerged, which do not need stationary pharmacies and only offer B2C over the Internet.

There is now a trend towards more Internet pharmacies, but for such a sensitive area as medical care in society, it must be questioned whether this trend is advantageous in an expanded market position compared with stationary pharmacies. Here, the benefits and problems of such extended supplier structures must be confronted and critically questioned.

At the same time, however, it must also be questioned what the stationary pharmacies are doing or want to do/can do against this trend. Actually, this sector is completely private sector structured and one could say that the market should be left to decide for itself. However, the problems that arise in this respect are shown by the development in the hospital sector, where extended privatization has not proved as advantageous as might have been expected. The restrictions on lucrative areas of medical care have led to serious bottlenecks in standard care and capacity has also been reduced, as they follow the principle of the profitable market.⁵

A similar situation could arise in the pharmacy sector, which is an important and necessary part of primary health care.

¹ Vgl. Schmidt/Arnold, 2014, S. 5.

² Vgl. Bundesärztekammer, 2019, S. 4.

³ Vgl. Schreyögg/Koch, 2014, S. 294

⁴ Vgl. Coenen et al., 2011, S. 25.

⁵ Vgl. Friedrich-Ebert-Stiftung, 2009, S. 4.

The customer is at the heart of the issue of avoiding negative effects, as he is crucial to the success of a purely service-oriented economy, as is the case in both types of pharmacy.⁶ Customer Relationship Management (CRM) should be the focus here, as it forms the determining basis for business success. The main question here is how stationary pharmacies can use sophisticated and competitive CRM to position themselves against the growing competition from e-commerce from online pharmacies and thus remain viable on the market. Since some customers are turning more to online OTC products and growth rates are also being recorded in RX trading⁷, is the decisive question for stationary pharmacies as to how they can successfully retain existing customers, win new customers and win back customers who have migrated. To this end, the focus of CRM for winning back customers is on 'churn management', which is the task of 'change and return management'. When acquiring new customers, single and multi-stage actions are listed in the structure and implementation. Customer loyalty in CRM, various methods are used to show how stationary pharmacies can succeed in retaining existing customers in the future.

Within the scientific consideration of CRM, two basic functions are assigned to it. On the one hand, CRM is an integrated source of information for companies with regard to necessary changes in the network of relationships. On the other hand, CRM is also seen as a corporate strategy that allows the relationship with the customer to be changed positively and either retain or win new customers.⁸ As a result, CRM represents a holistic view of the relationship between company and customer, communication, distribution and offer can no longer be separated and customer satisfaction in this holistic system is the actual measure of company success.⁹

⁶ Vgl. ABDA, 2014, S. 7.

⁷ Vgl. Bill, 2020, S. 5.

⁸ Vgl. Sperl, 2016, S. 41.

⁹ Vgl. Helmke/Uebel/Dangelmaier, 2013, S. 7.

These basic principles of CRM must be made available to pharmacies through targeted transformations. This requires a clearly defined orientation of the target group 'pharmacy customer' and to differentiate this group in a further orientation. The most important differentiation here is the age structure, as the individual age groups also respond to different marketing strategies. Therefore, it is necessary for pharmacies to review both analogue and digital marketing instruments and, if necessary, to reach the customer as a marketing perceiver in a generative way using the appropriate methods.

The younger generations, which are increasingly referred to in research as generations Y and Z, are to be more closely linked to their own pharmacy as an increasing customer group. These generations are said to have a very strong media usage, which is increasingly concentrated on the Internet. This affects communication, information procurement and consumption.

Here, pharmacies are under pressure to use these media channels in order to address this important customer group in a targeted manner.

As digital services continue to expand in the sector and mobile devices are becoming a platform for themselves, it is difficult to return 'digital' customers to an analogue consumption principle. Therefore, in addition to pure CRM, a 'churn management' is necessary to win back the migrated customers, i.e. those who increasingly use digital services, as customers. In order to be successful here, a targeted strategy is necessary which, on the one hand, appeals to the customer again to find offers that are so interesting for this customer that he or she also returns to the stationary pharmacy.

With a targeted mix of both elements in a marketing concept specially designed for in-patient pharmacies, this form of sales in the sector can on the one hand succeed in securing customer stocks, but on the other hand also win back customers, which can counteract the share that has been shrinking to date.



References

ABDA: „Apotheke 2030“. Perspektiven zur pharmazeutischen Versorgung in Deutschland. Berlin: ABDA, 2014.

Bill, Alexander: „Corona, online shopping und die Vor-Ort-Apotheke“. Warum eine Pandemie das Online Geschäft antreibt und wieso Vor-Ort-Apotheken davon profitieren können. In: „Apothekenmarkt“. Merzig: Schaffrath, 2020.

Bundesärztekammer: „Gemeinsame Stellungnahme der Bundesärztekammer und der Arzneimittelkommission der deutschen Ärzteschaft“. Berlin: Deutscher Bundestag, 2019.

Coenen, Michael et al.: „Wettbewerbspotenziale im deutschen Apothekenmarkt“. Herausgegeben durch Heinrich - Heine - Universität Düsseldorf, Wirtschaftswissenschaftliche Fakultät, Düsseldorf Institute for Competition Economics (DICE). Düsseldorf: DICE, 2011.

Friedrich-Ebert-Stiftung: „Mehr Qualität durch Privatisierung?“ Innovative Konzepte für öffentliche Dienstleistungen. Expertengespräch III. Berlin: Friedrich-Ebert-Stiftung, 2009

Helmke, Stefan et al.: „Effektives Customer Relationship Management“. Instrumente . Einführungskonzepte – Organisation. Wiesbaden: Springer, 2013.

Schmidt, Friedemann/Arnold, Mathias: „Vorwort“. In: „Apotheke 2030“. Perspektiven zur pharmazeutischen Versorgung in Deutschland. Berlin: ABDA, 2014. S. 5.

Schreyögg, Georg/Koch, Jochen: „Grundlagen des Managements“. 3., überarbeitete Auflage. Wiesbaden: Springer, 2014.

Sperl, Frederike: „Customer Relationship Management“. Profitabilitätsorientierte Bindung von Wohnungsmietern. Wiesbaden: Springer, 2016.



Correlation of multichannel marketing to purchasing behavior in the healthcare sector

Alexander Wick, Ph.D. Student at Comenius University

Abstract

The changing digital world has created new opportunities for pharmaceutical companies to explore new ways of delivering information and using platforms to deliver information more efficiently. Face-to-face interaction has been incorporated into the communication between the company representative and the physician and is very popular among industry players.

Key Words: Multichannel, pharmacy, Marketing



Digital technology has changed the pharmaceutical industry and created new marketing opportunities for pharmaceutical companies. The dependence of pharmaceutical companies on the traditional marketing approach has decreased and has opened up new ways for patients to obtain information about their health status based on the drugs prescribed by health professionals. Digital interactions are being promoted by the displacement of face-to-face contacts through the digital marketing approach in life sciences marketing. The development of multichannel marketing has made the integration of target groups on a large scale more efficient without losing the personal touch. Patients are the consumers of pharmaceutical companies and the increased use of digital technologies has made it easier for the marketing departments of these companies to expect engaging interactions with their customers. The marketing efforts of pharmaceutical companies have been organized around the interests and needs of their customers by having their medicines prescribed by healthcare providers.

The changing digital world has created new opportunities for pharmaceutical companies to explore new ways of delivering information and using platforms to deliver information more efficiently. Face-to-face interaction has been incorporated into the communication between the company representative and the physician and is very popular among industry players. However, meetings involving one or more people are considered very important to get the message across efficiently. Mail, print media, television and radio are among the most popular traditional marketing methods used by pharmaceutical companies in the past. In the age of the digital revolution, the trends have changed and customers are more strongly bound to the digital communication channels.

It has created new challenges and opportunities for pharmaceutical marketers to understand and recognize the importance of their customers' individual needs as service providers in the healthcare industry. Multichannel marketing has become more and more popular in recent years to use both traditional and digital marketing channels at the same time to achieve great gains in business performance.

Effective multichannel marketing strategies can be used by fast-growing pharmaceutical companies to increase their revenue growth by more than 10 percent or reduce their costs by 10 to 25 percent or both to meet the challenges of competitiveness in the pharmaceutical industry (Grosch & Anu, 2014).

Digitalization has led to a change in consumer purchasing behavior. More and more consumers are being attracted to online shopping, including in the pharmacy market. In the



past, stationary pharmacy retail and e-commerce were seen as alternatives to each other. However, customers now perceive these sales channels in parallel. Customers use the advantages of the Internet, read articles and product reviews of other users about a certain product and also like to get personal advice on site. It is precisely at these interfaces of the purchasing process that the customer must be picked up. While stationary pharmacies are generating declining sales, e-commerce sales are growing. However, a study in the non-food sector has shown that the sales growth of the pure mail order business will only grow to a limited extent. Growth has slowed down. In contrast, multi-channel sales continue to grow steadily. The study also shows that multi-channel marketing (MCM) will shape the marketing of the future. MCM refers to the strategic approach of reaching customers through several different communication channels by direct and indirect communication.

According to Ford and Ibrahim (2013), the multichannel marketing strategy offers new opportunities by addressing three major marketing channels, including direct or online marketing and sales force marketing. But a multi-channel strategy is necessary to achieve the desired success in order to meet the needs of buyers who use more than one channel when showing their interaction with the pharmaceutical company. For example, customers can use different channels to purchase their desired pharmaceutical product, either through the online communication channel or by communicating directly with healthcare professionals. The process is reversed when someone goes into a store to find out about new pharmaceutical products, but at the same time uses an online buying source to purchase them.

The number of multichannel shoppers is increasing over time, creating new challenges for companies to spend significantly more than they spend on single-channel marketing. It is expected that the trend of multichannel shoppers will continue to grow as wireless devices and cell phones are increasingly used with the associated services. It presents pharmaceutical marketers with the challenge of targeting healthcare providers or physicians to prescribe their drugs to patients, and they are the target customers of pharmaceutical companies to generate revenue and achieve greater performance (Luvayo, 2017, p. 1).

Pharmaceutical marketing needs more attention from marketers to maximize the extension of their product information to healthcare providers for the regular prescription of medical devices. Pharmaceutical companies can enjoy better financial benefits with limited



advertising budgets if they have adopted a better strategic approach to achieve greater benefits. Pharmaceutical companies can take a better strategic approach to planning, adjusting and implementing their marketing strategy, which is well organized and focused on achieving better results in the increasingly competitive pharmaceutical sector. If customers do not receive the information in the way they want, they are expected to react negatively to a pharmaceutical company's marketing efforts. Typically, customers are bombarded with similar information as companies expand their marketing information without taking into account the ever-changing needs of patients. Multichannel marketing is all about improving customer choice by enabling retailers to reach their prospects in an ideal way by providing channels of their interests (Schierholz & Glissmann, 2006).

Digital technology has enabled pharmaceutical companies' marketing teams to use multichannel marketing to achieve greater success by integrating traditional methods with digital marketing channels. The strategic development of multichannel marketing complements each other and significantly supports pharmaceutical companies in attracting new customers for their pharmaceutical products and services. Multichannel marketing is a new paradigm that has brought about a new transformation in the pharmaceutical industry and its customers.

The management of pharmaceutical companies is increasingly influenced by the introduction of multichannel marketing to increase revenues by reducing costs and improving the relationship with their customers. The broader healthcare environment has now prompted the industry to adopt a strategic multichannel approach to achieve tight control of reimbursement. This strategic approach has made it easier for healthcare providers to ensure the supply of life-saving medicines to patients struggling with tight healthcare budgets and reduced pharmaceutical spending. The need for cost-effective medicines and the increased use of digital technologies by physicians, patients and other healthcare players has become the driving force for more efficient and targeted communication that is more customer-focused - something that multichannel marketing has achieved in other industries (Meek, 2014).

Multichannel marketing has created new opportunities for companies by taking a specific approach to multichannel distribution. The implementation of MCM through their well-organized distribution networks increased the volume of sales for the companies, reduced sales,



influenced both the quality and quantity of market information and reduced the risks of doing business. Sales and products and services in the pharmaceutical markets have reached a new level of growth by identifying new market segments. The modern market was highly fragmented and required a correct segmentation of the market components. Each distribution channel offered a unique and specific cost structure by specifying the usability of the component in changing market conditions. As a result, it has become possible to design the optimal model of marketing channels to meet consumer needs. The company's capabilities have been expanded by developing the structure of distribution channels. As a result, customers became more and more satisfied and companies began to achieve their expanded business goals by shifting their marketing activities from conventional to digital marketing channels (Furtak, 2017, p. 151).

The expansion of distribution channels has improved the effectiveness and efficiency of companies that compete in a complex business environment and sell their pharmaceutical products to their healthcare providers. But the benefits of MCM have been reduced by destructive influences. It reduced the satisfaction of some customers in the changing marketing channels. The reason for such a deficit in consumer satisfaction was the different prices of products or services and the diversification of the different distribution channels.

For example, a customer who was satisfied with the purchase of an electronic device such as a refrigerator in the stationary retail stores felt cheated when he discovered that the same model was available in the online store of this network, but at a lower price. Another problem associated with multi-channel distribution was the increasing risks of various types of conflicts that occur in the distribution channels.

These complexities were observed under conditions where participants in the existing distribution channels began to feel the effects of introducing a new distribution channel. Another reason was the increase in costs due to the changes in the distribution channels, which caused the difficulties due to increasing coordination-related difficulties in the distribution system. The new marketing channels also increased the risks of loss of brand identity and blurring of brand image with the difficulties of managing customer relationships that were possible with traditional methods of marketing (Furtak, 2017, p. 152).



References:

- Andelfinger, Volker/Hänisch, Till (2016): eHealth. Wie Smartphones, Apps und Wearables die Gesundheitsversorgung verändern werden. Wiesbaden: Springer.
- Betts, David/Korenda, Leslie (2019): A consumer-centered future of health. Deloitte's 2019 global health care consumer survey finds evidence that the future is now. London: Deloitte.
- Bögenhold, Dieter (2016): Konsum: Reflexionen über einen multidisziplinären Prozess. Wiesbaden: Springer.
- Bundesverband der Pharmazeutischen Industrie e.V. (2019): Pharma-Daten 2019. Hamburg: Netrixx.
- Dahlbeck, Elke/Hilbert, Josef (Hrsg.) (2017): Gesundheitswirtschaft als Motor der Regionalentwicklung. Wiesbaden: Springer.
- Elbel, Gregor-Konstantin et al. (2019): Digitalisierung des Gesundheitsmarktes. Kurzfassung. Düsseldorf: Deloitte.
- European Medicines Agency (2016): The European regulatory system for medicines. A consistent approach to medicines regulation across the European Union. London: EMA.
- Kessler, Meta (2018): Das „Blockbustermodell“ in der Pharmaindustrie – Wandel vom Massenmarkt zum Nischenmarkt? Eine theoretische Untersuchung des Marktes und strategische Analyse der Implikationen für die Unternehmen. Dissertation der Universität Bayreuth.
- Kuntsche, Peter/Börchers, Kirstin (2017): Qualitäts- und Risikomanagement im Gesundheitswesen. Basis- und integrierte Systeme, Managementsystemübersichten und praktische Umsetzung. Berlin: Springer.
- Umbach, Günter (2018): Erfolgreich im Pharma-Marketing. Wie Sie Ärzte, Apotheker, Patienten,Experten und Manager als Kunden gewinnen. 3., aktualisierte und erweiterte Auflage. Wiesbaden: Springer.
- Weißenfeldt, Frank (2018): „Denken vom Kunden her“. Marketing-Mix-Instrumente. In: DAP-Dialog. Das Magazin des Deutschen Apotheken Portals. Ausgabe Nr. 48. S. 1 – 4.

Strategic change and supply chain of pharmacies industry

Erdem Hasltreiter-Yilmaz, Ph.D. Student at Comenius University Bratislava

Abstract:

The pharmaceutical industry is characterized by its centuries-old existence. Of course, we are not referring to the pharmaceutical industry of today, which is characterized by internationally operating large corporations, widespread suppliers, wholesale as the contact to the pharmacies and a pharmacy diversity itself.

Keywords: Pharmaceutical industry, Alliance Healthcare, medicine



The role of pharmaceutical companies in the national and international economy is significant. In Germany alone, approximately 580 pharmaceutical companies were registered in 2016. These are partly location-oriented and owner-managed companies, but also subsidiaries of international groups. A special feature of pharmaceutical groups in Germany is that they employ very few people compared to companies in other sectors. This testifies to the high degree of automation in production. Almost 92 % of the companies that produce drugs in Germany employ less than 500 people. 285 of the 580 pharmaceutical companies even employ less than 20 people. From this it can be concluded that the importance of pharmaceutical companies for the German economic structure is not a result of direct but of indirect and induced value creation. The companies in the pharmaceutical industry invest particularly large sums of money in the research and development of new drugs. There is no other industrial sector in Germany with such high research and development costs. The pharmaceutical industry is ahead of the automotive, aerospace, mechanical engineering and chemical industries. With approximately 14% reinvestment of sales, it is the most research-intensive industry in Germany.¹

The pharmaceutical industry is characterized by its centuries-old existence. Of course, we are not referring to the pharmaceutical industry of today, which is characterized by internationally operating large corporations, widespread suppliers, wholesale as the contact to the pharmacies and a pharmacy diversity itself. Rather, what is meant is that, since its inception, mankind has made sure that in the event of an illness, it is possible to get well again. In this respect, the pharmaceutical industry is at most historically shaped and above all historically grown

The Internet is of particular importance in this respect. Its development and meanwhile mass use for private as well as commercial purposes has such an innovative character, as it could be found recently with the inventions of the car or the steam engine. In this respect, it is essential for companies to incorporate the Internet more and more into their business strategies. This also applies to marketing. It is important to note, however, that it is not yet possible to assess the development of the Internet in terms of technology or use in the various age groups.

It is generally assumed that the Internet will complement existing technologies and media. In some markets, however, a shift of market mechanisms to the Internet is already apparent. An example of this is the customer-to-customer classifieds market, which no longer exists in the

¹ Vgl. Bundesverband der Pharmazeutischen Industrie e.V. (2018) Pharmadaten 2018, S. 6, 12.

classic sense and has thus completely shifted to the Internet. Companies must not ignore this development. With regard to marketing, the further development and continuous change of the Internet means that the complexity of marketing has increased considerably. If in the past a company had a clearly delineated and defined market with corresponding customer groups that it could reach by means of a specific marketing strategy, these boundaries have been greatly shifted by the Internet. The keyword here is multi-channel marketing in order to reach as many customers or potential customers as possible in as many ways as possible with as little effort as possible.² Of course, this change also affects pharmacies, so there is a need for them to look at their existing marketing strategies and deal with new marketing structures.

The importance of pharmaceutical companies in Germany must always be considered in relation to the European market. The globalisation that is progressing worldwide is blurring national borders and means that companies based in Europe must concentrate on the European market. In more and more aspects, the European market is becoming both pioneering and binding for companies. This also applies to the pharmaceutical companies. What is important on the European market is the framework set by the authorities of the European Union. First of all, small and medium-sized companies are to be seen here, which also plays an important role in the pharmaceutical environment. These are to be promoted more strongly at European level in future. It is also important that there is a framework for research by pharmaceutical companies in Europe. As outlined above, pharmaceutical companies are the most research-intensive sector in Germany.

However, in their European environment, this also means that new, innovative research topics must be approved and funded. An example of this is the "misappropriation" of conventional drugs, research into which has already produced innovations in pain therapy for cancer patients. This research character, moving away from traditional orientations towards innovations and new developments, must be made possible at European level. In the past, progress in research has been strongly influenced by the incentive system in the European Union. This is the basis for medical progress in Europe and thus ensures the competitiveness of European pharmaceutical companies in the global market.

The legal framework in the European environment is also decisive for the pharmaceutical companies. At present, there is no Europe-wide body that provides the regulatory framework for the pharmaceutical companies. Only the EMA, the European Medicines Agency, exists,

² Vgl. Manschwetus, U./Rumler, A. (2002) Strategisches Internetmarketing, S. V.

which has developed some administrative regulation. However, central, Europe-wide uniform regulations would significantly shape the market environment, make it uniform and easier to control. Ultimately, a uniform European health policy would also be important for the pharmaceutical companies. This should not undermine the policies of the individual member states on the subject of health, but it should be subsumed at European level in order to be able to reflect a stronger competitive position for the pharmaceutical companies in the global environment.³

The link between pharmaceutical manufacturers and pharmacies is the pharmaceutical wholesale trade, whose core business is the supply of medicines to public pharmacies, mail order pharmacies and hospital pharmacies. Wholesalers can be divided into two categories: fully sorted and partially sorted wholesalers. If a wholesaler offers a full range of products, he supplies all the medicines and goods customary in pharmacies that are in demand. In addition, products from the peripheral and secondary assortment are also part of his range. Partially-sorted wholesalers offer correspondingly fewer products, usually specialising in high-priced drugs, such as oncological products.⁴

The pharmaceutical wholesale trade is by far the most important supplier to the pharmacy. There is a strong dependency between the conditions granted by the wholesale trade and the welfare of the pharmacy. To this extent, the economic situation of the wholesalers directly influences the pharmacies. A pharmaceutical wholesaler is characterised by the fact that he supplies the pharmacies several times a day. Usually the wholesalers maintain several branches, distributed throughout Germany, so that they can supply their customers, the pharmacies, within a few hours.⁵ The German pharmaceutical wholesale trade is oligopolistically structured. Five wholesalers share about 90 percent of the market. These are Phoenix, Noweda, Gehe, Sanacorp and Alliance Healthcare.⁶ These providers are very different in their corporate structures.

Phoenix, Gehe and Alliance Healthcare are parts of large, internationally active groups: the Merckle group of companies owns Phoenix, Gehe belongs to McKessen and the Walgreens Boots Alliance is the owner of Alliance Healthcare. In contrast, Noweda and Sanacorp are

³ Vgl. Bundesverband der Pharmazeutischen Industrie (2019) A Strong European Pharmaceutical Industry Beyond 2020, S. 3.

⁴ Vgl. Heinsohn, J. G. (2013) Erfolgskonstellationen im Apothekenmarkt, S. 166-168.

⁵ Vgl. Wessinger, B. (2017) Der Pharmagroßhandel in Deutschland, o.S.

⁶ Vgl. Handelsblatt GmbH (2014) Die größten Pharmahändler, o.S.

organised as cooperatives and are wholly or mainly owned by pharmacists. As described above, all wholesalers try to cover as much of Germany as possible, as the following figure illustrates.⁷

In the past there was also wholesale trade between pharmacies. This is now legally restricted by the German Medicines Act. Since August 2004, the wholesale trade of medicines in Germany has only been permitted with a licence under Section 52a of the German Medicines Act. This means that activities carried out for the purpose of trading, which consist in the procurement, dispensing or export of medicines, are subject to authorisation. This includes, for example, the resale of pharmaceuticals to other wholesalers, to pharmacies outside a purchasing group or to pharmaceutical entrepreneurs. Not subject to authorisation, on the other hand, are the supply of medicines to other businesses within the scope of what is customary in pharmacies or returns to wholesalers, supply to doctors, to homes and hospitals within the scope of supply contracts or to other pharmacies within a branch network.⁸

References

- Becker, J. (2019) Marketingkonzeption – Grundlagen des ziel-strategischen und operativen Marketing-Managements, 11. Auflage, Verlag Franz Vahlen, München.
- Bogner, T. (2006) Strategisches Online-Marketing, Deutscher Universitäts-Verlag, Wiesbaden.
- Brüsemeister, T. (2000) Qualitative Forschung: ein Überblick, 1. Auflage, Westdeutscher Verlag, Wiesbaden.
- Bruhn, M. (2001) Marketing – Grundlagen für Studium und Praxis, 5. Auflage, Gabler Verlag, Wiesbaden.
- Misoch, M. (2015) Qualitative Interviews, 1. Auflage, De Gruyter Oldenbourg Verlag, Berlin.
- Przyborski, A., Wohlrab-Sehr, M. (2014) Qualitative Sozialforschung: Ein Arbeitsbuch, 4. Auflage, Oldenbourg Verlag, München.
- Schneider, W. (2007) Marketing, 1. Auflage, Physica-Verlag, Heidelberg.
- Strübing, J. (2013) Qualitative Sozialforschung: Ein Überblick, 1. Auflage, Oldenbourg Verlag, München.
- Trilling, T. (2015) Pharmamarketing – Ein Leitfaden für die tägliche Praxis, 3. Auflage, Springer Gabler, Berlin Heidelberg.

⁷ Vgl. Wessinger, B. (2017) Der Pharmagroßhandel in Deutschland , o.S.

⁸ Vgl. Apothekenkammer Niedersachsen (o.J.) Großhandel in Apotheken, o.S.

Status Quo von Banken und deren Messinstrumente

Jürgen Lange, Ph.D. Student at Comenius University

Abstract:

The objective in the selection of entrepreneurs must be considered differently for these three groups. This is because the respective business models and business objectives are weighted differently. While it is often sufficient for the banks that the debt service (interest) can be provided during the term and that at the end the borrowed capital is refinanced, the classical financial investors have a clear focus on multiplying their capital investment.

Keywords: lending bank, Kreditratings, IRB approach



Banks, financial investors and also public institutions, especially universities and affiliated research institutions, are looking for companies that establish and/or expand successful companies in the market with the help of their products, debt capital, equity capital and patents and thus contribute to increasing their goals.

However, it often turns out that this hard fact rating is not all that makes a person a successful entrepreneur. Losses, bad investments and market flops are the rule for many investments today, despite a sufficient rating. Therefore, the following fundamental questions arise in this context:

The objective in the selection of entrepreneurs must be considered differently for these three groups. This is because the respective business models and business objectives are weighted differently. While it is often sufficient for the banks that the debt service (interest) can be provided during the term and that at the end the borrowed capital is refinanced, the classical financial investors have a clear focus on multiplying their capital investment. Public institutions, especially in practice-oriented research, focus on establishing the respective patents in the market. These different requirements require different types of entrepreneurs and correspondingly different identification criteria and weighting when deciding on an investment.

Classic valuation criteria for banks and financial investors are the figures that lead to the rating. In particular, these are business plans, cash flow calculations, balance sheets (previous year's balance sheets / plan balance sheets, strategy papers and much more). The quality of the results is assessed by the investors (banks, financial investors, research institutions).

Interne und externe Kreditratings sind das Ergebnis eines analytischen Beurteilungsprozesses auf der Grundlage eines besonderen Gefüges von Beurteilungskriterien. Typisch ist die Verbindung von qualitativen und quantitativen Faktoren.¹

Basically, the purpose of a credit rating is to determine the probability of default (which, incidentally, was and is explicitly required by Basel II. The formula is: the



¹ Vgl. Lüscher-Marty, 2011, 1.17

higher the risk of default on a loan, the higher the equity capital - reserved for this loan - of the lending bank. In Germany, a rating procedure - tailored to German credit applicants - has been developed since the 1980s.

In principle, a distinction is made between mathematical-statistical credit rating procedures, expert systems and point rating procedures. The same applies to these procedures as to other measuring instruments: they must be valid, objective, reliable and significant.

- a) The validity or validity of a measuring instrument shall be considered to exist when the instrument actually measures what it is intended to measure. In concrete terms: a rating procedure must measure the creditworthiness of a company or the creditworthiness of a loan.
- b) A measuring instrument is objective if different users come to the same results with regard to what is to be measured.
- c) Realism or the reliability of a measuring instrument means that a later measurement (carried out under the same conditions as the first measurement) produces the same results as a previous measurement.
- d) The significance of a measuring instrument can be assumed if the frequency of "misqualifications" is low.²

Mit Bezug auf die „Herangehensweise“ können – wie bereits erwähnt – mathematisch-statistische Verfahren, Punktebewertungsverfahren und die Bewertung durch Expertensysteme differenziert werden

Mathematical-statistical methods, including discriminant analysis (univariate or bivariate) which should be used to separate good credits from bad credits. The critical value is determined on the basis of a score. It is important that the "critical Z-value" is not



² Vgl. Lüscher-Marty, 2011, 1.18

undercut: "If the creditworthiness analysis yields a Z-value above the separation value (=critical Z-value), the loan is considered a good risk, otherwise it is considered a bad risk."³

Point evaluation procedures operate with risk-relevant qualitative and quantitative (e.g. key figures from balance sheet analysis) evaluation factors, which are usually structured as a strength profile or weakness profile. The individual factors are weighted and the total number of points achieved allows them to be classified in a rating class. It should be noted that high demands are placed on the valuation factors used: Under no circumstances may the individual criteria overlap and must have high forecast values.

Within the framework of the evaluation by expert systems, the focus is on the question of problem-solving capacity / problem-solving ability.

With reference to the provisions of Basel II, a distinction can be made between the (externally) implemented standard method and the (bank internal) ratings: Internal Ratings Based Approach (IRB foundation approach) and the advanced IRB approach.⁴

While potential borrowers are assessed by rating agencies under the standard procedure, the assessment under the IRB approach is performed by the bank itself.

References

- Allsport, GW./ Odbert, H.S. (1936): Trait nmes: A psycholexical study. Psychological Monographs, Vol. 47, Nr. 1 (Whole No. 211)
- Bryant, A./ Chrmaz, K (2013): The Sage Handbook of Grounded Threory, Sage Publications, Lonodon etc.
- Ebner, A. (2009): Entrepreneurial State: The Schumpeterian Theory of Industrial Policy and the East Asian "Miracle", in Cantner, U/Gaffard, J.-L./Nesta, L. (Eds.), Schumeterian Perspectives on Innovation, Competition, and Growth, Springer, Berlin, 367-388
- Lamnek, S. (2010): Qualitative Sozialforschung, 5 Auflage, Beltz Verlag, Basel
- Plummer, K. (2005): Documents of Life 2. An Invitation to a Critical Humanism, Sage Publications, London etc.
- Schnell, R./Hill,PB./Esser, E. (2013): Methoden der empirischen Sozialforschung, 10.Auflage, Oldenbourg Verlag, München
- Sorg, J.M. (2016, iE): Eperimentalist Regional Governance. Policy Analysis in Geographic-functional Regions. Frankfurt – Munich – Berlin, Final Script July 2015, Frankfurt am Main
- Wirtz, M.A./Strohmer, J. (2013): Dorsch Lexikon der Psychologie, 16. Auflage, Verlag Hans Huber, Bern.

³ Vgl. Lüscher-Marty, 2011, 1.18f.

⁴ Gleißner, 2003, 33

Consequences of the strategic and technological influencing factors on stationary pharmacies

Iyad Ahmad, Ph.D. Student at Comenius University Bratislava

Abstract:

Whereas in the pre-IT era it was still completely normal to call on the local pharmacy when medicines were needed, today in the IT age it is possible for customers to have medicines available online. Stationary pharmacies feel considerably threatened by this in Germany and legal steps have been taken to counter this competition. But a ban has not been achieved.

Keywords: pharmacies, stationary pharmacies, bitcom



Germany has undergone considerable change in the last ten years, which was already indicated in earlier years, but never specifically addressed by the last governments. Demographic change, labor market structures, the wealth gap, transport and IT infrastructure and health policy reforms. All of these factors have an impact on the drug market and particularly affect the pharmacy segment in this country.

Whereas in the pre-IT era it was still completely normal to call on the local pharmacy when medicines were needed, today in the IT age it is possible for customers to have medicines available online. Stationary pharmacies feel considerably threatened by this in Germany and legal steps have been taken to counter this competition. But a ban has not been achieved. However, online pharmacies were prohibited from selling prescription drugs, which somewhat limits the range of products on offer. Nevertheless, the market now has more providers and private pharmacies, pharmacy chains and online providers are fighting over the market. In the case of homeopathic medicines, large discount chains and drugstores are also pushing their way onto the market and are making the market situation even more difficult.

Will the stationary pharmacy soon be obsolete? Is a young growing generation still dependent on this offer and can the stationary pharmacy be completely substituted?

In order to understand the effects of these influencing factors within the economic context, it is essential to analyze the following areas:

- Cost developments for online providers
- Logistic problem areas
- Personnel issues
- Customer Relationship Management
- Customer Experience Management
- Sustainability through substitution
- Infrastructure problems in IT and traffic

On the basis of these points, it can be discussed whether and how substitution is worthwhile or whether it is unrealistic to achieve full substitutability of stationary pharmacies.



To this end, the existing advantages and disadvantages for both providers, stationary and online, are

pointed out and necessary measures are taken to reinforce the advantages and minimize or even eliminate the disadvantages. The existing demographic and political influences that affect the topic are also to be included. In the political framework, the existing legal bases which actively determine and influence the existing market are to be pointed out here additionally. This on national as well as European level.

Since the world is increasingly developing towards free trade, even though tensions exist at the moment and punitive tariffs are again being imposed on various products by certain nations, it is also important to consider whether the German and European drug supply market is also exposed to international competition that could possibly develop in the next few years.

What is the result of all this?

From the aspects mentioned so far it results in the summary that except for few criteria the on-line offer offers all possibilities, which have to offer also the stationary pharmacies.

When looking at the products offered, the range of possibilities is almost the same for both sides of the supply side, which allows a substitution for the customer of almost 100%. Only drugs that fall under the narcotics law can only be purchased directly in stationary pharmacies. The same applies to self-produced drugs according to own prescriptions, which require an own laboratory, which is usually only offered by stationary pharmacies. For the other products, the purchasing option is balanced, which leaves the customer with an alternative and only the type of purchase can be decided for himself.

Within the possibilities of pricing, online providers have been given more freedom by the legislator, which allows them to also offer bonuses and discounts on OTC products, which were previously reserved for stationary pharmacies. This enables the customer to choose the option that offers the best price without having to accept losses in quality when comparing prices. The only requirement here is that a comparable product with a better price has the same efficiency. Here the offerer is obligated to supply the customer an equivalent demanded product. For other medicines, which are subject to a strict prescription obligation, the price fixing is determined by the regulations of the law and offers the same possibilities to both types of suppliers.

Within the criterion of advice and extended service regarding information about products, the direct advantage lies on the side of the stationary pharmacies, but online providers are catching up more



and more and are using all media channels that are available to them outside of direct contact. Direct information about medicines that are outside the package insert or that elude the customer due to gaps in knowledge is mandatory. Here the provider is obliged either to provide information or to name agencies that pass this information on to the customer.

With these three crucial criteria, which the customer places in the center, if he must supply himself with medicines, show that a substitution seems meanwhile possible and is also urgently necessary by certain surrounding field changes.

For example, geographical and demographic shifts must ensure that urgently needed drugs reach customers throughout Germany and the EU. This can be achieved by substituting stationary pharmacies with mail-order pharmacies and online providers, thus creating coverage in this sensitive area of health care. Similarly, alternative supplies in the area of medical care will also result, as some regions in Germany are experiencing considerable bottlenecks due to migration. The problem will also arise in the area of hospital care, which is also expanding as a result of increased privatization in this sector. Here, the necessary substitution possibilities are much more difficult than in the case of pharmacy care.

USP through personal and qualified advice?

A further important point in the question of substitution possibilities is seen in consultation and service. This is mainly brought into the discussion by the stationary pharmacies. The argumentation certainly has some justification, since drugs are simply sensitive goods that place a high degree of trust in the professionals who prescribe the drugs on the one hand and in the agencies that dispense them on the other. Here, stationary pharmacies are of the opinion that they still enjoy a special advantage in terms of service and advice, which will continue to encourage customers to buy their medicines here.

But online providers have made considerable efforts in these areas to compensate for this supposed disadvantage.

For example, all the major online providers now offer hotlines as standard, allowing customers to obtain the necessary information on medicines and questions about them over the phone or alternatively via online channels. The online providers are bound by the regulations of the EU Commission regarding information systems for health and health products.



What is striking in various studies on online pharmacies, however, is that younger customers turn to

the online provider even without the information security provided by the provider. They inform themselves on health forums or on social media platforms with other customers who exchange experiences here. Rather, the other advantages of online providers, such as time savings and easy access, outweigh the disadvantages. They also like to take advantage of price advantages relating to OTC products, which in most cases make consultation unnecessary.

It is interesting to note that in addition to the younger people who are referred to as 'digital natives', the group over fifty also generally like to turn to online providers when it comes to medication. According to an investigation by Bitkom, it has been found that more than half of Internet users use mail-order pharmacies online to obtain medicines. There are more men who use this option (50%) than women do. These use only to a third of all asked participants. It is noticeable that more and more older people are using the online option, which is also due to demographic and social changes. People are getting older and older and this results in an increasing demand for medication. At the same time, there is less and less contact with younger family members, so that when there is less opportunity for self-sufficiency by other, older people, they rely on the service of delivery.

References

- ABDA Bundesvereinigung Deutscher Apothekerverbände
(2019) Die Apotheke. Zahlen Daten Fakten. Cyrano Kommunikations GmbH, Münster
- Becker, J. (2019) Marketing-Konzeption – Grundlagen des ziel-strategischen und operativen Marketing-Managements, 11., Auflage, Vahlen Verlag, München.
- Bogner, T. (2006) Strategisches Online-Marketing, Deutscher Universitäts-Verlag, Wiesbaden.
- Bruhn, M. (2013) Grundlagen für Studium und Praxis, Springer-Verlag, Wiesbaden.
- Brodtkorb, Tobias (2017) 14. Sempora Apothekenmarktstudie. In: Sempora Insights, 2017. S. 8– 13.
- Kotler, P. et al (2016) Grundlagen des Marketing, 6. Auflage, Pearson Verlag, Hallbergmoos.
- Kuckartz, Udo (2012) Qualitative Inhaltsanalyse: Methoden, Praxis, Computerunterstützung. 2., vollständig überarbeitete Auflage. Beltz/Juventa, Weinheim/Basel.
- Lamnek, Siegfried (2005) Qualitative Sozialforschung. 4., vollständig überarbeitete Auflage. Beltz, Weinheim.



Digitalisation and automation in tax services

Alexander Krieger, Ph.D. Student at Comenius University

Abstract:

In order to do justice to this in terms of work technology, the approach of more automation and technical support in the area of tasks is a must, as otherwise the capacities very quickly reach a limit or do not do justice to the varied tasks.

Keywords: digitalization, taxonomy, IT, robotics



Industry 4.0, Web 2.0, automation, virtual reality and robotics. These are all terms that are to shape the future more strongly when it comes to production, services and communication. The service sector in particular is an area which is not yet so strongly penetrated by these elements, but which offers considerable potential.

Tax firms have already undergone change and they will have to change even more if they are to meet the challenges of the day. Although financial accounting and the preparation of annual financial statements still account for the majority of turnover (approx. 60%), the other 40% are advisory activities that go beyond the traditional fields of activity.¹ Clients have already extended their requirements and wishes for tax consultancy in the meantime, so that the tax consultant no longer has only one function, namely the examination and processing of tax documents, but in the meantime this specialized professional group also takes on many other functions, in the interests of the client.²

The Federal Chamber of Tax Consultants already made it clear at its 85th Federal Chamber Assembly in 2012: "The activity of the tax consultant will continue to be determined by the reserved tasks beyond 2020. Within this core competence, however, tax declaration will become less important and comprehensive tax structuring, tax planning and tax defence advice will increase in importance. In addition, higher demands will be placed on accounting (e.g. e-balance sheet taxonomy, IFRS), which will require the tax consultant to transparently present the added value of his service offering to the client."³

In order to do justice to this in terms of work technology, the approach of more automation and technical support in the area of tasks is a must, as otherwise the capacities very quickly reach a limit or do not do justice to the varied tasks.

However, it is noticeable that the majority of clients still hand over the documents and other necessary data bases to the tax offices in paper form, which turns the benefits of potential digitalization upside down and does not generate any added value.⁴ For 2018, this has been estimated at over 50% for mid-sized corporate law firms as clients⁵, which makes the use of digital possibilities at the interfaces between client and law firm seem even more expandable. According to a 2018 study by Datev on the degree of digitalization in law firms, the process of transformation in law firm work using digital means has progressed as follows. 60% of all

¹ Vgl. Pestke, 2017, S. VII.

² Vgl. BStBK, 2017, S. 6.

³ BStBK, 2012, S. 2.

⁴ Vgl. Wenzel, 2017, S. 2.

⁵ Vgl. Buba, 2019, S. 1.

law firms involved in the statistics now use a predominantly digitally supported document management system. For almost one fifth of the law firms, however, the paper-based form of work is still an integral part of the work processes in archiving, which is particularly true for small law firms.⁶

This includes, first and foremost, the complete digitization of accounting within the processes, which also includes automation, since numerous areas of work can be repeated again and again and can therefore be handled safely by computers and suitable software. Here, for example, there are tasks that deal with account movements and accounting not only in our own office, but also for our clients.⁷ In the meantime, with the appropriate software it is possible to achieve a hit rate of approx. 90% in the allocation of the G/L accounts. The basic requirement, however, is an integrated algorithm that is able to improve its own processes in a self-learning manner and to ensure the digitization of all documents in readable form for the software.⁸

Once such basic conditions have been implemented within the firm's processes, the original task of the tax advisor as an information gatherer is only a small part of the tasks set. The change then takes place at this interface, where the task structure changes from pure recording to the area of information analysis. The tax consultant is thus increasingly involved in the function of the controller in the client's interest, which leads the demand for breadth and depth of advice from the actual core competences to a much greater environmental consideration of the client and his conduct. Thus, the business management tasks will concentrate more on the area of consulting and the tax consultant will be an important consulting partner for the client from the establishment of a company to the determination of a succession.⁹

This also includes the area of digitalization closely in the new concept, as the contacts between client and law firm are no longer just sporadic in the event of an expansion of the consultancy.

The same also applies to the traditional areas of activity, since the transmission of digital documents and information always requires a channel for transmission and further processing at the law firms. In order to make this possible to a profitable extent, the tax consultant must also take on the role of a 'trainer' at the client's premises, in order to make it clear that costs and working time can be saved by means of digitalization.

⁶ Vgl. Buba, 2019, S. 1.

⁷ Vgl. Zinnöcker, 2019, S. 11.

⁸ Angaben wurden durch DATEV eG in Bezug auf ein eigenes Produkt aus dem Jahr 2016 ermittelt; vgl. Wenzel, 2017, S. IX.

⁹ Vgl. BStBK, 2012, S. 2.



At the same time, the tax adviser must ensure that the client's technical components are compatible with those of the firm. An elementary level of consideration of the close cooperation between the law firm and a company as client is the promotion of the work in the company, including the balance sheet and annual financial statements. Here the tax adviser can also serve as an advisor for internal processes in order to significantly improve the client's performance. This means that the company itself can achieve greater efficiency in its own processes if it pursues more integrated approaches in the area of tax-relevant data and information, which at the set point in time has processed and made available this data and information. In the technical literature, this is referred to as 'Fast Close', which accelerates the preparation of period financial statements and simultaneously improves their quality..¹⁰

This may require investments on both sides, with the main burden certainly expected to be borne by the service provider 'law firm'.

Such developments do not only extend the scope of tasks, but the requirements for knowledge management in the extended areas force the tax consultancy management and its employees to generate this knowledge as a new competence and to keep it up to date.¹¹ The path here leads from the core competence to the new necessary competences of knowledge of technical interrelationships in the field of automation, closely linked to the standards and laws of data security required by the state.

This new knowledge and competence portfolio is extended by the constantly renewing and changing legal bases in tax law, which, with increasing globalisation, not only extend to the national legal situation but also to international legal interpretation. This is due to the fact that, especially in the case of companies in the SME sector and, of course, in the case of large companies, business areas are increasingly expanding and/or intertwining internationally. Ultimately, this results in the entire reorientation of the tasks and competences of tax consultants, which is now much more analytical, process-oriented and IT-heavy. These are the challenges that a modern tax firm has to face in order to be able to stand up to the competition.

This also applies to the personnel structure in the offices, as the demands on the personnel also change with the aforementioned required new competences. More and more highly qualified specialists are becoming part of the staff structure, who are trained in all necessary areas, both technically and in terms of content, in order to be able to process the more

¹⁰ Vgl. Meder/Weinhold, 2011, S. 75.

¹¹ Vgl. BStBK, 2012, S. 3.

analytical fields of activity digitally and to compile data taking into account all relevant requirements, so that they can then offer the best possible service to the client. As this is very difficult in times of a shortage of skilled workers, the training side is also in need of expansion, which must also be reoriented within its fields of activity.¹²

With the appropriate personnel, a tax office is then also in a position to train one or more core competencies in addition to the usual tasks, which it then differentiates from other competitors in the specifications. However, this is certainly only possible for the larger law firms in several subject areas. Here, individual law firms will probably rely on a specification which can be useful to the clients in the relevant environment for a specific purpose.¹³

References

Becker, Jörg/Kahn, Dieter: „Der Prozess im Fokus“. In: „Prozessmanagement“. Ein Leitfaden zur prozessorientierten Organisationsgestaltung. Herausgegeben durch Jörg Becker et al. 7., korrigierte und erweiterte Auflage. Berlin/Heidelberg: Springer, 2012. S. 3 – 16.

Brunner, Franz J.: „Japanische Erfolgskonzepte“. 4., überarbeitete Auflage. München: Carl Hanser, 2017.

Buba, Alexandra: „Softwareinsatz und Prozessorientierung“. In: „NWB Verlag“. Steuer- und Wirtschaftsrecht. Kassel: Dierichs, 2019. S. 1.

Bundessteuerberaterkammer: „Kanzleimitarbeiter von morgen“. Personalorganisation einer Steuerberatungskanzlei. Meckenheim: DCM Druck Center, 2017.

Meder, Thomas/Weinhold, Ralf: „Fast Close im Rechnungswesen“. Möglichkeiten und Potenziale moderner ERP-Software. In: „Controller Magazin“. Arbeitsergebnisse aus der Controller-Praxis. 30. Jahrgang, Ausgabe Nr. 6. Ergolding: Bosch-Druck, 2011. S. 75 – 80.

Pestke, Axel: „Geleitwort“. In: Wenzel, Christian: „Digitalisierung in steuerberatenden Kanzleien“. Eine empirische Analyse zur digitalen Buchführung. Norderstedt: Books on Demand, 2017. S. VII – VIII.

Schmelzer, Herrmann/Sesselmann, Wolfgang: „Geschäftsprozessmanagement in der Praxis“. Kunden zufriedenstellen – Produktivität steigern – Wert erhöhen. 6. Auflage. München: Hanser, 2008.

Wenzel, Christian: „Digitalisierung in steuerberatenden Kanzleien“. Eine empirische Analyse zur digitalen Buchführung. Norderstedt: Books on Demand, 2017.

Zinnöcker, Bernd: „Digitalisierung für Steuerberater“. Herausforderungen und Chancen. Wien: BDO, 2019.

¹² Vgl. BStBK, 2017, S. 6.

¹³ Vgl. BStBK, 2012, S. 4.

The successful implementation of CRM in the pharmaceutical market

Nico Stahl Ph.D. Student at Comenius University

Abstract:

Customer Relationship Management is certainly nothing new in its basic structure. Ever since a trade between people has existed, the factor 'customer' and its satisfaction has been a determining factor in the achievement of company goals.

Keywords: CRM, supplier, chemist's shops



In Europe the questions are put after a comprehensive and modern medical care of the people also always in connection with the costs and a comprehensive service. Governments try to prevent that in the societies a two-class social system arises which allows to profit some and takes down the bigger part. However, as this expresses itself on the supplier's side of medical service, is grasped only to a part and indicates bigger gaps in the analysis.

Customer Relationship Management is certainly nothing new in its basic structure. Ever since a trade between people has existed, the factor 'customer' and its satisfaction has been a determining factor in the achievement of company goals. Whether a simple weekly market or an exclusive supplier of luxury goods, the motto "The customer is king" dominates everywhere. In the meantime, however, the scientific penetration of this topic has increased, as the market structures, the supply possibilities in the form of new sales forms and the global access to products and services have changed considerably. These new requirements presuppose a change in the relationship between customer and supplier, as the supplier has to submit to the demand market in many areas. The customer has gained an even stronger position in this interactive structure and can better assert his expectations of a provider. In order to transform this into a positive effect for the companies, in that the service conditions can be redesigned in the sense of the customer, it is necessary to turn more and more to the topic of 'Customer Relationship Management'.

Within the scientific view of CRM, two functions are assigned. On the one hand, CRM forms an integrated source of information for companies with regard to necessary changes in the network of relationships. On the other hand, CRM is also understood as a corporate strategy that allows a positive change in the relationship with the customer and either to bind the customer or to win new ones

Though many studies are looked in the hospital area on the subject 'privatization', 'Employee's crisis' and the results hanging together with it, but an important stone in this wide-diversified portfolio of the medical care was ignored up to no was much as possible. The speech is here from chemist's shops which show a firm component of the care line of a customer or patient. In the urban infrastructures the number of the chemist's shops in an exceedingly big



graduation seem covered and often one sees on few streets of houses two or more chemist's shops which deliver a competition to themselves around the clientele. For the postquestioner an apparently favorable situation, because his need seems secure in drug care and also other services is covered by chemist's shops all over the country.

Till ten years this was absolutely the case, but the chemist's shop scenery has changed and the stationary chemist's shops which provide her service mainly in the retail trade with a chemist's shop must position themselves to new challenges. First the chemist's shop chains which take over duties of the chemist's shop service in a discount procedure are to be called because. On the other hand an enlarged supplier's number of on-line chemist's shops has formed which get by without stationary chemist's shops and offer exclusively B2C on the Internet.

Meanwhile goes the trend towards more Internet chemist's shops, but it has to go for such a sensitive area as him the medical care explains in the society, questions become whether this trend turns out with an enlarged market position compared with the stationary chemist's shops advantageous. Here it is a matter use and problems for itself to confront such of enlarged supplier's structures and to question critically. At the same time must become, however, also questions what the stationary chemist's shops undertake against this trend or undertake wish / skill. Actually, this area completely is structured private economically and one could say that one should allow to decide the market himself.

Which problems arise, besides, however, the development points in the hospital sector with which the enlarged privatization has not turned out as so advantageously how this was maybe expected. The restrictions on lucrative areas of the medical care have led for serious bottle necks in the standard care and also the capacities have decreased, because they follow the principle of the gainful market. A like it could go out to the chemist's shop sector to which an important and necessary area explains in the medical basic care.

These problem fields and to being based critical questions, have brought me to



lay the sector of the chemist's shops in a subject field for a thesis. Besides, quintessential point of the consideration of the subject field is the customer, because he is decisively for the success of a purely official-competitive economic system as they rule in both types of chemist's shops. Here the customer should be central relationship management (CRM), because it forms the determining base for the commercial success. The main question is, on this occasion, as stationary chemist's shops succeed in positioning themselves against the growing competition by the e-commerce of on-line chemist's shops with an ingenious and competitive CRM and in remaining with it survivable in the market. Because a part of the clientele turns stronger and stronger to the on-line offer, the determining question is for stationary chemist's shops as they bind existing customers successfully, new customers can win and win back wandered over customers. In addition there is in the foreground within the CRM for the recovery the 'Chur-management' which forms the job of the 'Change and Return –management'. With the new customer's production single-step and multistage actions are performed in the construction and the realization.

The customer connection in the CRM different methods are stated as stationary chemist's shops can succeed in binding the existing clientele also in future to themselves. The state of the research which argues with the competition situation and the CRM with chemist's shops forms base of the investigation of the subject.

To limit this wide spectrum formally and to provide with theoretical bases, the terms used specifically here are defined and limited to serve the demands of the topic. The core concepts 'stationary trade' belong to it in demarcation to 'on-line trade', CRM and the methods applied here and models which concern the CRM as a whole in the stationary chemist's shops.

There an image of the market comes in the chemist's shop branch with which the shares of the market from stationary to on-line chemist's shops should be indicated. Also the market volumes should be comparative introduced as a data basis.

As importantly the geographical perspective also appears here, because it comes more and more to differences between rural and urban infrastructures.



In addition, possible trend developments should be also integrated for the future, so far available.

To explain the demarcation of the stationary chemist's shops to the online competition, offers are compared and advantages and disadvantages are performed mutually which can be also integrated into the change management or be considered as a specific feature.

Importantly the question appears personally after the setting and conversion of CRM measures in this special single trade sector. Who deals seriously with CRM in stationary chemist's shops and if so with which methods is worked? To answer these both important central issues, a representative survey is carried out in the form of an engaged questionnaire which offers explanation about the existing and other need in CRM measures with stationary chemist's shops in her results.

Because the fears still hold stubborn compared with an increasing online competition and extend even here and there, one can assume from the fact that a quick and easy answer was not found with the stationary chemist's shops yet and underlines the relevance of the subject.

References

- Ematinger, Reinhard/Schulze, Sandra (2018): Produkte und Services vom Kunden aus denken. Einführung in den Customer Jobs Canvas. Wiesbaden: Springer.
- Geiß, Michael (2016): Marketing-Konzeption zur Rückgewinnung ausgewählter Einzelhandelskunden. Ein Relationship Management-Ansatz am Beispiel des deutschen Buchhandels. Wiesbaden: Springer.
- Helmke, Stefan et al. (2017): Effektives Customer Relationship Management. Instrumente – Einführungskonzepte – Organisation. 6., überarbeitete Auflage. Wiesbaden: Springer.
- Schröder, Hendrik (2017): Strategisch denken. Basiswissen Apothekenmarketing. In: Apotheke + Marketing. Ausgabe 1. S. 20 – 24.
- Tiffert, Alexander (2018): Customer Experience Management in der Praxis. Grundlagen – Zusammenhänge – Umsetzung. Berlin: Springer.
- Wulff, Christian/Rumpf, Stephanie (2019): A major shift for shopping: How digital trends are transforming customer behavior in Europe. Frankfurt a.M.: PwC.



Strategy for the pharmaceutical industry through "eRezept"

Stefan Rezepa, Ph.D. Student at Comenius University, Bratislava

Abstract:

The pharmaceutical industry has a very important supply mandate in that it promotes research and development for medicine and at the same time makes these products available so that they can reach the end customer. The pharmaceutical industry is one of the most modern sectors, which is dependent on a high degree of technical support in development and production.

Keywords: pharmaceutical industry ,industrial,



English part:

Industry 4.0 is not only a modern buzzword that is used sensational in the media or by politicians, but it is also a real line of development that has become increasingly apparent over the last 15 years and will affect all areas of value-creating processes in industry and services. Efforts are particularly intensive in innovative areas such as the automotive, electrical and pharmaceutical industries. These are sectors that are constantly subject to major changes through innovation and are therefore required to adapt to these trends. However, innovation is only a driving factor here, as other influences are also strongly felt in these sectors. Environmental policy, demographic and social changes in societies, global competition and meeting the ever-increasing supply needs of a growing population. An essential sector for the welfare of a modern society such as Germany is the pharmaceutical industry. The pharmaceutical industry has a very important supply mandate in that it promotes research and development for medicine and at the same time makes these products available so that they can reach the end customer. The pharmaceutical industry is one of the most modern sectors, which is dependent on a high degree of technical support in development and production.

This will be even more evident through technical innovation in these areas in industry 4.0, which both offers great opportunities for the pharmaceutical industry and at the same time confronts it with problems that it has not yet experienced in this form. An important area that has to deal with effects in both areas, positive and negative, is that of employees in the pharmaceutical sector. Here we need to clarify what effects new technologies in administration and production have on people's work in this sector. Two areas need to be examined. On the one hand, there is the area of the connection between artificial intelligence and the human being in all areas of work. Does man become superfluous in many areas or is a symbiosis between AI and man possible? The second area is also connected with this, which deals with the human factor and technology in work. Will people be affected by the fact that they will work with even more technology and with self-learning machines? When dealing with this topic, reports and studies often mention that new stress and disease patterns may develop which have not yet been recognized. What does the future of the pharmaceutical industry look like? This requires first of all a description of the development and the actual state of this important area.



It is necessary to clarify the significance of the pharmaceutical industry in the overall economy in order to find out what effects arise if the requirements of an industry 4.0 are taken into account by the groups and companies. Here it is important to explain how the field of employment in the industry will develop and what challenges will be faced by employers and employees.

In addition, the industrial nations are no longer active in their small established sector, but numerous other countries are now active in the pharmaceutical industry as global players in this market. In order to remain competitive here, Industry 4.0 should be a key element. But what are the possibilities for national pharmaceutical groups and companies to secure a firm position in a highly competitive market? In addition the possibilities of the industry 4,0 are analyzed, in order to find out thereby, which possibilities for the special production present themselves and which advantages can develop from it opposite the competition.

As the competition is composed of the previously unestablished industrial nations, these suppliers primarily benefit from cost advantages which they can exploit. This includes subsidies from the state, lower environmental requirements, better tax conditions and lower wages, which can also result from a lack of job security. Such advantage factors, however, are only production-centred. Research remains important in this sector, for which the capacities in the 'rich' economies are better designed than have been the case in the up-and-coming states so far. This raises the question of the extent what influence the digital change will have on stationary pharmacies and patients in everyday life.

German part:

Zu den wichtigsten Anwendungen in der TI wird künftig das elektronische Rezept (eRezept) gehören.

„e-Rezept“ ist die Kurzform von „elektronischem Rezept“, und bezeichnet, analog zum Begriff e-Mail, die Übermittlung von ärztlichen Verordnungen in elektronischer Form statt auf Papier. Wer heute in Deutschland Medikamente verschrieben bekommt, erhält vom Arzt ein Rezept in Papierform, das er anschließend in die Apotheke bringt oder zu einer Online-Apotheke schickt. In naher Zukunft soll es in Deutschland möglich sein, den für die Abgabe von verschreibungspflichtigen Medikamenten erforderlichen Informationsaustausch zwischen Arzt, Patient, Apotheke und Krankenkasse in elektronischer Form vorzunehmen. Das „e-Rezept“ wird bisweilen auch Online-Rezept oder digitales Rezept genannt und teilweise auch "eRezept" geschrieben. Es ist aber davon auszugehen, dass das e-Rezept den Patientinnen und Patienten ganz praktische Vorteile bieten wird: So könnten sie sich zum Beispiel einen Weg in die Apotheke oder – wenn sie Kunde einer Online-Apotheke sind – den Gang zum Briefkasten sparen, weil die ärztliche Verordnung quasi auf Knopfdruck Arzt zum Patienten und vom Patienten in die Apotheke übertragen wird. Gerade Online-Apotheken könnten dadurch deutlich schneller mit der Bearbeitung der Bestellung beginnen und die Lieferzeit erheblich verkürzen. Möglicherweise erlaubt das e-Rezept auch eine effizientere Abrechnung der Rezepte bei den Krankenkassen, sodass dadurch Kosten gespart und Krankenkassenbeiträge gesenkt werden könnten.

Das e-Rezept bietet aber nicht nur praktische, sondern auch medizinische Vorteile. Für Gesundheitsexperten gilt es nämlich als eine wichtige Voraussetzung für den geplanten Ausbau sogenannter eHealth-Lösungen: Wer beispielsweise in einer Online-Sprechstunde mit seinem Arzt via Internet in Kontakt steht, statt ihn wie bisher in der Praxis zu besuchen, könnte dann dank des e-Rezepts auch seine Medikamente online verschrieben bekommen. So würde die Online-Sprechstunde zu einem echten Ersatz für den Besuch beim Arzt. Auf diese Weise könnte in Zukunft die fachärztliche Versorgung besonders auf dem Land verbessert oder der Arztbesuch für Berufstätige erleichtert werden.

Damit E-Rezepte sicher und verschlüsselt von der Arztpraxis über den Server zum Patienten und dann in die Apotheke gelangen können, ist neben dem oben genannten Rezeptserver eine Datenautobahn nötig. Diese wird seit Jahren – auch für andere Anwendungen – aufgebaut und nennt sich „Telematikinfrastuktur“. Noch vor dem E-Rezept sollen Ärzte und Apotheker in



diesem Jahr anfangen, innerhalb dieser Infrastruktur E-Medikationspläne auszutauschen. Für den Aufbau dieser „TI“ ist die Gesellschaft für Telematikanwendungen (Gematik) zuständig, in der neben den Leistungserbringern (Apotheker, Ärzte etc.) auch das Bundesgesundheitsministerium und die Krankenkassen sitzen. Innerhalb der Gematik gibt es einzelne Fachprojekte, die Apotheker sind für das Projekt „E-Rezept“ zuständig.

Aber zurück zur Telematikinfrastuktur. Die Ärzte mussten diese Struktur schon vor den Apothekern auf ihrer Seite aufbauen und sich vernetzen – was ihnen nur einigermaßen gut gelang, denn etwa ein Drittel der Praxen hat die Frist zur Anbindung an die TI verstreichen lassen:¹

"Berlin - Die mehr als zehn Millionen Versicherten der Techniker Krankenkasse (TK) können sich ab sofort per Telefon und Video vom heimischen Sofa aus ärztlich behandeln lassen. „Unsere zum Jahresbeginn gestarteten Pilotversuche haben sich bewährt und stehen von jetzt an allen Versicherten zur Verfügung“, erklärt TK-Vorstandsvorsitzender Dr. Jens Baas. Die Patienten können sich sieben Tage die Woche rund um die Uhr zunächst telefonisch beraten lassen. Bei Bedarf behandelt sie ein Arzt in einem zusätzlichen Angebot – der TK-Onlinesprechstunde. Dabei kann er auch Medikamente verordnen und eine Arbeitsunfähigkeitsbescheinigung ausstellen.

Bei der Onlinesprechstunde behandeln laut TK niedergelassene Vertragsärzte verschiedener Fachrichtungen die Versicherten über die TK-Doc-App per Videotelefonie. Das Behandlungsspektrum umfasst acht Krankheitsbilder vom grippalen Infekt über Magen-Darm-Infekt und Migräne bis hin zu Rückenschmerzen und Corona-Symptomen.

Baas: „Wir haben sehr gute Rückmeldungen von unseren bisherigen Teilnehmern erhalten. Gerade in Zeiten von Corona – aber auch darüber hinaus – wollen die Patienten einen unkomplizierten und komfortablen Zugang zum Arzt ohne Ansteckungsgefahr.“ Dabei müsse der Arzt selbstverständlich prüfen, ob eine sichere Diagnose und Behandlung aus der Distanz möglich ist.

Der stellvertretende TK-Vorstandsvorsitzende Thomas Ballast erklärt die Anstrengungen der TK für einen flächendeckenden Ausbau des Fernbehandlungs-Netzes „Wir arbeiten gerade mit Nachdruck an der Anbindung weiterer Apotheken und Arztpraxen. Dabei ist uns ganz wichtig, dass wir offen für weitere Partner sind. Unser Versorgungsnetz soll keine Konkurrenz für die anderen Apotheken oder Arztpraxen sein, sondern bei uns sind zusätzliche Partner jederzeit herzlich willkommen.“

Bei Arzneimittelverordnungen können die TK-Versicherten zwischen einem klassischen Papierrezept und einem elektronischen Rezept wählen. Hierzu erhalten sie einen QR-Code auf ihr Smartphone, den sie direkt an eine der teilnehmenden Apotheken weiterleiten können. Durch den Botendienst der Apotheken sei auch eine

¹ Vgl. <https://www.ptaheute.de/news/artikel/so-funktioniert-das-e-rezept/>

Lieferung nach Hause inklusive einer kontaktlosen Übergabe des Arzneimittels möglich. Die TK unterstützt ihre Versicherten bei Bedarf mit einer speziellen Hotline, wenn sie eine Apotheke suchen, bei der sie auch digitale Rezepte einlösen können.

Aufgrund der kürzlich von der TK mit Noventi und Narz/AVN eingegangenen Kooperationen sind grundsätzlich alle Apotheken, die die Systeme beider Anbieter nutzen, in der Lage, die TK-eRezepte zu verarbeiten. Nach Angaben der TK bedarf es dazu aber zusätzlich eines gesonderten Vertrages zwischen der Apotheke und der TK.

Auch eine Krankschreibung ist laut TK bis zu einer Dauer von drei Tagen möglich. Auf Wunsch des Versicherten erfolgt die Übermittlung an die TK auf elektronischem Weg. Der Versand der Durchschläge für den Versicherten und den Arbeitgeber muss derzeit aus rechtlichen Gründen noch auf dem Postweg erfolgen."

References:

- ABDA (O.J.): Apotheke 2030 Perspektiven zur pharmazeutischen Versorgung in Deutschland. Berlin: ABDA.
- Aliud-Pharma (2017): Chancen und Trends der Digitalisierung in deutschen Apotheken. ALIUD® APOTHEKENREPORT 2017. Heidelberg: KonText.
- Apotheke + Marketing (2019): Direkter Draht – Digitaler Kundenkontakt. Fachmagazin für Apothekenmarketing. Ausgabe Nr. 5, Oktober. Berlin/Heidelberg: Springer.
- Appel, Ralph (2016): Keine Industrie 4.0 ohne Bildung 4.0 – Qualifizierungsoffensive in Aus- und Weiterbildung essentiell. Statement zur Hannover Messe, 25. April 2016, Convention Center (CC), Saal 18.
- Bitkom et al. (2016): Implementation Strategy Industrie 4.0 Report on the results of the Industrie 4.0 Platform. Berlin: Kehrberg Druck.
- Brüssel, Christoph/Kronenberg, Volker (Hrsg.) (2018): Von der sozialen zur ökosozialen Marktwirtschaft. Ökologie und Ökonomie im Fokus von Politik und Gesellschaft. Wiesbaden: Springer.
- Civity (2017): Arzneimittelverbrauch im Spannungsfeld des demografischen Wandels. Die Bedeutung des wachsenden Medikamentenkonsums in Deutschland für die Rohwasserressourcen. Eine Studie der Civity Management Consultants im Auftrag des BDEW. Berlin: Civity.
- Jodlbauer, Herbert/ Schagerl, Michael (2016): Reifegradmodell Industrie 4.0 - Ein Vorgehensmodell zur Identifikation von Industrie 4.0 Potentialen. In: Heinrich C. Mayr, Martin Pinzger (Hrsg.): Informatik 2016, Bonn: Lecture Notes in Informatics (LNI), Gesellschaft für Informatik. S. 1473 – 1487.
- Gerlach, Ferdinand et al. (2018): Bedarfsgerechte Steuerung der Gesundheitsversorgung. Gutachten 2018. Sachverständigenrat zur Begutachtung der Entwicklung im Gesundheitswesen. Baden-Baden: Nomos.
- Gesamtverband der deutschen Versicherungswirtschaft e.V. (2018): Cyberrisiken bei Ärzten und Apotheken. Berlin: GDV.
- Haring, Robin (2019): Gesundheit digital. Perspektiven zur Digitalisierung im Gesundheitswesen. Berlin: Springer.
- Knobloch, Christian/Schröder, Hendrik (2016): Apps für Apothekenkunden. In: Essener Dacapo. Ausgabe 1. Duisburg/Essen: MH. S. 2 – 11.



The new role of the modern pharmacist

What new tasks will pharmacists have to face in the future?

Bernhard Kozcian, Ph.D. Student at Comenius University Bratislava

Abstract:

In the meantime, the classic pharmacist who provides this type of service has largely been eliminated, but they still exist. However, in the next ten to twenty years there will be a demographic upheaval which will produce a new generation of pharmacists who will have to face many more tasks than before.

Keywords: marketing manager, multi-channel supplier, distribution



What are the tasks of a pharmacist of tomorrow? Is he simply a service provider in the healthcare system who has to ensure that medicines are passed on to the customer with additional advice? Certainly not any more!

In the meantime, the classic pharmacist who provides this type of service has largely been eliminated, but they still exist. However, in the next ten to twenty years there will be a demographic upheaval which will produce a new generation of pharmacists who will have to face many more tasks than before.

Task 1: The pharmacist as marketing manager

The stationary pharmacist has to defend himself against an increasing number of online providers, which confronts him with an increased need for marketing, whereby the customer as 'dominator' determines the expectations.¹ However, this also requires knowledge of these marketing opportunities or whether the pharmacist is in the financial position to make use of external specialist knowledge. He must find his unique selling point and integrate it efficiently into his marketing.²

In the 'new' pharmacy structure, it is important to expand the range of products on offer in such a way that an up-to-date and attractive additional offer is created for the customer, where he also enters the pharmacy without simply covering his need for medicines.³ It is increasingly a question of moving from the pure satisfaction of needs to a more hedonistic view of the pharmacy by the customer.⁴ The pharmacy as 'experience space'. The areas of alternative medicine, sports and exercise advice and special nutrition are particularly in demand here and offer these potentials.⁵ Here too, however, the basic prerequisite is a customer approach with a high competence factor, since other providers in these areas have also discovered consulting as a service for themselves and use it.⁶

Task 2: The pharmacist as multi-channel supplier

As online providers are becoming more and more widespread in the market, it is necessary to offer the distribution channel of this competition also on a local basis. However, this requires a different distribution structure than that of the stationary trade, to which the pharmacist must first adapt.

It requires a separate infrastructure in the network offering, which should also offer an online shop, even if this does not have to be on the same large scale as that offered by pure online providers. But he must be able to deal with these sales options and make them usable through knowledge.

¹ Vgl. Carl/Döller, 2016, S. 5.

² Vgl. Carl/Döller, 2016, S. 5.

³ Vgl. Schröder/Knobloch, 2015, S. 7.

⁴ Vgl. Bley/Plischke, 2006, S. 61ff.

⁵ Vgl. Carl/Döller, 2016, S. 19.

⁶ Vgl. Carl/Döller, 2016, S. 12.

In addition, there are possibilities of establishing and using networks of doctors, organisations and institutions of the health care system (e.g. hospitals or nursing homes) and patients, which can make the treatments more efficient through fast and constant communication by means of positive synergy effects for the patient through agreements, enquiries and knowledge supplementation with other responsible bodies in the health care system.⁷

At the same time, however, the existing rules on data protection, which have expanded considerably over the last ten years, must be respected. This also requires sufficient knowledge to ensure that violations of the data protection rules do not occur.⁸

Task 3: The pharmacist as supplier and service provider for other organisations and institutions

Pharmacies go beyond their services of mere individual customer care by supplying facilities with drug needs.⁹ These include hospitals, nursing homes and other health care facilities that require medication. Pharmacies are the regional provider of these services, although hospitals are now turning to online facilities. In order to continue to secure this large share of sales here, it is necessary to change and expand the range of services on offer and keep the partner as a customer. In this case, these are consultations, training courses in the field of medication for staff and the delivery of individual medication for patients in the facilities.

Task 4: The pharmacist as personnel manager

Since in many areas demographic change and the shortage of skilled workers go hand in hand, an in-patient pharmacist must make sure that he has a staff that enables him to carry out all the tasks assigned to him.¹⁰ Consequently, the pharmacist must also take a clear position in areas of human resources. A simple job advertisement in the traditional sense is no longer sufficient here, but must be redesigned. Online applications are more important than ever, as the demands on the employer have also changed considerably on the employee side. Here, the pharmacist must position himself more broadly within his Internet presence in order to be present online as an employer. Therefore, the area of the Candidate Experience must also be considered and implemented, as it is becoming increasingly difficult for SMEs in any field to recruit good to very good personnel. Without a sophisticated employer branding, success can hardly be achieved here.

⁷ Vgl. Buck et al., 2019, S. 450.

⁸ Vgl. Kalkbrenner, 2018, S. 18.

⁹ Vgl. Warschun, 2009, S. 20.

¹⁰ Vgl. Wilkes, 2018, S. 8.

Task 5: The pharmacist as a lawyer

The health sector has changed considerably over the last twenty years and further changes will follow in the next ten years. These are usually regulated by national or international legislators and must be observed by the pharmacist in the interests of compliance and translated into measures. These do not only concern direct regulations and laws for the pharmacy sector, but also affect the directly affiliated institutions, in particular the health insurance companies. Therefore, the pharmacist must also take care of the legal issues that affect his area of work. The requirements here are considerable and demand a great deal of attention from the pharmacist. This ties up a lot of manpower and also demands that the acquired knowledge be passed on to the employees, which on the other hand keeps him from his core tasks.

In addition, a comprehensive knowledge of the legal conditions of data protection (cf. Task 2) is required if he increasingly turns to digital usage possibilities, whether through his own online offer or the use of digital networks with other relevant providers in the health care system.¹¹

Task 6: The pharmacist as pharmacist

The actual tasks of a stationary pharmacist seem to be falling more and more behind in all these tasks. But it remains necessary to continue to perform the actual tasks. Especially the field of medicine production is here bound to the expertise of a fully trained pharmacist, which must not be performed by others. Here, the pharmacist can only work in small pharmacies himself if there is not a force of equivalent quality. Nevertheless, the pharmacist must position himself strongly with his specialist knowledge, as he has lost some of his knowledge advantage in terms of the sovereignty of information due to the possibilities of the Internet.¹²

It should also not be forgotten that the pharmacist, as a registered trader, must also continue to perform the commercial tasks. Although these are not related to accounting and taxes, which are usually carried out by external specialists, there remain enough tasks that are related to a business.

¹¹ Vgl. Koch, 2018, S. 12.

¹² Vgl. Carl/Dölle, 2016, S. 11.

So the legitimate question is: How can all this be done without losing quality in all areas, which is required within standards and laws?

In order to set a parallel direction here, the supply chain of a stationary pharmacy must be reorganized. Subsequently, methods and means have to be found which allow the pharmacist to manage all areas. This results in work processes that partly overlap or are carried out in parallel. The small number of staff and the need for qualifications for many of these tasks tie the pharmacist very closely to all areas.

The results of the present research are intended to show how in-patient pharmacists can nevertheless succeed in keeping their own business running and at the same time be able to stand up to the existing competition.



References

Bley, Tobias/Plischke, Katja: „Prinzipien zur Gestaltung von hedonischen Qualitäten am Beispiel von Online-Apotheken“. Dresden: TU Dresden, 2006.

Buck, Christoph et al.: „Digitale Gestaltung innovativer Gesundheitsnetzwerke – Erfolgreiches Netzwerkmanagement im Gesundheits- und Dienstleistungssektor“. In: „Digitale Transformation von Dienstleistungen im Gesundheitswesen VI“. Impulse für die Forschung. Herausgegeben durch Mario A. Pfannenstiel, Patrick Da-Cruz und Harald Mehlich. Wiesbaden: Springer, 2019. S. 447 – 473.

Carl, Michael/Dölle, Hannes: „Apotheken der Zukunft“. Trendstudie des 2b AHEAD ThinkTanks. Quelle: <http://www.2bahead.com/studien/trendstudie/detail/trendstudie-apotheken-der-zukunft>, 2016.

Kalkbrenner, Lukas: „Letzter Aufruf EU-DS-GVO: Was Sie jetzt unbedingt noch tun sollten“. In: „Die erfolgreiche Apotheke“. Fachzeitschrift für die Zukunft der Apotheke. Ausgabe Nr. 5. Triesen: Apo-Verlag, 2018. S. 18.

Koch, Thomas: „Ihre Daten sind in Gefahr“. In: „Die erfolgreiche Apotheke“. Fachzeitschrift für die Zukunft der Apotheke. Ausgabe Nr. 5. Triesen: Apo-Verlag, 2018. S. 12 – 13.

Schröder, Hendrik/Knobloch, Christian: „Wie Kunden in Apotheken einkaufen“. Essen: Universität Essen – Duisburg, 2015.

Warschun, Mirko: „Was Apotheken vom Handel lernen können“. In: „Die erfolgreiche Apotheke“. Fachzeitschrift für die Zukunft der Apotheke. Ausgabe Nr. 5. Triesen: Apo-Verlag, 2009. S. 20 – 21.

Wilkes, Malte W.: „Aufmerksamkeitsfänger versus Weihwasserworte“. Plädoyer für eine systemische Branchenreform. In: „Die erfolgreiche Apotheke“. Fachzeitschrift für die Zukunft der Apotheke. Ausgabe Nr. 5. Triesen: Apo-Verlag, 2018. S. 6 – 8.





COLLEGIUM HUMANUM
WARSAW MANAGEMENT UNIVERSITY

Imprint

Collegium Humanum

Warsaw Management University

Moniuszki 1a Str. 00-014 Warsaw, Poland

www.humanum.pl

ISBN 978-83-958245-2-4

(c) 2020 Collegium Humanum Warsaw