

Platform business models in the healthcare industry - a benefit or a burden?

- A study of the legitimacy of 'Netdoctors' from the perspective of the Regions of Sweden

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Abstract: Platforms are rapidly transforming entire industries. However, some industries are less prone to be platformized due to characteristics of their context. In these markets, barriers to entry are high and platform actors are likely to face legitimacy challenges. The existing literature calls for further understanding of what is affecting the legitimacy of platforms in nascent markets. Through a qualitative in-depth case study, we explore what contributes to and impedes the legitimacy of Netdoctors in the healthcare industry from the perspective of the Regions of Sweden, an important stakeholder of the focal industry. The analysis unravels that whether platform actors in nascent markets are perceived as legitimate or not is affected by the way in which these actors have designed their business model. Firstly, the value creation component of platforms' business models contributes to platform actors' legitimacy. Secondly, the value delivery component both contributes to and impedes the legitimacy of platform actors. Thirdly, the value capture component impedes the legitimacy ascribed to platform actors. If one business model component impedes a platform actor's legitimacy, the holistic view of whether an actor is perceived as legitimate is affected. However, in addition to the business model components, the analysis demonstrates that external aspects beyond the control of platform actors affect the legitimacy of a platform actor. These both contribute to and impede the legitimacy of platform actors. We contribute by exploring platform business models in a nascent market and providing insights on what is affecting the legitimacy of platform business models. Moreover, we contribute by displaying the usefulness of bridging literatures from three domains: business models, platforms and legitimacy. This study contributes primarily to the nascent field of platform literature and enhances the understanding of the legitimacy challenges of platform business models.

Keywords: Business models, Digital platforms, Platformization, Nascent markets, New ventures, Legitimacy, Healthcare, Netdoctors

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Glossary

Nascent market	Markets that are being platformized or might be platformized
Netdoctors	Privatized healthcare providers that offer digital primary care through a platform solution
Out-of-county fees	Region receiving a fee for providing care to patients that are listed within another Region
Out-of-county visits	Receiving care from another Region than your primary Region
Patient fee	The fee charged from patients, covering only a share of the total cost for patient visits
Pay-per-visit model	Netdoctors' earn a fee for each patient visit
Platformization	Establishing digital platform business models in industries that are not yet platform-based
Platforms	“Platforms create value by helping two or more different types of users, who could benefit from getting together, find and interact with each other, and exchange value” (Evans, 2012, p. 1203)
Primary care	Day-to-day healthcare given by a healthcare provider. Typically the first contact and point of continuing care for patients within a healthcare system
Regions	The Regional Councils of Sweden, a self-governing local authority

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1. Introduction

1.1 Background

Platforms, enabled by digital technology, bring about completely new business models and are thereby rapidly transforming entire industries (Rippa et al., 2019; Nambisan, 2017; Yoo et al., 2010). Platform companies such as AirBnB and Uber are a growing phenomenon in society and these disruptive actors are challenging traditional businesses (Parker et al., 2016).

Today, an extensive and growing share of the global economy comprises platform-based markets (Eisenmann et al., 2011). Markets that are being platformized or might be platformized, can be viewed as nascent markets. The emergence of nascent markets is often due to technological developments and can appear both when different industries merge (Kuratko et al., 2017), or within an existing industry (Ozcan & Santos, 2015). Platformization can result in that new markets are created as a result of technological properties enabling the fulfillment of previously unmet needs, but also in that traditional markets get disrupted due to new ways of interaction among users (Parker et al., 2016).

However, some industries are less prone to be platformized due to characteristics of their context, such as fault-intolerance, heavy regulations, complex transactions and reliance on physical assets. In these industries, barriers to entry are higher for platform-based firms (Brown 2019). Platformization may thereby be extra challenging in these complex industries. An industry fulfilling these characteristics is the healthcare industry.

The healthcare industry has previously been slow to adapt to digital transformation, despite the potential of digital technologies to create value for the industry (DesRoches et al. 2008; Hsia et al. 2019). Nonetheless, technology advances are challenging the status quo of the digital transformation of the healthcare industry (Oldenburg et al. 2015; Agarwal et al. 2020). Although many attempts to create digital platforms in traditional industries have failed (Denoo et al., 2021), a number of digital platforms are seen in healthcare today. One such example is Netdoctors. These platforms have transformed the way doctors and patients interact with each other (Agarwal et al., 2010; Guo et al., 2016).

In line with this development, Netdoctors' businesses have grown at a rapid rate in Sweden. A possible explanation for the rapid growth of Netdoctors is that their services respond to an unmet need in Swedish healthcare, as the primary care has long suffered from a lack of accessibility. A growing population in Sweden, combined with a scarce medical capacity, underlines the need for change in primary care (Regeringen, 2019). In this context, Netdoctors have revolutionized accessibility in primary care. However, despite Netdoctors gaining both market shares and popularity, they have received severe criticism (Järhult, 2019; Almgren & Svensson, 2018).

Based on previous research on new venture legitimacy, it seems reasonable to expect that the process of establishing oneself as a platform in a traditional setting will involve legitimacy challenges (Fisher, 2020). New ventures are encountering the so-called “liability of newness” (Stinchcombe, 1965, p. 148). Liability of newness can be mitigated by legitimacy, as it can make new ventures more understandable and thereby more legitimate. Hence, making the unfamiliar more familiar (Lounsbury & Glynn, 2001). Organizations gain legitimacy by aligning their behavior with the audiences’ social systems (Scott, 1997). It is viewed as a key resource for an organization’s survival and it is of particular importance at early stages of a new venture (Zimmerman & Zeitz, 2002).

This study explores the phenomenon of Netdoctors on a business model component-level by investigating the perception of the Regions of Sweden. A case study approach is undertaken, in which insights are drawn from the business model, platform and legitimacy literature to understand what affects the legitimacy of platform actors in nascent markets.

1.2. Research Gap

This research addresses several related gaps in the literature. Academic research on platforms has experienced a rapidly growing popularity within the last two decades. Previous theoretical work on platforms have focused on platform competition (Rochet & Tirole, 2003, 2006; Eisenmann et al., 2011; Cennamo & Santal’o, 2013; Bresnahan & Greenstein, 2014; Hagiu & Wright, 2015), platform ecosystems (Ceccagnoli et al., 2012; Parker et al., 2017; Jacobides et al., 2018) and platform leadership and innovation (Gawer & Cusumano, 2002, 2014; Gawer, 2009, 2014; Boudreau, 2010).

However, research highlights that there is a need to enhance the robustness of the platform literature. Little research has been conducted regarding the process when new ventures are establishing digital platforms into industries that are not yet platformized or commonly associated with tech. One such example is the healthcare industry (Rietveld & Schilling, 2021). Furthermore, it is emphasized that research on platform-based business models is needed in industries where “such a business model would turn the way of making business inside out” and where these business models have the potential to tackle various emergent customer problems (Rohn et al., 2021 p. 12). Therefore, there is a need to explore platform business models in a greater range of industries.

Additionally, research suggests it is important to build stronger connections between platform literature and mainstream theories (Rietveld & Schilling, 2021). One such mainstream theory is legitimacy theory. Building legitimacy has to a great extent been overseen as a force of industry development (Kwak et al., 2019). Furthermore, research emphasizes a need for insight regarding how platforms can succeed to establish themselves as trustworthy and mentions legitimacy as a suitable literature for studying this phenomenon (Gawer & Cusumano, 2014). Moreover, research highlights the need for research on disruptive business

models and the legitimacy of these firms in new contexts (Marano et al., 2020). Platform business models in nascent markets can be seen as an example of a disruptive business model, as it radically transforms industries. Therefore, there is a need to explore what affects the legitimacy of platform business models.

To summarize the research presented above, there is a need to develop the platform literature with studies in a wider range of contexts. Particularly, in settings previously not platformized or associated with tech. In addition, studies on what affects legitimacy of platform business models are lacking in the literature. Therefore, this study aims to fulfill this gap by investigating what affects the legitimacy of platform business models in nascent markets. This gap will be addressed through the following purpose and research question.

1.3. Purpose and Research Question

The purpose of this study is to advance the theoretical understanding of what affects the legitimacy of platform business models in nascent markets. This study aims to achieve this purpose by empirically investigating what affects the legitimacy of Netdoctors in the healthcare industry from the perspective of an important stakeholder. That is, the Regions of Sweden.

It is assumed that the legitimation process is not binary. Rather this study aims to explore what makes platforms become legitimized, with an openness to the possibility that some of the platforms' attributes may still not be perceived as legitimate. This objective is based on the nascent nature of the research field. That is, the rise of the platform phenomenon in today's society. Therefore, this study addresses the following research question:

What contributes to and impedes the legitimacy of platform business models in nascent markets?

To be able to answer the research question, existing literature on business models, platforms and legitimacy will be reviewed. As a final result, an analytical framework combining the theories will be presented.

1.4. Contribution and Definition of Scope

The contribution of this study is twofold. Firstly, by combining literature from three domains: business models, platforms and legitimacy, this study contributes to the platform literature by exploring platform business models in a nascent industry. Secondly, it contributes with insights on what is affecting the legitimacy of platform business models. However, this study is limited to study platforms in highly regulated contexts. This boundary condition may affect the generalizability of the study.

2. Literature Review

Below, a review of studies in the fields of business models, platforms and legitimacy will be provided. The keywords used when reviewing the literature were business models, platforms, legitimacy, new ventures, disruptive innovations.

This chapter will start with an overview of the business models concept and introduces definitions that will be applied in the analysis (2.1). Thereafter, platform literature is presented in order to develop an understanding of the platform phenomenon and possible implications for platforms in nascent markets (2.2). Then, the concept of legitimacy is presented together with the definitions that will be used in the analysis. Additionally, it is elaborated upon legitimacy for new ventures in nascent markets (2.3). Thereafter, a combination of research domains connected to the area of focus to be explored is presented (2.4). Lastly, this chapter ends with an analytical framework that will guide the data collection and analysis (2.5).

2.1. Business models

There are several well-known frameworks for business models (Osterwalder & Pigneur, 2013; Baden-Fuller & Morgan, 2010; Gassmann, 2020). Nevertheless, several definitions of business models are commonly applied in research, as there is not a unitary definition of the concept (Nielsen et al., 2019).

According to Teece (2010, p.191), a business model describes “the design or architecture of the value creation, delivery and capture mechanisms employed. The essence of a business model is that it crystallizes customer needs and ability to pay, defines how the business enterprise responds to and delivers value to customers, entices customers to pay for value, and converts those payments to profit through the proper design and operation of the various elements of the value chain”.

Instead of solely focusing on the firm-level perspective, studies on business models increasingly take other actors in the company’s ecosystem into account (Huo et al., 2020). A good business model has an offering that is desirable for customers, a solid cost and risk structure and captures significant value through delivering products and services. Yet, it also needs to ‘fit’ with the perspective of actors in the surrounding ecosystem (Logue & Grimes, 2019; Zhao et al., 2017). Selecting a business model is hence complex and highly situational, as one successful model will not automatically function in a different setting (Teece, 2010).

As previously stated, a business model describes how value is *created, delivered and captured* (Teece, 2010).

The first component, *value creation*, is a crucial requirement for value appropriation (Teece, 2010). It is at the core of any business model (Bocken et al., 2014) and the aim is to identify customers and their needs (Baden-Fuller & Haefliger, 2013). The company should then find creative ways to respond to those needs (Teece, 2010).

The second component, *value delivery*, describes how the goods and/or the service is delivered to the customers, as well as the ventures engagement with customers and stakeholders (Teece, 2010). Thus, the processes, resources and routines needed to deliver the value intended for the customers (Osterwalder & Pigneur, 2013).

The third component, *value capture*, implies how the company aims to generate revenues from the goods, services or information that is provided to customers (Baden-Fuller & Haefliger, 2013; Teece, 2010). That is, the cost- and revenue structure.

The business model literature and the components *value creation*, *value delivery* and *value capture* are important analytical concepts for this study as they are used to explain the actor that is being legitimized and how the different components are contributing to or impeding the legitimacy of an actor. The business model components and their specifications are used to develop a framework for the analysis. This is a common approach in research related to business models (Laudien & Daxböck, 2016a, 2016b; Osterwalder, 2004).

2.2 Platforms in nascent markets

Digitalization has played an important role for business models, as it has enabled new disruptive business models taking form (Birkinshaw & Ansari 2015). One such example is the platform business model. These business models represent one of the most disruptive and powerful changes in the modern economy (Daugherty et al., 2016).

Research on digital platforms has been conducted in several fields, mainly in the fields of economics, information systems, and technical management (de Reuver et al., 2018). Although researchers have agreed on certain elements of a platform definition, several definitions exist in the platform literature (Constantinides et al, 2018; Hagiu, 2009; Parker et al. 2016; Rietveld & Schilling, 2021; Rohn et al, 2021).

According to Evans (2012, p. 1203), platforms “create value by helping two or more different types of users, who could benefit from getting together, find and interact with each other, and exchange value”. Thus, platforms exist to create value for both sides using it, by facilitating interactions among producers and consumers (B2C) or among producers (B2B) (Bakos & Katsamakas, 2008; Parker et al., 2016; Roson, 2005).

Platforms have been an important enabler for organizations to create new ways of value since the 1990’s (Stabell & Fjeldstad, 1998). In the previous years, platforms have significantly increased in number and size (Evans & Gawer, 2016). In the modern digital economy, new

opportunities for growth are made possible due to the strategic use of technologies that enable platforms (Daugherty et al., 2016; Rietveld & Schilling, 2021). Platform organizations can more easily grasp environmental opportunities and find new market segments. Enabled by the platform technology, a firm can increase its value creation (Teece, 2017). Furthermore, the reduced need for physical infrastructure and assets, characterizes platforms (Parker et al., 2016). Instead, in order to facilitate transactions, the platform requires intangible assets such as a network of participants. Within the network of participants, interactions and exchange of information takes place (van Alstyne et al., 2016). Another main benefit coming from these types of business models is the match-making process. All sides in the network can find its respective counterpart, which is enabled by the large number of participants in the network (Rohn et al., 2021).

Platform-based business models have been characterized along the following three components in the literature: value creation, delivery and capture (e.g., Osterwalder & Pigneur, 2013; Rust & Hall, 2002; Schlie et al., 2011; Clauss, 2017; Clauss et al., 2019). In the context of platforms, these components rely upon an ecosystem of participants which facilitate interaction and exchange of products or services among the participants via digital technology (Rohn et al., 2021).

Due to digital technology, platforms can create new and radical business models that have the possibility to transform traditional industries (Rippa et al., 2019; Nambisan, 2017; Yoo et al., 2010). As these business models are disrupting industries and challenging actors within it, they are seen as disruptive business models (Christensen, 1997). Markets that are being platformized or might be platformized, can be viewed as nascent markets. Nascent markets are defined as “business environments in an early stage of formation, often appearing in emerging ‘organizational fields’” (Santos & Eisenhardt, 2009, p. 644). These markets are characterized by extreme ambiguity, as there is a lack of understanding of the market (Santos & Eisenhardt, 2009).

The emergence of nascent markets can appear both when different industries merge (Kuratko et al., 2017), or within an existing industry (Ozcan & Santos, 2015). Platformization can result in that new markets are created as a result of technological properties enabling the fulfillment of previously unmet needs, but also in that traditional markets get disrupted due to new ways of interaction (Parker et al., 2016).

Even though platforms are rapidly transforming several industries today, not all are as prone to change due to characteristics of their context. Such characteristics are, among others, fault-intolerance, heavy regulations, complex transactions and reliance on physical assets. In these industries, barriers to entry are higher (Brown 2019). Platformization may thereby be extra challenging in those industries.

The platform literature is important for this study since it creates a basis for understanding the actor that is being explored.

2.3 Legitimacy

Legitimacy has captured the interests of scholars since decades back (Göcke et al., 2021). In this study, Suchman's (1995) definition of legitimacy will be used, as it has been utilized consistently and prominently (Basu & Palazzo, 2008; Greenwood et al., 2008; Scott, 2008).

Suchman (1995, p.574) defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”.

Legitimacy is ascribed to the organization by the audience (Suchman, 1995). It is the perception of different actors in an ecosystem that determines whether an organization is perceived as legitimate. The actors of the ecosystem can cover authorities, governments, media and public interest groups (Deephouse & Suchman, 2008), as well as established and new companies (Kwak et al., 2019; Mair & Reischauer, 2017).

Researchers have presented various forms of legitimacy (Aldrich & Fiol, 1994; Scott, 1997; Suchman, 1995). In line with Suchman (1995), three different forms of legitimacy are identified. These are pragmatic, moral and cognitive legitimacy.

Firstly, *pragmatic legitimacy* refers to the audience evaluation of the organization's activities, behaviors and forms. An organization's gains legitimacy if the self-interests of the audience are sustained and enhanced (Suchman, 1995). Furthermore, organizations can gain pragmatic legitimacy because it is believed to provide beneficial exchanges to the audience but also because the organization is believed to be responsive to their interests (Suchman, 1995). Moreover, pragmatic legitimacy can also be related to how society personifies organizations as if they were autonomous actors (Zucker, 1983) Thus, legitimacy is ascribed to organizations that are perceived to share values with the audience, e.g., having the best interests of the audiences at heart, being wise and trustworthy. For organizations that are perceived to have such good character, failures and miscues may not result in as large losses of legitimacy as it otherwise would (Suchman, 1995).

Secondly, *moral legitimacy* is related to whether the audience views the organization's activities as right or wrong, based on a shared set of values that are anchored in culture and socially constructed. This type of normative legitimacy is related to whether an activity is judged as “the right thing to do” relative to external norms, compared to pragmatic legitimacy in which the audience evaluates if an activity is beneficial for themselves, i.e., based on self-interest (Suchman, 1995 p. 579). These judgements are commonly based on whether social welfare is supported by the activities. Suchman's (1995, p.126) notion of moral legitimacy is based on the underlying assumption that “under conditions of extreme uncertainty brought about by fundamental social changes, organizations might strive to achieve legitimacy by co-creating acceptable norms of behavior with relevant stakeholders”.

Moreover, this type of legitimacy can be based on evaluations of outputs and consequences where the focus is on whether the organizations accomplish consequences that are socially valued. Furthermore, moral legitimacy can also be based on evaluations of techniques and procedures. In this case, organizations hence gain moral legitimacy based on whether their techniques and procedures are socially accepted. Moral legitimacy can also be based on evaluations of the organization's categories and structures (Suchman, 1995). Scott (1997) described that structures can convey an organization's socially constructed ability to perform certain activities. Furthermore, structures can imply that an organization is acting in line with collective values in an appropriate manner (Suchman, 1995).

Thirdly, *cognitive legitimacy* concerns the approval or the taken-for-grantedness of an organization. It does not deal with a form of evaluation as pragmatic and moral legitimacy do and is based on cognition, rather than interest. This type of legitimacy is achieved when the environment accepts an organization's practices and forms as "necessary or inevitable" (Suchman, 1995 p. 582).

The approval of an organization is related to what Suchman (1995) refers to as comprehensibility. Comprehensibility means in this case that when firms seek cognitive legitimacy, their actions should be in line with perceived expectations of society. In other words, legitimacy is achieved as actors' experienced reality of the world is in line with their belief systems (DiMaggio & Powell, 1991; Geertz, 1973). Additionally, the taken-for-grantedness of the nature and structure of social activities, can be described as "for things to be otherwise is literally unthinkable" (Zucker, 1983, p.25).

Pragmatic, moral and cognitive legitimacy are interrelated. "As one moves from the pragmatic to the moral to the cognitive, legitimacy becomes more elusive to obtain and more difficult to manipulate, but it also becomes more subtle, more profound, and more self-sustaining, once established" (Suchman, 1995, p. 585). Moreover, the different sorts of legitimacy can both reinforce and be in conflict with one another. This is more likely to occur when institutions are under large transitions (Suchman, 1995).

2.3.1 Legitimacy of new ventures in nascent markets

New categories in the market can be created due to new technologies or innovative business models. Thereby, new ventures gain competitive advantages over incumbents (Christensen 1997; Schumpeter 1934). Entrepreneurs grasping opportunities are vital for new industries to emerge (Aldrich & Fiol, 1994). Simultaneously, new ventures may experience the "liability of newness" (Stinchombe, 1965, p. 148) as a result of the lack of historical performance. This in turn may impede legitimacy (Aldrich & Fiol, 1994). Hence, businesses in new industries are not perceived as familiar and credible among the public (Aldrich & Fiol, 1994).

Legitimacy can mitigate the liability of newness as well as making new ventures more understandable, in other words, making the unfamiliar more familiar (Lounsbury & Glynn 2001).

The level of legitimacy in an emerging industry determines potential access to capital, markets and safety net from governments (Aldrich & Fiol, 1994). Further, organizations have a higher chance of survival when there are many firms in a new industry, as they can benefit from having role models. Thus, they can have ties with an environment that already accepts their existence (Hannan & Carroll, 1992; Stinchcombe, 1965). As organizations within an industry increase, so does the legitimacy (Ranger-Moore et al., 1991). Additionally, as the process of legitimation develops, the incumbent actors in the ecosystem may start to adapt mutually with the new venture (Van Wijk et al. 2013). This in turn may result in that the acceptance of the new venture increases (Kuratko et al., 2017).

An organization that has a disruptive business model, will probably encounter difficulties to attain legitimacy based on two main reasons. Firstly, their stakeholders are often affected as a result of the disruptive company's business and may thereby be skeptical towards the new business model in the early phases of the disruptive company's establishment. These stakeholders can include customers, employees, suppliers, as well as regulators (Snihur & Zott, 2013). Secondly, companies with disruptive business models specifically "break many rules and change the way business is done in the whole industry, often reaching outside industry boundaries for their original ideas and inspiration" (Snihur & Zott, 2013, p. 13). No established model exists in terms of how these challenges should be addressed (Zimmerman & Zeitz, 2002) as, by definition, companies with disruptive business models are not adhering to current regulations and norms of the market. Adapting oneself to former institutional models that are already legitimized would imply dismissing the very business model that lays the entire foundation for the company's competitive advantage (Marano et al. 2020). Moreover, the existence of new ventures can be disputed (Tracey et al., 2018), particularly in cases when new ventures are based on a technology that deviates from users' experiences (Ben-Slimane et al., 2020).

Entrepreneurs that aim to exploit opportunities characterized by new technology or market innovation may find it challenging to become legitimized within their ecosystem (Kuratko et al., 2017). Legitimacy challenges could be due to the fact that prevailing regulations are not suited for the platform business model. This is a result of existing regulations being established with the purpose to handle the negative externalities that arise from traditional business models. Therefore, these regulations might be insufficient or unsuitable for handling issues and negative externalities that arise as a result of new platform business models. Accordingly, applying current regulations to control these new platform business models might result in a mismatch. As a result, these new ventures might be perceived as lacking legitimacy from society (Garud et al. 2020).

Platformized industries are impeded by an ecosystem of actors that have an impact on platform decisions (Gawer, 2020). Accordingly, for the platform entrants, it is crucial to overcome the challenges of gaining legitimacy in order to achieve the position one strives for in the ecosystem (Logue & Grimes, 2019; Thomas & Ritala, 2021). To achieve this position, it is necessary to strike a good balance between adapting but also differentiating from the

cognitive and sociopolitical settings existing (Zhao et al., 2017). By adapting certain parts of their business model so that they fit into existing institutional arrangements, but simultaneously also allowing certain parts of the business model to differ from existing models, the platform entrants can facilitate knowledge and acceptance of their business model (Logue & Grimes, 2019). It is complex to achieve this ideal level of differentiation and changes in the new platform business model needs to occur conjointly with the legitimation process (Kwak et al., 2019; Thomas & Ritala, 2021).

2.4 Combination of research domains

So far, the thesis has presented and linked three theoretical areas: business models, platforms and legitimacy.

We deem platform literature to be suitable for creating a basis for an overall understanding of the platform actor that is being investigated in this study. Furthermore, platforms have difficulties becoming accepted in nascent markets. Therefore, legitimacy literature is deemed suitable in order to explore why the platform actor is perceived as legitimate or not in nascent markets, based on three different forms of legitimacy. That is, pragmatic, moral and cognitive legitimacy. Moreover, the business model literature and the components value creation, value delivery and value capture are judged to be important analytical concepts for this study in order to create an understanding of the platform actor's business model on a component-level. In addition, business model literature is further applied to understand how the different components respectively contribute to or impede the legitimacy of the platform actor.

The perception of whether Netdoctors are legitimate, is assumingly affected by the way in which Netdoctors have designed their value creation, value delivery, and value capture. Yet, we are also open to the possibility that other dimensions, beyond the control of Netdoctors, could impact the Regions' perceived legitimacy of Netdoctors.

In addition, research combining the three research domains is lacking in literature. As illustrated in Figure 1, this study aims to investigate the Netdoctor-phenomenon from the focal area, by answering the research question “*What contributes to and impedes the legitimacy of platform business models in nascent markets?*”.

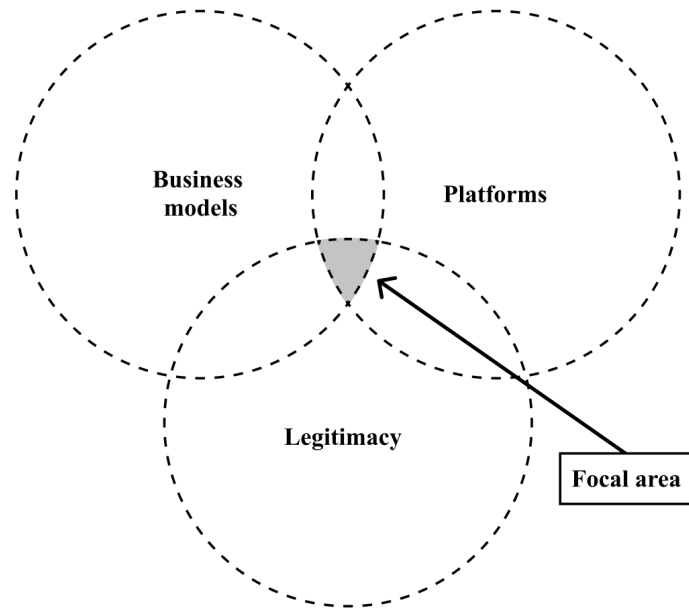


Figure 1: The area of focus to be explored, ranging from three research domains

2.5 Analytical framework

The combination of the research domains as presented above serves as a base for the analytical framework as displayed in Figure 2. The analytical framework aims to analyze what affects the legitimacy of platform business models in nascent markets and constitutes two axes. In detail, the vertical axis illustrates the platform business model of the platform actor that is being analyzed (i.e., Netdoctors). The horizontal axis illustrates the different forms of legitimacy that are either contributing to (green) or impeding (red) the legitimacy of the platform actor.

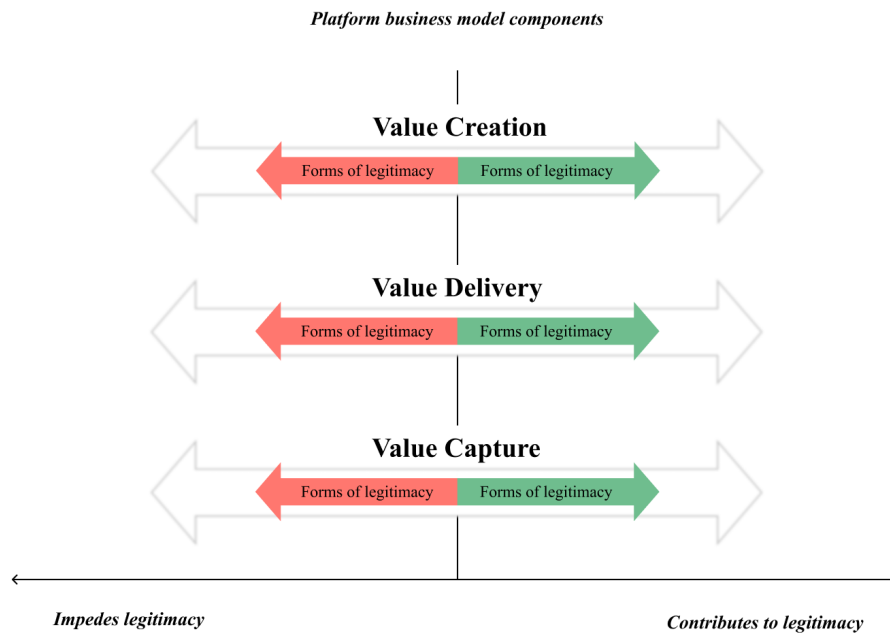


Figure 2: Analytical framework

3. Methods

In this chapter, the research design of this study will be presented (3.1) followed by an outline of the methodological fit (3.2). Thereafter, the collection of the data (3.3) will be described followed by a description of how the data was analyzed (3.4). Lastly, the quality of the study (3.5) will be elaborated upon. A simplified and summarized view of the research process is illustrated in Figure 3.

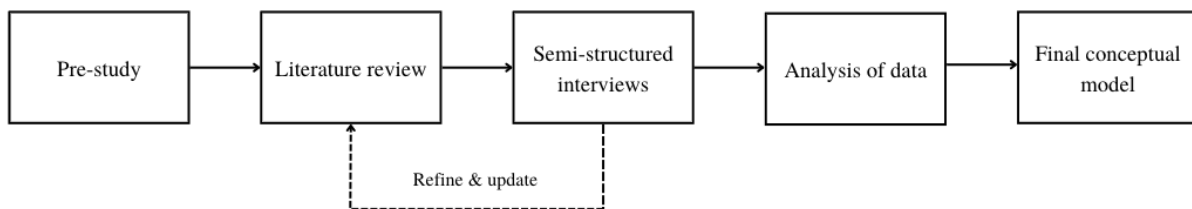


Figure 3. Research process

3.1 Research design

3.1.1 Ontological lens

The ontological standpoint of this study is constructionism, meaning that social phenomena and their meanings are viewed as socially constructed. The social order is not pre-given but created through social interaction in continuous change (Bell & Bryman, 2011). Social actors create meaning through interpretation. Hence, the focus of this study is on how the interviewees construct and make sense of their experiences related to the Netdoctor-phenomenon (Berger & Luckmann, 1966; Gioia et al., 2013; Weick, 1979), with the aim to achieve a deep understanding of the subject, based on the social interactions of the interviewees (Welch et al., 2011).

3.1.2 Case study

A case study can be defined as “a setting or group that the analyst treats as an integrated social unit that must be studied holistically and in its particularity” (Schutt, 2006, p. 293). The group explored in this case study is the Netdoctors, from the perspective of the Regions of Sweden. This study aims to theorize what affects the legitimacy of platform actors in nascent markets. Usually, research on legitimacy is conducted on a firm level (Press et al., 2020). However, as the study was emerging, we understood that the interviewees at the Regions are referring to Netdoctors as one type of phenomenon, a term that will be used throughout this study. For that reason, our main unit of analysis and case in focus was Netdoctors as a group. Hence, we made the assumption that legitimacy is a phenomenon that can, to a certain degree, be shareable among several firms. As legitimacy can become “a resource that is available to actors in the focal business ecosystem for their own opportunistic purposes” (Press et al., 2020, p. 567), new ventures can build legitimacy collectively (Press et al., 2020; Thompson et al., 2018).

For this study, when referring to Netdoctors, five actors are included in the unit of analysis. These are Kry, Doktor.se, Min Doktor, Doktor24 and Capio Go. These actors are the largest private providers of digital care within primary care (Regeringen, 2019).

3.1.3. Abductive research approach

This study is of abductive nature (Bell & Bryman, 2011; Dubois & Gadde, 2002). In line with Dubois and Gadde (2002) systematic combining model, the process of this study has been characterized by going “back and forth” between the empirical world, framework, theory and case.

With the abductive approach, our research has been guided with initial analytical frameworks and theories found in existing literature, but at the same time been allowing for emerging frameworks and concepts to evolve throughout our research process (Bell & Bryman, 2011; Dubois & Gadde, 2002; Eisenhardt & Graebner, 2007). In the early stages of the research process, this study was oriented towards a general interest in platforms, business model literature and literature related to acceptance of new phenomena. The abductive research process led us to identify what type of definition of business model components that would be suitable, based on the early interviews. A wide range of theories were considered related to acceptance of new phenomena, such as Diffusion of innovation (DOI) (Rogers, 1995), normalization process theory (May & Finch, 2009) and legitimacy theory (Aldrich & Fiol, 1994; Scott, 1997; Suchman, 1995). The first interviews helped to narrow down and judge what type of literature related to acceptance that would be most appropriate, hence the legitimacy theory. The following interviews guided us towards a suitable choice of forms of legitimacy, hence resulting in Suchman's (1995) three different forms of legitimacy (pragmatic, moral and cognitive legitimacy). In turn, this process enabled us to formulate the final research question.

In line with an abductive study, this study develops existing theories by presenting a final conceptual model (Dubois & Gadde, 2002). The conceptual model is based on an integration of the chosen literatures, displaying the relationship between them.

3.2. Methodological fit

Literature related to what is affecting the legitimacy of platform actors in nascent markets is lacking. Thus, the research question of this study relates to a nascent empirical phenomenon that calls for a deeper understanding. We deemed a qualitative approach to be suitable due to its ability to gain a deep understanding of a research area that is yet to be explored (Bell, 2006). Qualitative research enlightens different perspectives with the purpose to create an overall structure based on identified patterns, which enhance the understanding of a phenomenon (Edmonson & McManus, 2007; Trost, 2010; Flick, 2009). In this case, the nascent phenomenon of Netdoctors. When knowledge of a certain phenomenon is lacking, a case study approach is suitable in research areas that are not well explored (Eisenhardt & Graebner, 2007; Yin, 2009). In the case of the nascent platform phenomenon, theory is lacking. Hence, a qualitative case study, suitable to generate an intensive and detailed understanding of nascent areas is perceived to be more suitable (Bell & Bryman, 2011; Eisenhardt, 1989). Therefore, we have collected empirical data to explore the legitimacy of Netdoctors.

3.3 Data collection

3.3.1. Pre-study

We took an exploratory approach and conducted three pre-study in-depth interviews with an expert working at one of Sweden's largest Netdoctors. An exploratory approach offers an unstructured way of investigating a topic and is beneficial for generating theory, rather than testing it (Bell & Bryman, 2011). The initial idea of the pre-study was to explore how the Netdoctors' business model had been redesigned over time and how these changes affected the attitude towards Netdoctors. However, from these pre-studies it was understood that the business models had not changed drastically. What had changed was rather the environment's perception of Netdoctors' appropriateness. Thereby, the scope of research was altered as a result of the pre-studies.

3.3.2. Semi-structured interviews

In order to gain an in depth-understanding of the legitimacy of the emergent Netdoctor-phenomenon, we conducted 20 semi-structured in-depth interviews with employees working at different Regions in Sweden.

The purpose of semi-structured interviews is to understand the interviewees explanation and meanings. With the purpose to gain deep insights, we allowed interviewees to include personal viewpoints that they considered interesting as well as freely elaborate and develop their answers (Bell & Bryman, 2011; Moser & Korstjens, 2018). Additionally, semi-structured interviews are suitable when the circumstances to be explored are complex (Saunders et al., 2009), which is judged to be true for the platformization of the healthcare industry.

3.3.2.1 Regions and participants sampling

In this study, the Netdoctor- phenomenon is explored from the perspective of the Regions of Sweden. This is based on purposive sampling where cases or participants are chosen based on to what degree they are considered relevant to the research question (Bell & Bryman, 2011). The Regions of Sweden are highly affected by the Netdoctors' business as they are primarily responsible for the health and medical care (Anell et al., 2012; European commission, n.d.; Vengberg et al., 2019). Furthermore, as it to some degree is up to the Regions to set the regulations, including reimbursements, for digital care (Regeringen, 2019), they can to a certain extent hinder or facilitate for Netdoctors to establish and conduct care successfully in the Region. For these reasons, it is considered a relevant stakeholder to interview when investigating the legitimacy of the Netdoctor-phenomenon.

The selection of sampling was carried out in two phases. First, the Regions have been chosen based on whether they are having contracts with Netdoctors or not, in order to ensure a variation of characteristics. We reached out to all Regions in Sweden. Once the samples were to be chosen, we made sure that the interviewees represented employees working at Regions that have contracts with Netdoctors and those that have not. As a result, 14 out of the 21 Regions of Sweden were included in the sampling.

Secondly, the selection of representatives to interview from each Region was also based on purposive sampling, as they are considered experts within their field, due to their experience of discussing and working with matters related to Netdoctors. After an interview was conducted, the interviewees were asked to present other potential interviewees from the Regions they represented. Thus, snowball sampling was conducted (Bell & Bryman, 2011). Thereby, we were able to include several perspectives and gain a comprehensive understanding, as well as reducing biases (Eisenhardt & Graebner, 2007). In total, the 20 interviews lasted for 935 minutes. See Appendix 1 for an overview of the interviews.

3.3.2.2. Interview guide

We followed an interview guide which included overall themes and questions that should be covered during the interview. See Appendix 2 for a simplified form of the interview guide. Moreover, it was designed to offer flexibility and allowed us to leave space for additional and follow-up questions, which was helpful in order to explore the research question (Bell & Bryman, 2011). Based on emergent findings from the first interviews, the interview guide was revised, see further description in Data Analysis (3.4).

The questions asked were mainly of open character with the purpose to gain answers that were free (Bell & Bryman, 2011). Although, in line with Kvale (1996) other types of questions were also common, such as follow-up, probing, specifying, and interpreting questions. In line with Bell & Bryman (2011) recommendations for interview guides, each interview ended with giving the interviewees an opportunity to cover areas that had not been discussed but that they perceive as interesting.

3.3.2.3. Interview setting

Due to the interviewees representing different Regions and hence are located in different geographical locations, all interviews were conducted in an online setting through Microsoft Teams. Conducting interviews online are beneficial when the participants are geographically dispersed (Saunders et al., 2009). Moreover, by conducting interviews online, there is a risk of not being able to fully interpret body language or facial expressions (Bell et al., 2019). However, keeping the camera on during the whole time of the interviews, enabled us to mitigate that risk.

The interviews lasted 47 minutes on average and were first audio- and video-recorded and subsequently transcribed. Both researchers participated in the interviews. While one was

leading the interview, the other focused on taking notes and asking follow-up and probing questions when suitable.

3.3.3. Ethical consideration

The interviews were informed about the purpose and scope of the study. Further, participants were informed that the participation was voluntary and that they could withdraw from participating at any time. Additionally, we asked the participants for permission to record and transcribe the interviews before start. Confidentiality and anonymity were ensured to all participants as neither their names nor the Regions they represented are identifiable (Bell & Bryman 2011).

3.3.4 Empirical setting

As Netdoctors recently entered the healthcare industry, the industry is thereby being platformized. Hence, it is viewed as a nascent market. There are several reasons for why it is interesting to study the legitimacy of Netdoctors in the healthcare setting. Within this industry, barriers to entry are high and previous attempts to establish platform-based business models have failed (Brandt & Rice, 2014). The healthcare industry has been characterized as highly regulated (Moors et al., 2018) resulting in rules, norms, and expectations that new actors must comply with (Dacin et al., 2007).

The healthcare industry is complex due to the big ecosystem of different actors, constantly interacting with each other (Blumenthal, 2011; Hansen & Baroody, 2020; Davidson et al., 2018; Ozdemir et al., 2011). There are both private and public providers on several levels, providing a wide range of products and services, such as clinical organizations (e.g., hospitals), patients, professionals groups (e.g., doctors) as well as regulators (e.g., governmental authorities) (Fichman et al., 2011; Agarwal et al. 2020). The healthcare in Sweden is mainly under public management. Nevertheless, it also exists under private management that also is financed publicly. In this instance, the private healthcare provider enters into an agreement with each Region (European commission, n.d.)

What further complicates the healthcare industry in Sweden is that taxes are the main source of financing, but the patient also pays an additional patient fee which varies between Regions (European commission, n.d.). Hence, the payments that the different suppliers receive when serving the end consumers comes from a mixture of end consumers themselves, as well as from governments tax money.

Digitization is now transforming large parts of Swedish healthcare and with this development, Netdoctors' businesses have grown at a rapid rate. A possible explanation for the rapid growth of Netdoctors is that their services respond to an unmet need in Swedish healthcare, as the primary care has long suffered from a lack of accessibility (Regeringen, 2019).

The first Netdoctor actor established itself in the Swedish market in 2013, with several competitors establishing in the subsequent years (Regeringen, 2019). In order to have the legal authority to act as a healthcare provider, the Netdoctors need to fulfill certain national and regional regulations. Given that these regulations are met, Netdoctors are qualified and permitted to establish themselves in the market (IVO, 2020; Regeringen, 2019).

Netdoctors are gaining both market shares and popularity (Karlsson, 2020). Not only has the usage of Netdoctors' services increased substantially in the recent years (Lindh & Håkansson, 2021), these actors have also received large investments from venture capitalists (Carpman, 2021). Additionally, the cost for Netdoctors that Regions had to bear in 2020 was close to one billion SEK, an increase of approximately 50% from the previous year (Cederberg, 2021). However, despite their growth, Netdoctors have received severe criticism (Järhult, 2019; SVD, 2018). Based on this background, Netdoctors in Swedish healthcare provides an interesting context for this study.

3.3.4.1 Netdoctors' platform business model

In this study, the Netdoctors are viewed as digital platforms, as network effects and a match-making process enables medical professionals and patients to find and interact with each other via a technical application (Rohn et al., 2021). In order to enhance the understanding of Netdoctors, the components within their platform business model will be described below.

The healthcare setting does not have a proper market, with sellers and customers. Nevertheless, customers in this context are the patients, as they are the beneficiaries of healthcare. The value creation offered by Netdoctors is to provide primary care to patients, mainly through a digital application, but to a limited extent also through certain physical healthcare centers. By offering care online, Netdoctors aim to make primary health care more cost and time efficient, benefiting patients and society as a whole (Kry, n.d.; Doktor.se, n.d.; MinDoktor, n.d.; Doktor24, n.d.). Moreover, Netdoctors deliver value through a digital platform enabling for patients and medical professionals to connect and for patients to receive medical advice and treatment. In terms of value capture, for patients visiting Netdoctors online, the Netdoctor can invoice any Region that they have a contract with, regardless of where the patient currently is physically located or in which population register the patient is registered. Thereafter, the Region that pays the Netdoctor for the online appointment, invoice the Region in which the patient is registered, so called "out-of-county fees". It is of importance to highlight that the value capture component of Netdoctors is not clear cut, as it is both within and beyond the control of Netdoctors. To a certain extent, the Netdoctors can not affect their entire compensation model, since the regulations on which the compensation model is based on, are set by the government and the Regions (Regeringen, 2019).

3.4 Data analysis

The interviews enabled us to identify and narrow down interesting concepts and patterns that could be connected to theory which enhanced the understanding of the topic studied. As described by Eisenhardt (1989) within-case analysis was conducted to become familiar with the patterns of each case before comparing between cases. The data analysis phase began directly after the first interview was conducted. Letting the data collection process overlap with the analysis phase enabled speeding up the analysis and adjusting the collection of data based on emerging findings (Eisenhardt, 1989). As an example, as the analysis of the first interviews resulted in choice of business model components and forms of legitimacy, the interview guide was adapted to be more in line with the chosen concepts.

As several investigators can bring up different perspectives and add to the richness of the data (Eisenhardt, 1989), both investigators reviewed and made first order codes of the transcripts individually. This is in line with investigator triangulation (Bell & Bryman, 2011; Korstjens & Moser, 2018; Lincoln & Guba, 1985). In order to achieve valid interpretations of the interviews, we thereafter discussed how to interpret and analyze the data, further in line with investigator triangulation (Korstjens & Moser, 2018; Lincoln & Guba, 1985).

Firstly, we read through the transcripts during data collection to get an overall understanding. General key insights were then written down and discussed among us. Gradually, the chosen Business model components and forms of legitimacy concepts were defined as useful concepts. In this phase it was found that external aspects beyond the business model also seemed to contribute to the perception whether Netdoctors are seen as legitimate. This resulted in new themes being developed.

The first order codes, based on aspects that affect the perception of Netdoctors from the perspective of Regions, were discussed with the aim to make relevant groups of areas and thereby also reduce the amount of codes. After that, second order themes were agreed upon, based on what contributes to and impedes a certain type of legitimacy, related to Netdoctors. These were thereafter combined into aggregated dimensions that were judged to be of the utmost importance (Corbin & Strauss, 2008). These are based on what business model components or external aspects that affect Netdoctors' perceived legitimacy. The dimensions will also be used in the Empirical findings & analysis section (4) to transparently present the data and are also the basis for answering the research question of this study. The data structure visualizes how data from the interviews emerged into the aggregated dimensions. An exemplification can be found in Figure 4 and the entire data structure can be found in Appendix 3.

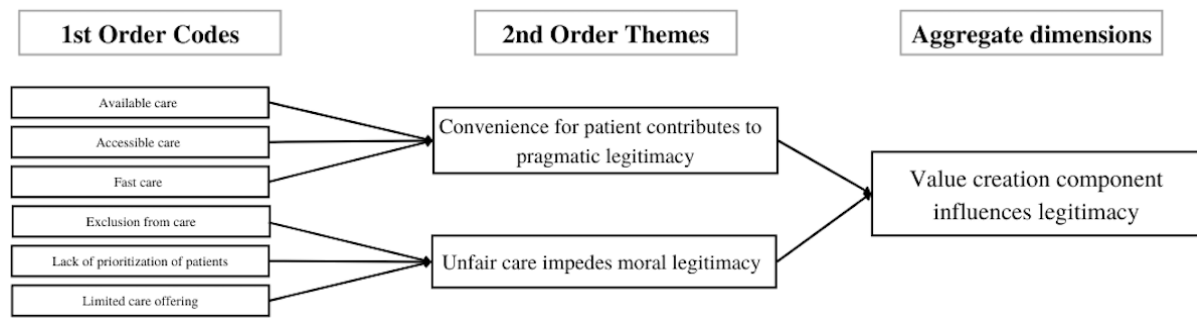


Figure 4: Excerpt from the data structure

Different aspects of the Netdoctors were in some cases both contributing to and impeding different forms of legitimacy. However, the findings presented in this study are the main patterns that appeared in the empirical findings. Beyond the quotes presented in section (4), additional quotes within each theme can be found in Appendix 4. Lastly, the empirical data in this thesis is originally in Swedish. Hence, the translations from Swedish to English are made by us.

3.5 Quality of study

In order to present trustworthy findings, the well-established quality criteria of Lincoln and Guba (1985), suitable when assessing the quality of qualitative research, will be used in this study. These are credibility, transferability, dependability, and confirmability.

3.5.1 Credibility

Credibility refers to what extent the findings are believable (Bell & Bryman, 2011), i.e., to what extent they represent plausible information based on the original data of the interviewees which have been correctly interpreted based on the original views of the interviewees (Korstjens & Moser, 2018; Lincoln & Guba, 1985). In order to achieve a credible result, it is important that we agree and determine how the interviews should be interpreted (Bell & Bryman, 2011). To achieve this, we have read all the transcribed interviews and discussed how to interpret and analyze the data, a technique referred to as investigator triangulation (Korstjens & Moser, 2018; Lincoln & Guba, 1985).

3.5.2 Transferability

Transferability indicates whether findings are applicable to other contexts or settings (Bell & Bryman, 2011; Korstjens & Moser, 2018; Lincoln & Guba, 1985). To aim for making the behavior and experiences relevant to outsiders, a thick description of the behavior, experiences and context of the study is suitable (Korstjens & Moser, 2018; Lincoln & Guba, 1985). To achieve as high a level of transferability as possible, this study has described the

context of the healthcare industry in Sweden as profoundly as possible. Further, excerpts from the interview guide are provided in Appendix 2 to increase transferability (Korstjens & Moser, 2018). With this detailed description, other researchers can be helped to assess the extent to which the results are transferable to another context (Lincoln & Guba, 1985).

3.5.3 Dependability

Dependability defines how likely the findings are to apply at other times (Bell & Bryman, 2011; Korstjens & Moser, 2018; Lincoln & Guba, 1985). It can be difficult to reach general conclusions from the analysis carried out regarding legitimacy of platforms in the healthcare industry. The study's detailed method sections and interview guide can, however, make it easier for other researchers to carry out a similar study, which thus strengthens the possibility of obtaining similar results at other times (Bell & Bryman, 2011). However, it is made more difficult by the fact that the respondents' answers depend on many aspects that can vary between different times and situations. Hence, if a study would be conducted about Netdoctors in the future, the result will most likely be different. Yet, if a future study would be conducted regarding new disruptive business models in nascent settings, similar patterns are more likely to appear.

3.5.4 Confirmability

Confirmability refers to whether the “data and interpretations of the findings are not figments of the inquirers imagination, but clearly derived from the data” (Korstjens & Moser, 2018, p. 121), i.e., whether values of the researchers have been allowed to intrude the research to a high degree (Bell & Bryman, 2011). The questions in the interview guide are to a large extent open questions and investigator triangulation was conducted, to reduce the risk of letting our own values affect the research. Interviews were transcribed by using a program from a video meeting platform to further reduce risk of bias and aim for high confirmability (Bell & Bryman, 2011, Korstjens & Moser, 2018, Lincoln & Guba, 1985).

4. Empirical findings & analysis

Legitimacy is ascribed to an organization by the audience (Suchman, 1995). It is the perception of different actors in an ecosystem that determines whether an organization is perceived as legitimate or not. Authorities are examples of such actors (Deephouse & Suchman, 2008), which is the case of this study as the Netdoctors' legitimacy is evaluated based on the Regions perception. As Regions are serving their citizens, they are taking the citizens' interest into consideration in their evaluation.

The interviews indicated that Netdoctors, as a phenomenon, has been greatly contested among Regions. While most informants considered the Netdoctors ‘established’, many were

partly negative towards them at the time of interviews. While there existed different viewpoints regarding Netdoctors, the findings presented in this study are based on the shared patterns found in the empirical data.

All the dimensions affecting Netdoctors' legitimacy from the Regions' perspectives are divided into four areas, see the four aggregate dimensions in Appendix 3. These will be elaborated upon within the following sections (4.1-4.4). Within each section, the findings are presented according to the second order themes and the first order codes. Each section presenting the empirical data will be followed by an analysis of the data.

4.1 Netdoctors' value creation component influences perceived legitimacy

In this study, the perceived convenience aspect and the perceived aspect of unfair care relates to Netdoctors' value creation component, as it concerns the Netdoctors' patients and the need that Netdoctors are fulfilling by responding to those needs (Baden-Fuller & Haefliger, 2013, Teece, 2010).

4.1.1 Convenience aspects contributes to pragmatic legitimacy

Many of the interviewees are, while still being a bit skeptical or anxious about Netdoctors, predominantly positive to the actual offering that Netdoctors provide, primarily based on the perception that Netdoctors offer high convenience.

“The convenience is the greatest advantage, both in terms of time and space. In terms of time, it accounts for both how fast you can get help and how long the appointments take. In terms of space, you don't need to travel anywhere. That is the greatest advantage in my belief.”
(Interviewee 4)

“To me, it is obvious that it is the convenience that is the great advantage, and in many cases, it is a superior advantage.” (Interviewee 19)

Further, several interviewees described how the demand for convenience has increased over time in society. As one interviewee expressed it:

“The modern human being today is more demanding to gain immediate access to information and services.” (Interviewee 18)

The perceived convenience aspect constitutes three components. Firstly, Netdoctors are perceived to offer a service characterized by high availability, as you can receive help at any hour of the day.

“Creating an availability, an ease to get a medical assessment conducted anytime during the day. That is what I see as their purpose. And they have succeeded in creating that.”
(Interviewee 19)

Secondly, the convenience of the Netdoctors’ service offer is also based on accessibility as patients can access the service regardless of their physical location.

“The advantages are that they (Netdoctors) can provide care regardless of where the patient is located.” (Interviewee 20)

Thirdly, beyond the availability and accessibility, the speed of the service is also highlighted by the interviewee as an aspect contributing to the convenience for the patients.

“Using a Netdoctor service is comfortable and simple. It leads to quick and easy fulfillment of needs, and it is not strange that you appreciate something you believe is solving a problem quickly and easily.” (Interviewee 19)

The described perception of convenience is affecting the legitimacy ascribed to the Netdoctors. As described by Suchman (1995), *pragmatic legitimacy* refers to the audience evaluation of the firm's activities, behaviors and forms and takes into account whether the self-interests of the audience are sustained and enhanced. Availability, accessibility and fast care are positive aspects of Netdoctors’ services that the interviewees mentioned are perceived as beneficial for individual patients. Pragmatic legitimacy is ascribed to Netdoctors as they are perceived to have the best interests of the audience at heart in terms of providing patients with a care that is desired and requested by citizens. Thus, the self-interest of individual patients is sustained and thereby the self-interest of Regions, serving their citizens, is consequently sustained in this respect. Hence, these aspects of Netdoctors’ value creation component contribute to pragmatic legitimacy.

However, despite the overall positive attitude towards this part of Netdoctors’ value creation, aspects tied to the Netdoctors’ value creation were also at times described as being unfavorable for the aggregated group of patients. Interviewees argued that, while Netdoctors’ offering might benefit individual patients, it might also imply less or delayed service for other patients. Consequently, creating an unfairness among different patients. Accordingly, despite the perceived superior convenience aspect of the Netdoctors’ offering, it comes with a perceived backside as outlined next.

4.1.2 Unfair care impedes moral legitimacy

According to several interviewees, one disadvantage of the Netdoctors’ offering is that there is a perceived risk of treating patients unfairly. This theme constitutes three components.

Firstly, the service offered by Netdoctors is described to be difficult to use for some patient groups, such as older or disabled people with difficulties to handle technical devices, or

immigrants with language barriers. As a result, some patient groups appear to be excluded from healthcare. As one interviewee explained:

“I wonder how an old lady can relate to this service. A lady that is 92 years old and can’t push a button or doesn’t know what a computer is. How can the immigrant, that doesn’t know a single word in Swedish, relate to this service? And how can the disabled individual, that doesn’t understand what a computer is or how to communicate through it, relate to this service? The Netdoctors are pushing a lot of people away from healthcare.” (Interviewee 2)

Secondly, the interviewees highlighted a concern related to the lack of prioritization of patients. This is partly due to the uneven use among different socio-economic groups, where healthy and younger citizens are the ones using Netdoctors’ services the most.

“The Netdoctors are better established in socio-economic stronger areas. Their service is especially used in areas where one has better economical prerequisites and in general are healthier. Their services are especially used by younger citizens that rarely have complex conditions or are seriously ill. (...) Is this really where we have the greatest need to strengthen our healthcare offering to our citizens?” (Interviewee 19)

In addition, the perception that healthier patients are using Netdoctors’ services, is perceived to be a result of a business model that attracts patients to seek care for “easy cases” that might not have needed treatment. As a result, there is a perceived risk that the care might not be given to those with the greatest need.

“The business model encourages appointments that, to a great extent, often are self-healing and then they take resources from those that actually need help. It is not morally correct and definitively not medically correct from an ethical perspective.” (Interviewee 2)

“How much are Netdoctors destroying the fundamental belief that the one with the greatest need of care should get care?” (Interviewee 17)

Thirdly, the care offered by Netdoctors is further perceived by several interviewees to be limited, as they are not handling complex and multiple diseases. This negative view is further enhanced as there is a perception that Netdoctors are deciding what to treat based on what is beneficial for them, whilst the Regions must provide care to all citizens.

“They do not want to handle things they know will cost money, such as more complex diseases and multi-sick patients. They will pass those issues over to the Regions. We should take care of everyone.” (Interviewee 6)

The perception that Netdoctors provide an unfair care is affecting the legitimacy ascribed to these actors. Moral legitimacy describes to what extent an audience views an actor's activities as the “right thing to do”. Judgements are often based on whether activities are supporting social welfare (Suchman, 1995). Based on the empirical data, it can be interpreted that, from the perspective of regions, Netdoctors show tendencies of offering unfair care. Excluding certain patient groups from healthcare is seen as the wrong thing to do. Hence, not supporting social welfare. Moreover, from this view not to prioritize according to who has the greatest

need is perceived to risk jeopardizing the socially constructed belief that the one in most need of care should receive it first. In this case, there is a perception that the consequences of Netdoctors are not socially valued. Additionally, the perception of Netdoctors' offering limited care and choosing what to treat based on their own preferences is not perceived as the right thing to do, as it is perceived to lower social welfare. Consequently, moral legitimacy impedes the legitimacy of Netdoctors.

To sum up, the findings from the interviews imply that despite moral legitimacy impedes the legitimacy of Netdoctors' value creation component, pragmatic legitimacy contributes to it. The risk of providing unfair care was less prominent in this case compared to the convenience aspect, as it was emphasized as a less important aspect for Netdoctors' offering. The interviewees are still predominantly positive to the offering due to the convenience being viewed as such a great advantage that it outweighs the mentioned shortcomings of the offering. Hence, from the perspective of the Regions, the value creation component contributes to Netdoctors' legitimacy. However, according to the findings, Netdoctors' value delivery component affects Netdoctors' legitimacy in opposite directions, as outlined next.

4.2 Netdoctors' value delivery component influences legitimacy

In this study, the perception of a set of operational aspects relates to Netdoctors' value delivery component, as it concerns how Netdoctors run their business. That is, the perceptions about the processes, routines and resources needed to deliver the value for the patients, as well as how Netdoctors engage with patients and Regions (Teece, 2010).

4.2.1 Competence contributes to pragmatic legitimacy

Overall, there is a positive perception among the Regions that Netdoctors are characterized by high competence. This theme constitutes three different components.

Firstly, in terms of Netdoctors' operations, there is a perception among the interviewees that the Netdoctors' medical professionals are equally competent as the medical professionals within the traditional care.

*"I'm sure they (the medical professionals) provide as good care as the Regions."
(Interviewee 3)*

"I have faith in them to the extent that I assume that the patient contacting them (Netdoctors), receives a competent and solid medical assessment." (Interviewee 19)

Secondly, there is a view among the interviewees that Netdoctors' technical solutions are of great quality.

“They have succeeded well with their technical solutions. In this respect they are even better than the Regions.” (Interviewee 18)

Thirdly, there is also a perception that Netdoctors' control and follow-up systems are of high quality.

“I believe they (Netdoctors) are a lot better at following up their medical professionals; how are they working? How are they assessing patients? How do they triage? What advice are they giving? In this respect they are technically better than us.” (Interviewee 17)

The Netdoctors' perceived competence influences whether Regions perceive Netdoctors as legitimate. Pragmatic legitimacy is related to whether the self-interest of the audience is sustained and enhanced (Suchman, 1995). It is in the interest of Regions that their citizens receive as qualitative care as possible. Hence, the Regions' self-interest is perceived to be sustained by the fact that the medical professionals working for the Netdoctors are perceived just as competent as those working in the traditional care. Furthermore, the Regions' self-interest are enhanced by the Netdoctors' technical solutions are just as solid or superior to the Regions. Moreover, it is in the self-interest of the Regions that their citizens receive satisfying care. The high-quality control and follow-up systems are perceived to result in a better control of the care provided. Hence, increasing the quality of the care. As high-quality care for the citizens is in the interest of the Regions, the Regions perceive that they gain beneficial exchanges from the Netdoctors in this aspect. Thus, pragmatic legitimacy contributes to the legitimacy of Netdoctors.

4.2.2 Collaboration contributes to pragmatic legitimacy

Among the Regions, there is a positive perception that the Netdoctors are transforming the healthcare industry together with the Regions. Many interviews discussed the importance of the mutual dependency between Regions and Netdoctors and the collaboration between them.

“We need each other. There is some kind of dependency between us.” (Interviewee 7)

“They are listening to us, we learn from them, they learn from us. We talk to each other and adapt (...) It is useful for us.” (Interviewee 2)

The perceived importance of collaboration constitutes two different components.

Firstly, a pattern recognized is that the Regions have a perception that the Netdoctors are fostering the Region's own development and innovation level, which further transforms the healthcare industry to the better.

“I am definitely convinced that digital care and Netdoctors are here to stay. The usage of digital services increases continuously, for better or worse. It adds a lot of knowledge to traditional primary care.” (Interviewee 2)

“The Netdoctors have been a very important driving force for our own digital development.” (Interviewee 17)

Secondly, there is a positive perception that Netdoctors are adapting towards traditional healthcare, partly by opening up their own physical care units.

“I believe they have also realized that they need to adapt themselves more to be able to coexist with the traditional care and the traditional systems that exist. They are becoming more mainstream with the rest of the care.” (Interviewee 7)

“The fact that they are opening up physical care centers is affecting how we view them. We perceive them as more serious actors now.” (Interviewee 5)

The described perception of the importance of collaboration between Regions and Netdoctors is affecting the legitimacy ascribed to the Netdoctors. Netdoctors enhances Regions’ own digital development and innovation. Not only has this resulted in a positive outcome for the Regions, the attitude towards Netdoctors became more positive as well. Pragmatic legitimacy is ascribed to Netdoctors as they enhance the Regions’ self-interests of improving within this field (Suchman, 1995). Moreover, Netdoctors were described as listening and adapting to the Regions and the traditional healthcare. As Netdoctors are believed to be responsive to the audience interest, pragmatic legitimacy contributes to their legitimacy (Suchman, 1995).

Furthermore, the mutual dependency and collaboration between the Regions and Netdoctor results in the two actors learning from each other. Netdoctors gain legitimacy because a beneficial exchange is provided to the Regions as a result of the collaboration (Suchman, 1995). This was particularly evident for the Regions that had direct contracts with Netdoctors, as a close collaboration facilitates dialogue. This is perceived to be in the self-interest of the Regions. Hence, pragmatic legitimacy contributes to Netdoctors’ legitimacy.

To sum up, above analysis indicates that pragmatic legitimacy contributes to the legitimacy of Netdoctors’ value delivery in terms of Netdoctors’ competence and collaboration with Regions. However, in terms of Netdoctors’ value delivery, there are several aspects that impede their legitimacy, as outlined next.

4.2.3 Lack of quality in service impedes moral legitimacy

Despite positive aspects of Netdoctors’ value delivery, there is a view that Netdoctors are managing their businesses in an immoral way. As one interviewee expressed it:

*“It is not the service itself that I think is immoral, it is rather how they run their business.”
(Interviewee 4)*

The interviewees highlighted that there is a perceived risk that certain aspects of the service lack in quality. This theme comprises two components.

Firstly, a commonly described theme among the Region is that Netdoctors are not taking the holistic responsibility that is expected from a care provider. This in turn results in an increasing fragmentation of the healthcare system, as they are seen as an irresponsible actor outside the healthcare system, reducing cohesion.

“The problem concerning Netdoctors is first and foremost that they are a free player, outside the system, that doesn’t take a holistic responsibility. (...) I think it is unfortunate with an actor that offers care, financed by us, without us having anything to say about it. (...) I hope Netdoctors successfully will integrate themselves into the healthcare system. That would increase the acceptance for these actors.” (Interviewee 19)

Another issue brought up concerning the lack of holistic responsibility is that it results in a lack of continuity. It is also described how the lack of continuity is a result of their business model, as aiming for easiness and increased usage is not perceived to be compatible with continuity.

“The continuity is seen as a shortcoming. (...) The risk of losing continuity is that you might lose knowledge about the patients.” (Interviewee 5)

“There are a lot of discussions about the importance of continuity and permanent care contact. It is very difficult to combine the reasoning on the importance of continuity and permanent care contact, while simultaneously increasing easiness and usage of stand-alone solutions that are completely independent from the rest of the healthcare system. (...) It is incompatible with Netdoctors’ business model.” (Interviewee 19)

Secondly, there is a negative perception among the Regions that Netdoctors over-prescribe medicines, which is seen as unethical. These prescriptions are also perceived to be based on a lacking background history of the patients. Furthermore, this is also perceived to be costly for the Region as they must pay for unnecessary medicines.

“They (Netdoctors) are prescribing a lot of medicines without knowing the background history about the patient. (...) It is not morally right to prescribe strong recipes online only because it’s easy and you are making money.” (Interviewee 15)

“It is not right to write a prescription that the patient may not need.” (Interviewee 14)

The perceived risk that certain aspects of the service lack in quality is affecting to what extent Regions perceive the Netdoctors as legitimate. Moral legitimacy is ascribed to organizations when their activities are viewed as the right thing to do, in relation to external norms (Suchman, 1995). The perceived structure of the Netdoctors as an actor outside the healthcare system and “stand alone solution“ results in that they are perceived to be unable to provide the level of holistic responsibility that is expected from a care provider (Suchman, 1995). As Netdoctors are not perceived to take a holistic responsibility for the patients, they are not perceived acting in line with what is perceived as the right thing to do as a care provider. Thus, the lack of holistic responsibility impedes the moral legitimacy ascribed to the Netdoctors.

Furthermore, the perception that Netdoctors over-prescribe medicines, especially without much background information about the patient, impedes moral legitimacy. If medicines are overprescribed, it is not supporting social welfare, despite the fact that the individual patients that are getting the medicine might perceive it as beneficial. Nevertheless, from the perspective of the Regions, the Netdoctors’ prescription-procedures are not perceived to be conducted in line with the Regions' beliefs (Suchman, 1995). Thus, moral legitimacy impedes the legitimacy of Netdoctors.

4.2.4 Irrationality among citizens impedes moral legitimacy

Among the Regions, there is a negative perception that the citizens to some extent are unable to be rational in their decisions. This theme constitutes two components.

Firstly, there is a perception that the Netdoctors are conducting a rather aggressive advertising towards citizens, which lowers the trust from the Regions. As one interviewee expressed it:

"I'm losing trust in them as they are extremely aggressive and unserious in their advertising. If Netdoctors were serious companies, they would not conduct that kind of advertising."
(Interviewee 4)

There is also a perception among several interviewees that the Netdoctors’ advertising might result in an increased concern for citizens’ health and thereby an overconsumption of care.

"My perception is that they (Netdoctors) have inappropriately extensive advertising where they exploit individuals' health concerns, and in that way risk creating an increased concern about the state of health in society. I think that's unfortunate." (Interviewee 19)

"There was an advertisement about seeking psychological help for exam anxiety. I mean, that is not what we treat in Primary care. Exam anxiety is not a disease." (Interviewee 1)

Furthermore, issues that arise in terms of aggressive advertising is that the care they are promoting is financed by taxes, which can be seen as unethical to advertise aggressively.

"Their (Netdoctors') advertising can be questioned. If you talk ethically and morally, because now we talk about tax-financed care and perhaps you should be a little restrained on how to promote that." (Interviewee 1)

Secondly, there is also a perception that there is a risk that citizens behave irrational, as the Netdoctors are not informing them properly and thereby making them unaware of the Netdoctors' compensation model.

"We also have the issue of informing patients about the costs when calling a Netdoctor. There are many citizens who do not know that this is a burden for the Regions. And you can't expect the citizens to know that either. I can say that from those citizens who have understood it, there have been many upset comments." (Interviewee 10)

It was further mentioned that Netdoctors need to consider their advertising activities in order for patients to understand the compensation model of the Netdoctors and thereby how it affects the healthcare center they are listed on.

"Some people think that just because there is zero patient fee, the care is for free. But of course someone is paying for it and Netdoctors might need to think about how to advertise this in a fair way." (Interviewee 1)

The perception that Netdoctors are making the citizens behave irrational influences the legitimacy ascribed to the Netdoctors. The Netdoctors' advertising activities are perceived to be aggressive. As a consequence of their advertising, an unnecessary concern is created among citizens. As this can lead to an overconsumption of care, it impedes the Netdoctors' moral legitimacy (Suchman, 1995). Furthermore, there seems to be a socially constructed norm among the Regions that care, financed by tax money, should be marketed with cautiousness. If a tax financed service is marketed aggressively, usage of that service will increase and consequently, an increased use of tax money. Since Netdoctors are not perceived to act in line with the socially constructed norms (Suchman, 1995), moral legitimacy impedes the legitimacy of Netdoctors.

Additionally, it can be perceived to be wrong to not ensure that citizens fully understand the financial consequences of using Netdoctors' services as citizens are limited to make fully rational decisions. Hence, the Netdoctors' advertising procedures are resulting in that the Netdoctors are not perceived as legitimate from a moral perspective (Suchman, 1995).

In sum, the findings from the interviews imply that the Netdoctors' value delivery component is affecting their legitimacy in two opposite directions. On one hand, pragmatic legitimacy contributes to the legitimacy of Netdoctors, as they are perceived to be competent and collaborative with the Regions. On the other hand, moral legitimacy impedes the legitimacy of Netdoctors as there is a perceived lack of quality in their service, and because Netdoctors are perceived to make the citizens irrational in their decisions. Hence, from the perspective of the Regions, the value delivery component of the Netdoctors both contributes and impedes the legitimacy of these actors. However, according to the findings, Netdoctors' value capture component exclusively impedes Netdoctors' legitimacy as outlined next.

4.3 Netdoctors' value capture component influences legitimacy

In this study, the perceived unethical way of creating revenues and their service being perceived as expensive for the Regions relates to Netdoctors' value capture component, as it concerns how the value delivered to patients is transformed into revenues (Baden-Fuller & Haefliger, 2013, & Teece, 2010).

4.3.1 Unethical ways of creating revenues impedes moral legitimacy

As a part of Netdoctors' compensation model, there is a negative perception that Netdoctors creates revenues in unethical ways. This theme constitutes two components.

Firstly, many of the interviewees accused Netdoctors of exploiting loopholes in regulations to earn money. As one interview expressed it:

“We have nothing against digital care but there is a loophole in the regulation concerning the compensation model. It is beneficial for the Netdoctors, but bad for the traditional care in general.” (Interviewee 18)

Thus, Netdoctors are perceived to take advantage of these regulations, in a way it was not intended to be used.

“They take advantage of regulations in a way they were not intended for and the Regions have to bear that cost. I don't think that is morally right.” (Interviewee 4)

“Finding loopholes in a tax financed system is unethical.” (Interviewee 11)

One concern recurrently brought up by several interviewees was the issue with out-of-county fees, which makes it possible for Netdoctors to receive large payments for patients regardless of where these are located in Sweden.

“We should not even talk about the compensation for out-of-county visits. When it comes to digital care, the whole compensation model is simply wrong, it doesn't work.” (Interviewee 17).

Many interviewees brought up the previous issue with the patient fee of zero SEK for digital care appointments in a certain Region. As a result, several Netdoctors established themselves within the Region. As it was free for patients to seek care within this Region, it increased the volumes of appointments for Netdoctors.

“The previous patient fee of zero SEK in Region X resulted in a lot of digital appointments within this region. This made us truly concerned as a lot of the tax funds were ending up there.” (Interviewee 15)

Furthermore, criticism was also directed towards the pay-per-visit model.

“The compensation model benefits pay-per-visit. We do not believe in that model. It benefits visits, but it doesn’t benefit taking a holistic responsibility for the patient.” (Interviewee 4)

Secondly, some interviewees raised negative opinions about the controversy of making profits in the healthcare industry, which is funded by taxes.

“Netdoctors have one ambition and that is to earn money. (...) They frame it as if they are trying to improve Swedish healthcare for the sake of the citizens but really, it’s all about the money.” (Interviewee 17)

“There is a lack of solidarity in their way of earning money. It’s unethical as healthcare is financed by taxes.” (Interviewee 12)

The Regions perceive the Netdoctors to create revenues in an unethical way which is affecting the legitimacy ascribed to the Netdoctors. Moral legitimacy is related to whether the audience views the organization's activities as right or wrong (Suchman, 1995). There is a perception that Netdoctors are exploiting loopholes in regulations in order to earn money (e.g., by exploiting “out-of-county fees”, zero SEK patient fee and pay-per-visit model). To a certain extent, the Netdoctors can not affect their entire compensation model since the regulations on which the compensation model is based on are set by the government and the Regions. However, the Netdoctors can choose not to exploit the regulatory loopholes. This implies that Netdoctors are not acting in line with what is judged to be the “right thing to do” according to the norms of the Regions, as it is not benefiting the society at large (Suchman, 1995, p. 579). As a result, the Netdoctors are not perceived as legitimate from a moral perspective.

Moreover, the negative perception towards Netdoctors' aim to make profit in the healthcare sector is not in line with the social values that seem to be anchored among the audience (Suchman, 1995). Hence, moral legitimacy impedes Netdoctors' legitimacy. However, the social values related to profits-making in the public sector may differ depending on political opinion. Hence, to some extent, it might in fact be more of a political discussion rather than a discussion solely related to Netdoctors per se.

4.3.2 Expensive service impedes moral and pragmatic legitimacy

There is a negative perception that Netdoctors' services are expensive for the Regions. This theme constitutes three components.

Firstly, a negative aspect brought up by many of the interviewees was the risk that the Netdoctors' business model may result in an over-consumption of care. As one interviewee explained:

“Netdoctors’ business model promotes unnecessary digital appointments. (...) They encourage care appointments for conditions that normally are self-healing, which results in that resources are taken from those who actually need help. (...) That is the problem, not the service itself.” (Interviewee 18)

Secondly, the interviewees raised unnecessary use of competence as a negative aspect with Netdoctors, as it may result in high costs as well as inefficient resource utilization.

“Our tax money is used for doctors’ appointments for simple causes. We must pay for simple matters that a nurse could have handled, instead of a doctor.” (Interviewee 15)

“Are digital appointments medically motivated? It goes against the basic idea that those who have the greatest need for care should receive it first. Is it then motivated that patients should be able to take time from our doctors, our most competent and expensive resources, when in many cases it would be enough with another competence, such as a nurse or a physiotherapist? (Interviewee 17)

Thirdly, several interviewees expressed a concern that Netdoctors are taking resources from primary care, as Netdoctors' businesses result in high costs for the Regions, without relieving it.

“I know that Netdoctors are saying that they relieve the primary care, but we don't have that perception. There is neither less demand for care nor less pressure on our telephone service. Netdoctors cost my small Region over 9 million SEK last year and there is a lot we could use that money for instead. (...) We might need to terminate employees in order to survive. We can't afford to keep them due to the high cost of Netdoctors.” (Interviewee 10)

The described perception that Netdoctors' services are expensive is affecting the legitimacy ascribed to these actors. Whether an organization's gains pragmatic legitimacy is dependent on whether the self-interests of the audience are sustained and enhanced (Suchman, 1995). The overconsumption of care and the unnecessary use of competence is costing the Region tax money, resulting in an unfavorable exchange for the Regions which thereby is not sustaining the self-interest of the Regions. Hence, pragmatic legitimacy impedes the legitimacy of Netdoctors. Additionally, the perception that Netdoctors are taking resources from the Regions without relieving the Regions' primary care is not sustaining the Regions' self-interests (Suchman, 1995). As a result, pragmatic legitimacy impedes the legitimacy of Netdoctors.

Furthermore, there is also a moral aspect related to the perceived expensive service offered by the Netdoctors. The perception that the Netdoctors' businesses are resulting in an

over-consumption of care is not supporting social welfare, as resources are not optimally utilized. Hence, moral legitimacy impedes the legitimacy of Netdoctors.

Furthermore, there is a perception that Netdoctors' business is resulting in an unnecessary use of competence. Using competence in a suboptimal way can challenge what is described as the basic idea that those who have the greatest need for care should receive it first. Due to this socially constructed norm, the consequences of using competence in the way the Netdoctors are perceived to do, are not socially valued. As a result, moral legitimacy impedes the legitimacy of Netdoctors.

What further impedes the moral legitimacy of Netdoctors is the fact that they are perceived to take resources from the Regions, without relieving the primary care. This is due to the fact that the Regions cannot provide as good care as possible, as extensive resources are given to the Netdoctors, whilst the citizens are perceived to still be in the same need of care. Hence, social welfare is not supported by the actions of Netdoctors and thereby, moral legitimacy impedes the legitimacy of Netdoctors.

To sum up, findings from the empirical data imply that moral and pragmatic legitimacy impede the legitimacy of Netdoctors' value capture component. The perception of Netdoctors creating revenues in unethical ways results in that moral legitimacy impedes the legitimacy of Netdoctors. Moreover, the perception of their service as expensive for the Region results in that moral and pragmatic legitimacy impede the legitimacy of Netdoctors. Hence, from the perspective of the Regions, the perceived negativity directed towards Netdoctors' compensation model impedes Netdoctors' legitimacy.

In the empirical data it appeared evident that not only the business model component affects the legitimacy of Netdoctors. What further affects the legitimacy of these companies are external aspects, beyond the control of the platform company. These compromise one aggregate dimension and will be presented in the following section.

4.4 External aspects influence legitimacy

In this study, an openness to digital services and resistance to change are perceived to be external aspects that influence the perception of Netdoctors. These are aspects beyond the control of the platform company.

4.4.1 Openness to digital services contributes to cognitive legitimacy

There is a perception among the Regions that an openness to digital services influences the perception of Netdoctors in a positive way. This theme constitutes two components.

Firstly, one external aspect that affects the perception of Netdoctors was new habits and demands from society. As society changes, so do businesses and services. The interviewees describe that new habits and demands from society are changing the perception of Netdoctors. An increased interest from citizens for online services, coupled with new demand for availability and accessibility, have affected the view of Netdoctors.

“The emergence of the Netdoctor-phenomenon is based on the fact that we have changed behaviors in general in society. This is what society looks like now. Today, one can order food digitally with home delivery. You should also be able to book a Netdoctors appointment at any time, without leaving your home. It's something you take for granted today.”

(Interviewee 14)

“Nowadays, seeing Netdoctors is like net dating, everyone does it.” (Interviewee 13)

An example of changes in society that has affected the Regions' perception of Netdoctors is the Covid-19 pandemic.

“The pandemic resulted in Netdoctors taking further ground.” (Interviewee 18)

Several of the interviewees expressed that the pandemic has not only affected the view of Netdoctors in particular, but also the view of digital meetings and interactions online in general. The pandemic has resulted in a fundamental change in people's everyday life, as well as an increased acceptance of new forms of digital tools and services.

“It is not strange to see a doctor online anymore since all meetings these past two years have been digital. The pandemic has driven our digitalization and acceptance of Netdoctors a step forward.” (Interviewee 20)

Moreover, digital development in general is another example of changes in society that affect the perception of Netdoctors. In today's society, there is a perceived acceptance towards buying products and services online in general. To some extent, this is also what citizens expect today. The expectations of society have changed over time, some services that earlier were expected to be done physically, are now more common to do online.

“Since you can do it online, I don't go to the bank to pay my bills anymore.” (Interviewee 19)

As Netdoctors' offering is realized within an app, the increased usage of smartphones has also played a major role for the enabling of digital care.

“It has become more common for people to handle smart-phones and apps and so on. They understand how it works and the value of it. This has been made possible due to digital development.” (Interviewee 3)

Secondly, exposure of the service is another external aspect that affects how Netdoctors are perceived. There is a view that after being exposed to a service, citizens are in general more positive towards it. Furthermore, word-of-mouth and recommendations from friends and family are affecting the perception of these actors.

“The more you become exposed to it, the more you see the benefits with it. It will be as with other actors, the more common they become, the more accepted they will be.” (Interviewee 3)

“Either you have tried it by yourself and liked it, or you hear about it from neighbors, friends or family, so it kind of spreads.” (Interviewee 13)

There is a perception that an openness to digital services affects the legitimacy ascribed to Netdoctors. Cognitive legitimacy is based on cognition and concerns the approval or the taken-for-grantedness of an organization (Suchman, 1995). Comprehensibility is related to when firms seek cognitive legitimacy, their actions should be in line with perceived expectations of society. The new habits and demands from society, where citizens take for granted that services should be accessible whenever and wherever, has resulted in that the Netdoctors' business is well aligned with the perceived expectations of society.

The covid-19 pandemic resulted in that digital meeting became more established in society in general, and the Netdoctor-phenomenon in particular. Based on the findings from the interviews, it became clear that meetings online have become taken-for-granted. The questioning of Netdoctors that was apparent in the early phases of their establishment reduced as a result of the covid-19 pandemic. Due to the pandemic, traditional healthcare needed to make a similar transition towards digital care. As Regions also started to provide online care, it was perceived as necessary and hence more cognitively approved (Suchman, 1995).

Beyond the covid-19 pandemic, the digital development apparent in society is perceived to drive the cognitive legitimacy of Netdoctors. As of today, citizens have different expectations of businesses and services. Several industries have become digitized and being able to conduct services online has become a normal every-day phenomenon. The environment now accepts Netdoctors' practices and forms as “necessary or inevitable” (Suchman, 1995 p. 582). Moreover, the increased use of technology (e.g., mobile phones and apps) has also resulted in people accepting online services and ways of interacting online. As a result, cognitive legitimacy contributes to the legitimacy of Netdoctors.

Furthermore, exposure of the service has resulted in the audience's expectations of reality has changed in favor of Netdoctors' services. Thereby, the Netdoctor-phenomenon is more in line with their beliefs system (Suchman, 1995). Hence, the exposure of service results in that cognitive legitimacy contributes to the legitimacy of Netdoctors.

Due to a perceived openness to digital services, Netdoctors have reached a taken-for-grantedness of their nature and structure of social activities, which contributes to

the cognitive legitimacy for these actors. However, there are other external aspects that impede the legitimacy of Netdoctors.

4.4.2 Resistance to change impedes cognitive legitimacy

There is a negative perception among several of the interviewees that resistance to change among the Regions, which is based on a traditional mindset and outdated policies, affects the view of Netdoctors. This theme constitutes two different components.

Firstly, healthcare is perceived to be a traditional regulated industry, unprone to change. The resistance towards newness was expressed among several interviewees as an aspect affecting the perception of Netdoctors. As one interviewee explained:

“Healthcare is a very traditional and regulated industry. It is well-established in its structure. It is not something you change overnight and change is not often met with open arms. (...) We work in traditional ways and that is deeply rooted. When something unexpected comes and challenges the status quo, it is met with resistance.” (Interviewee 5)

Furthermore, there is a perception that the regulatory framework in the healthcare industry is outdated and not adapted to today’s society and the new digital landscape in healthcare.

“The growth of Netdoctors is an effect of the digital development that took place after current regulations were instituted. The laws are 15 years old and I am certain that they would look differently if they were adopted to today’s digital care. That is the reason why the regulations are not adopted to Netdoctors’ businesses.” (Interviewee 19).

Secondly, it was expressed by several that many assumptions regarding Netdoctors are not based on facts, but rather on emotions and predispositions. This in turn affects the perception of these actors.

“The criticism of them (Netdoctors) is often not based on facts. Instead, there is a lot of thinking and feeling going on, based on emotions.” (Interviewee 1)

There is a perception that resistance to change is affecting the legitimacy ascribed to the Netdoctors. The healthcare industry is described as traditional and well-established in its structure. As regulations are outdated and not adopted to the new digital landscape in healthcare, it further enhances a resistance to change within the industry. As the regulations are not adapted to Netdoctors, these actors are not perceived to be in line with the perceived expectations of the traditional healthcare industry. Thereby, it is difficult for Netdoctors to reach a taken-for-grantedness of their nature and structure of activities, as the traditional values and perceptions about the industry are not in line with the description “for things to be otherwise is literally unthinkable.” (Zucker, 1983, p.25). As a result, the cognitive legitimacy impedes the legitimacy of Netdoctors.

Furthermore, assumptions of Netdoctors are often based on negative emotions and prejudices, rather than facts. Thereby, leading to an overall negative perception of Netdoctors. This is not an active evaluation of the phenomenon, based on self-interest or moral, but rather based on Netdoctors' actions not being in line with the perceived expectations of the traditional healthcare industry. Hence, cognitive legitimacy is not ascribed to Netdoctors as the audience experienced reality of the world is not in line with their belief systems (DiMaggio & Powell, 1991; Geertz, 1973). Thus, cognitive legitimacy impedes the legitimacy of Netdoctors.

To sum up, findings from the interviews imply that external aspects are affecting Netdoctors' legitimacy in two opposite directions. On one hand, changes in society have resulted in an openness to digital services, making Netdoctors becoming more taken-for-granted. Thus, it contributes to the cognitive legitimacy of Netdoctors. On the other hand, there is a perceived resistance towards change in the healthcare industry, which results in that cognitive legitimacy impedes the legitimacy of Netdoctors. Hence, from the perspective of the Regions, external aspects both contribute to and impede the legitimacy of these actors.

5. Discussion

In this study, we set out to explore what contributes to and impedes the legitimacy of platform actors in nascent markets. It is explored from the perspective of authorities, as an example of a key stakeholder in the focal industry. Based on the analysis, a conceptualization of the aspects affecting legitimacy is provided, summarized in Figure 5. It displays how the different business models components, as well as external aspects are affecting the legitimacy of Netdoctors. The figure is limited in terms of not displaying the different legitimacy forms' relative impact on the legitimacy of a business model component or external aspect. Thus, it is not displayed whether a certain form of legitimacy contributes to or impedes to a greater extent than any other form of legitimacy.

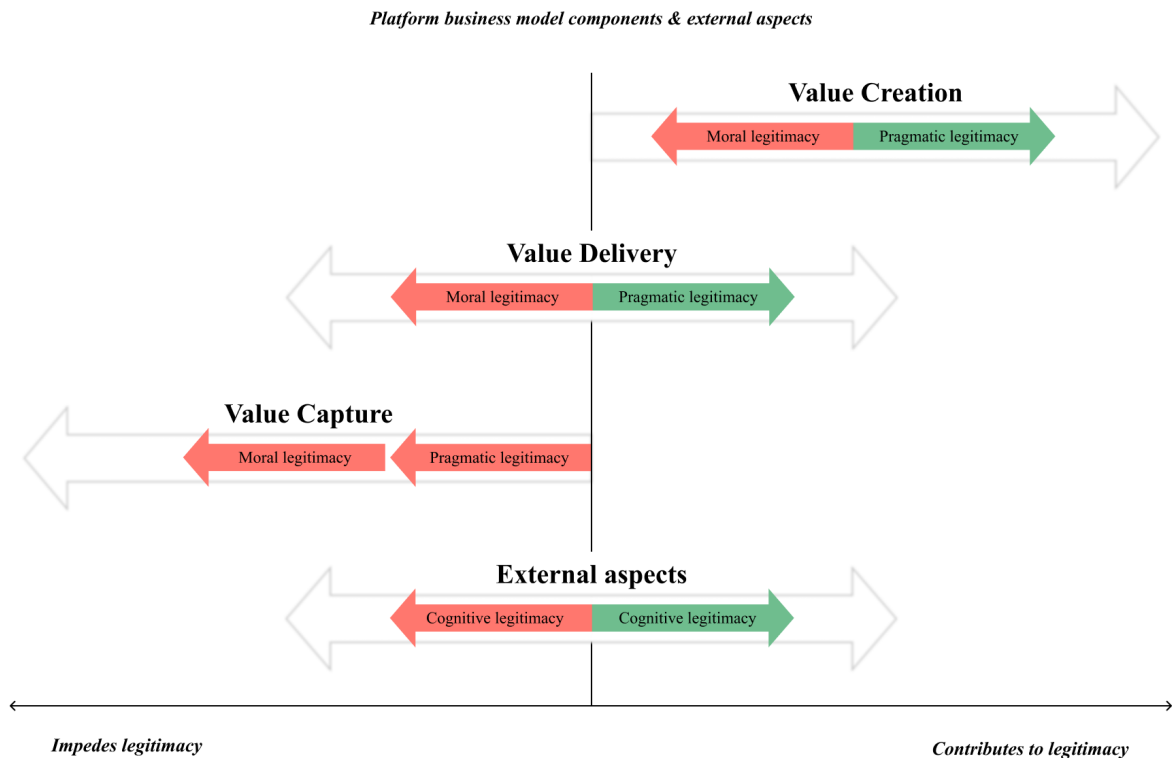


Figure 5: Conceptual model - The influence of business model components and external aspects of the perceived legitimacy of platform business models

As displayed in Figure 5, the relationship between business model components and perceived legitimacy is complex. To summarize the findings in the figure, the value creation component is contributing to the legitimacy of Netdoctors. Furthermore, the Netdoctors' value delivery component is both contributing to and impeding legitimacy. Moreover, the value capture component is impeding Netdoctors' legitimacy. Lastly, the external aspects are both contributing to and impeding the legitimacy of Netdoctors. The platform business model components and the external aspects will be elaborated in detail in the following sections (5.1-5.4).

Research has stated that the different sorts of legitimacy can both reinforce and be in conflict with one another (Suchman, 1995). In this study, this was confirmed as the different forms were both contributing to and impeding legitimacy within a specific business model component. As an example, moral legitimacy is impeding legitimacy related to value delivery whilst pragmatic legitimacy is contributing to it. Moreover, when analyzing the results from the interviews it appeared that whilst pragmatic and cognitive legitimacy both contributes and impedes the Netdoctors' legitimacy, moral legitimacy only impedes their legitimacy. Another interesting pattern identified is that cognitive legitimacy was beyond the control of Netdoctors, as it was predominantly related to external aspects.

The following part will be structured according to the logic of the model. Firstly, the findings related to value creation will be presented (5.1), followed by value delivery (5.2) and value capture (5.3). Thereafter, findings related to the external aspects will be presented (5.4), followed by a general discussion of the legitimacy of platform business models in nascent markets (5.5). Key insights from the analysis of the empirical data are drawn and connected to existing literature on platforms, business models and legitimacy.

5.1 The value creation component contributes to legitimacy

The findings from the interviews imply that moral legitimacy impedes the legitimacy of the value creation component, while pragmatic legitimacy contributes to it. Nevertheless, the findings suggest that the value creation component of Netdoctors is legitimized.

The analysis demonstrated that the platform itself is a driving force for Netdoctors' legitimacy. The convenience that characterizes Netdoctors' offering is enabled due to their platform-based business model. Main benefits of platform business models are the match-making process and the network effects, as a large number of participants in the network enables participants to find a counterpart (Rohn et al., 2021). In line with previous research, these benefits also apply for Netdoctors. In physical care, patients and healthcare professionals are unevenly spread across the country, with limited geographical access to only a few physical health centers. Consequently, the most optimal resource utilization is not achieved. Due to Netdoctors' platform business model, interactions among patients and healthcare professionals are facilitated, as they can have access to each other regardless of geographical position. Furthermore, the large number of patients and healthcare professionals facilitates finding a counterpart. As a result, resource utilization can be improved and Netdoctors can offer convenient care due to their platform business model. Thus, it is not the platform itself that is impeding legitimacy.

Previous research states that new ventures can be disputed when its business deviates from experiences of the users (Ben-Slimane et al., 2020; Tracey et al., 2018). This study challenges this research as the Regions, despite not having any substantial experience of digital care, are positive to the phenomenon in general. It is rather Netdoctors' operational activities, how they earn money, and external aspects that result in dispute of a new venture.

5.2 The value delivery component both contributes to and impedes legitimacy

The findings from the interviews imply that the Netdoctors' value delivery component is affecting their legitimacy in two opposite directions. Moral legitimacy impedes the legitimacy of the value delivery component, while pragmatic legitimacy contributes to it. Hence, the value delivery component of the Netdoctors is both contributing to and impeding the legitimacy of Netdoctors.

As brought up during the interviews, Netdoctors' adoption towards the traditional healthcare industry was an important aspect contributing to Netdoctors' legitimacy. The fact that the Netdoctors and Regions are collaborating and adopting to each other is in line with previous research stating that incumbent and new actors in the ecosystem may adapt mutually as the legitimation process develops (Van Wijk et al. 2013). In turn, the acceptance of the new actor increases (Kuratko et al., 2017). This research is confirmed, as this was the case also for Netdoctors. Moreover, platform entrants can facilitate knowledge and acceptance of their business model by adapting certain parts of their business model so that they fit into existing institutional arrangements (Logue & Grimes, 2019). This goes in line with the actions of Netdoctors as they are becoming more mainstream with traditional care. For example, by opening up more physical care units.

5.3 The Netdoctors' value capture component impedes legitimacy

The findings from the interviews imply that moral and pragmatic legitimacy impedes the legitimacy of the value capture component. Hence, the value capture component of Netdoctors is not legitimized.

Research states that the audience of a disruptive company often are skeptical towards the new business model as they are affected by their business (Snihur & Zott, 2013). This study confirms this research as the Regions perceive that they have been negatively affected by Netdoctors' compensation model. For example, this was shown in the perception of Netdoctors' service being expensive for the Regions and can explain why Regions are skeptical towards Netdoctors' value capture component as such.

Moreover, research states that legitimacy might be lacking for platform business models as a result of insufficient regulations (Garud, 2020). In the case of Netdoctors, the regulations are not perceived to be adapted for their service, hence creating an opportunity for Netdoctors to exploit the regulations. As a result of the exploitation, Netdoctors are not perceived as legitimate. However, for the Netdoctors, there seems to be a fine line between adapting to the traditional healthcare and fitting in but also differentiate themselves in order to aim for success. As an example, despite the exploitation of regulations impeding their legitimacy, it might also be those actions that have been crucial for their establishment. As an example, exploiting the patient fee of zero SEK to Netdoctors' own advantage is perceived as a rather controversial behavior among Regions. Nevertheless, this resulted in the usage of Netdoctors' services increasing drastically. This is in line with previous research stating that companies with disruptive business models are not adhering to current regulations and norms of the market (Snihur & Zott, 2013), as adherence to these would imply dismissing the very business model that lays the entire foundation for the companies' competitive advantage (Marano et al. 2020). Hence, the exploitation of loopholes in regulations can potentially explain why Netdoctors have succeeded to establish. However, despite their establishment, these actions are not perceived as morally correct and are thereby impeding Netdoctors' legitimacy, particularly related to their value capture component.

5.4 External aspects both contribute to and impede legitimacy

The findings of this study have shown that legitimacy can not only be controlled by the organization that strives for gaining it, as it appeared evident that not only the business model component affects the legitimacy of Netdoctors. In addition to the business model components, external aspects beyond the control of the platform company are affecting the legitimacy of these actors. Thereby, this study extends the business model framework applied in this study by emphasizing the importance of external aspects, beyond value creation, value delivery and value capture.

The findings from the interviews imply that external aspects are affecting Netdoctors' legitimacy in two opposite directions. Cognitive legitimacy both contributes to and impedes Netdoctors' legitimacy.

An interesting pattern identified in the analysis is that cognitive legitimacy is only affected by the external aspects and thereby beyond the control of the platform actors. This implies that it is difficult for Netdoctors to affect their cognitive legitimacy. Suchman (1995) describes that cognitive legitimacy is difficult to reach for many organizations. However, there is no given explanation related to whether it is difficult to achieve cognitive legitimacy simply because it is more difficult to attain compared to the other forms of legitimacy, or because it is beyond the control of organizations.

Digitalization has been apparent in society for years. Technological development has enabled platforms to establish in and transform several industries, such as the hotel- and taxi industry (Parker et al., 2016). This could, to some extent, anticipate a successful establishment of the Netdoctors. However, what could not be foreseen was the Covid-19 pandemic. The unexpected pandemic benefited the Netdoctors' platform business model greatly as digital services became a necessary prerequisite in society, in terms of digital services in general and for Netdoctors' offering in particular.

Another external aspect contributing to the legitimacy is the exposure of a service. It was found that the more you are exposed to these kinds of actors, the more legitimate they are perceived. Research has found that legitimacy increases when the number of actors increases (Ranger-Moore et al., 1991) as some actors already have created acceptance for their existence (Hannan & Carroll, 1992; Stinchcombe, 1965). This is partly confirmed by our study as it was found that the more you are exposed to Netdoctors, the more legitimized they become. However, in our study it was not articulated that it was the number of organizations per se that affected legitimacy, but rather the exposure towards them. Nevertheless, it is likely that the number of organizations also increases the exposure of the actors.

Moreover, an aspect that impedes the legitimacy of Netdoctors is the perceived outdated regulations. Regulations are often designed for traditional business models. Hence, regulations are often not adopted to platform business models and therefore neither suitable nor sufficient for these. This has been the case in several traditional industries that have been

disrupted. One such example is the taxi industry where the pioneer Uber faced strong resistance from regulators. As Uber started to gain ground, the regulatory pushback resulted in a threat towards Uber's establishment in the market (Garud et al., 2020). The empirical data showed that this was also evident for Netdoctors in the Healthcare industry. As healthcare is making an adoption towards digital care, regulations are lacking behind, which affects the legitimacy of the digital platform actors within this industry.

5.5 The legitimacy of platform business models in nascent markets

When a new venture or new business model is entering a new market, it is often not perceived as legitimate. New ventures are encountering the so-called “liability of newness” (Stinchcombe, 1965:148). This can be due to the business model not fitting with the perspective of the audience (Logue & Grimes, 2019; Zhao et al., 2017). This is the case for Netdoctors’ platform business model in Swedish healthcare, as shown in terms of impeded legitimacy for these actors. Additionally, according to previous research, platformization may encounter challenges in industries characterized by fault-intolerance, heavy regulations, complex transactions and reliance on physical assets (Brown, 2019). This is true for the healthcare industry and might explain why the legitimacy of Netdoctors is impeded.

However, research has stated that platformization can disrupt traditional industries as a result of technological properties enabling the fulfillment of previously unmet needs (Parker et al., 2016; Rippa et al., 2019; Nambisan, 2017; Yoo et al., 2010). Due to Netdoctors’ platform business model, these actors can respond to the unmet need of accessibility in Swedish healthcare. Thereby, they are taking ground and are radically transforming the healthcare industry with its business model. Hence, the establishment of Netdoctors confirms previous research.

Research has indicated that the success of disruptors imply that it is possible to overcome legitimacy challenges, or at least, establish oneself despite these (Garud et al., 2020). In the last years, Netdoctors have gained both market shares and popularity. Increased usage of their service and large investments to these actors, coupled with a significant increase of costs for the Regions indicate that Netdoctors have become legitimate to a certain extent. However, the analysis showed that there were some components and aspects that were not perceived as legitimate among the Regions. Thus, this indicates that Netdoctors are not perceived as fully legitimized.

The perception of whether platform actors in nascent markets are seen as legitimate is affected by the way in which platform actors have designed their business model. The analysis showed that Netdoctors’ value creation component contributes to these actors’ legitimacy, the value delivery component both contributes to and impedes legitimacy, while the value capture component impedes the legitimacy of these actors. This implies that the perceived legitimacy of platform actors is different depending on the different business model components. In turn, this affects the holistic view of whether an actor is perceived as legitimate. However, regardless of how a business model is designed, the analysis

demonstrated that there might be aspects beyond the control of the platform business model that are affecting the legitimacy of an actor. Nevertheless, despite external aspects such as regulations being beyond the control of platform business models, previous research suggests that it is still wise to enter a nascent market, as engaging with policy makers is encouraging eventual acceptance and transformation of entire ecosystems (Garud et al., 2020). Hence, despite Netdoctors not being perceived as fully legitimate, their establishment in the healthcare industry might overtime affect the regulations and the rest of the traditional healthcare industry, in favor of their business model. Therefore, as there are aspects beyond the control of a platform business model, platform actors either need to establish in a context where a platform business model is already in line with the perception of society and current regulations, or it needs to be patient and engage with policy makers, letting the exposure of the service and adoption of regulations align in favor of a platform business model over time.

6. Conclusion

In this chapter, the answer to the research question will be presented (6.1). Furthermore, the theoretical contribution (6.2) and practical implications (6.3) will be elaborated upon. Lastly, limitations and future research (6.3) will be discussed.

6.1 Answer to Research Question

The purpose of this study was to advance the theoretical understanding of what affects the legitimacy of platform business models in nascent markets. This study achieves this purpose by empirically investigating what affects the legitimacy of Netdoctors in the healthcare industry from the perspective of an important stakeholder. That is, the Regions of Sweden.

This study addressed the following research question:

What contributes to and impedes the legitimacy of platform business models in nascent markets?

The result of the analysis is displayed in Figure 5. The analysis shows that the different business model components and external aspects contribute to and impede the legitimacy of the studied platforms in multidirectional ways.

Firstly, the value creation component of platforms' business models contributes to platform actors' legitimacy. Secondly, the value delivery component both contributes to and impedes the legitimacy of platform actors. Thirdly, the value capture component impedes the legitimacy ascribed to platform actors. Lastly, in the analysis it appeared evident that not only the business model components affect the legitimacy of platform actors. What further affects the legitimacy of these platform companies are external aspects, beyond the control of the platform company. These both contribute to and impede the legitimacy of platform actors in nascent markets.

6.2 Theoretical contribution

This study aims to explore the legitimacy of platform business models in a nascent market. To the best of our knowledge, it is the first to combine literature on business models, platforms and legitimacy.

As a result of the research, we advance previous research by investigating new ventures that are establishing digital platforms into industries that are not yet platformized or commonly associated with tech (Rietveld & Schilling, 2021). Furthermore, it was stated that research on platform-based business models is needed in industries where platform business models could drastically change the way of making business and where these business models have the potential to tackle various emergent customer problems (Rohn et al., 2021). Thus, this study further advances previous research by studying platform-based business models in such a setting, as these characteristics are true for the Netdoctors in the healthcare industry. Moreover, by combining platform literature with legitimacy theory, we contribute to the lacking studies of platform literature by combining it with more mainstream theories (Rietveld & Schilling, 2021). In addition, a need for research on the legitimacy of disruptive business models in new contexts was also emphasized (Marano et al., 2020). We contribute to the lacking literature and fulfill this gap by investigating what affects the legitimacy of platform business models in nascent markets. By investigating the platform business models of Netdoctors in the healthcare industry, we contribute with insights regarding how business model components and external aspects contribute to and impede the legitimacy of platform actors. This study contributes primarily to the nascent field of platform literature and enhances the understanding of the legitimacy challenges of platform business models.

In order to respond to the aim of this study, a conceptual model addressing the theoretical gap is presented. The conceptual model of this study contributes to the understanding of platforms in nascent markets. The combination of business model components and legitimacy add insights to previous research and contribute to the understanding of what affects the legitimacy of platform actors. Further, it also displays what form of legitimacy that either contributes or impedes legitimacy in each aspect of a platform actor. Thus, it contributes by displaying the usefulness of bridging literatures from three domains: business models, platforms and legitimacy, and the relationship between them.

Furthermore, this study identified two additional interesting findings contributing to existing theory. Firstly, previous research states that new ventures can be disputed when its business deviates from experiences of the audience (Ben-Slimane et al., 2020; Tracey et al., 2018). Nevertheless, it is not described *what* aspects of a new venture that might be disputed. In this study, it was found that the Regions are positive to Netdoctors' service offering in general. Simultaneously, other aspects of the Netdoctors' business are perceived as less positive. Thus, the relationship is not binary, as certain dimensions seem to have been perceived as legitimate by stakeholders while others have not. This indicates that there are interesting nuances in the legitimation process. Therefore, this study encourages a more precise approach

aimed at exploring what about platform actors that make them legitimate and encourage future research to further explore these nuances.

Secondly, findings from the study showcased that cognitive legitimacy is only affected by external aspects and thereby beyond the control of the platform actors. This implies that it is difficult for Netdoctors to affect their cognitive legitimacy. Suchman (1995) describes that cognitive legitimacy is particularly difficult to achieve for many organizations. However, there is no given explanation related to whether it is difficult to achieve cognitive legitimacy simply because it is more difficult to attain compared to the other forms of legitimacy, or because it is beyond the control of organizations. Thereby, there is a need to develop previous research with additional explanations related to the achievement of cognitive legitimacy.

6.3 Practical implications

This study contributes to the practical work for managers of platform companies in nascent markets, as well as policy makers within this context.

Firstly, managers in platform companies already established in or aiming to enter nascent markets are recommended to utilize the conceptual model presented in this study to assess the aspects affecting legitimacy of a platform company in a nascent market. It will be helpful in terms of identifying which part of the business model component that might contribute to or impede legitimacy for an actor. As an example, the value creation component could contribute to legitimacy while value capture could impede it. The conceptual model in this study can facilitate as a first step to gain an understanding of what components of platform actors' business models are impeding a company's legitimacy. Furthermore, by gaining an understanding of what forms of legitimacy that is impeding the company's legitimacy, it facilitates actions aimed to address these forms of legitimacy in order to enhance the legitimacy ascribed to the actor. In turn, this could create a deeper overall understanding for the legitimacy challenges for the company in particular and the entire industry in general. Nevertheless, a more comprehensive understanding of what changes in the business model that are needed to enhance legitimacy in each component is needed, which is beyond the scope of this study. However, even though managers actively can adopt the business model of a company, the findings from this study imply that there are external aspects beyond the platform company's control that must be taken into account as well. Actively engaging with policy makers and external stakeholders might result in that some external aspects, beyond the platform business model components, become more in line and more suitable for the platform business model.

Secondly, this research adds insights for policy makers. As this study implies, legitimacy challenges could arise due to the fact that prevailing regulations are not suited for the platform business model. Therefore, it is important that regulations are better adapted for disruptive actors within nascent markets. Disruptive actors may have potential to make industries more effective and thereby achieve positive societal effects. Thus, it may be in the

interest of policy makers to establish regulations suited for these actors, so that they can establish and develop while still acting in line with regulations. For example, regulations need to be adjusted in line with past years' technological development. Moreover, as highlighted in the findings, the healthcare system is perceived to be fragmented and Netdoctors are perceived to be an actor outside the system. New joint regulations concerning patient data and records could potentially make the healthcare system less fragmented, as Netdoctors would be integrated in the traditional system. As a result, it could enable Netdoctors and Regions to find a foundation for where it is possible to co-exist and operate. In turn, this has the potential to improve Swedish healthcare.

6.4 Limitations and future research

This study contributes theoretical and practical knowledge in the fields of business models, platforms and legitimacy. Nevertheless, there are certain limitations to this study which provides opportunities for future research.

Quantify the relative impact of legitimacy forms. As this study undertook a qualitative approach, the conceptual model is limited in terms of not displaying the different legitimacy forms' relative impact on a business model component or external aspect. However, it could be of interest to gain a deeper understanding of what component or external aspects that have the greatest impact, as it potentially could guide platform actors' business model design. Therefore, future research is encouraged to quantify the relative impact of the different forms of legitimacy within the conceptual model provided in this study.

In-depth exploration of cognitive legitimacy achievement. Previous research has highlighted difficulties for organizations to attain cognitive legitimacy in particular. Cognitive legitimacy is an important contributor to an actor's legitimacy, as the achievement of this form means that the environment accepts an organization's practices and forms as inevitable. Hence, it is in the interest of organizations to attain this form of legitimacy. However, the result of this study implies that cognitive legitimacy is beyond the control of platform actors in nascent markets. Therefore, future studies are encouraged to further explore the achievement of cognitive legitimacy.

Platform business model adaptation's impact on legitimacy. This study provides an overview of the legitimacy of platform business models at one point in time with emphasis on how an important stakeholder perceives the platform business model. Although interviewees brought up certain changes that had occurred within Netdoctors' business model over time, emphasis was put on the interviewee's perception of the current business model. Thus, the approach of this study was not to capture how changes in business models of platform actors affected their legitimacy. While business model adaptation is outside the scope of this study, it could be of interest for future research to conduct a longitudinal study investigating such adaptation of business models in nascent markets and its impact on legitimacy.

Comparing platformization among industries. This study is limited to exploring platform business models in highly regulated contexts. However, different aspects of the business models might be perceived as more or less legitimate depending on the industry context, due to characteristics of the specific industry. Findings in this study show that the value capture component impedes Netdoctors' legitimacy, partly by the controversy of these actors making profits in the healthcare industry, which is funded by taxes. Nevertheless, this might not occur as unacceptable in other industries, where profit making is less disputed. Thus, this study calls for future research comparing platformization in different types of industries, as it might discover potential differences and unlock new industry insights.

Broadened geographical scope. The case of this study is the Netdoctor-phenomenon in Sweden. This implies limitations for the study, as Swedish healthcare has Regional and national institutions that might differ greatly from other countries. There might also be general differences between countries. As an example, the US healthcare is mainly private whilst the Swedish healthcare is mainly public. It can thus be easier to gain legitimacy for private actors establishing a platform venture in the US compared to Sweden. As a result, different legitimacy challenges for platform business models in these countries may appear. Therefore, as national contexts shape economic activities, it might be interesting to explore legitimacy dynamics for platforms in different countries.

7. References

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9. Appendices

9.1 Appendix 1 - Interview Participants

Interviewee #	Region	Interviewee's position	Date	Length (h:mm)
1	A	Business Developer Director eHealth	2022-03-03	01:02
2	A	Associate Professor, Physician, Specialist General Medicine, Medical Advisor	2022-03-08	00:34
3	B	Business Developer Digital Care	2022-03-08	00:49
4	C	Purchasing Manager of Care Services	2022-03-19	00:47
5	D	Business Developer Division "Nära Vård"	2022-03-10	00:44
6	E	Operation Manager eHealth/Digital Care	2022-03-10	00:50
7	F	Head of Department eHealth, Development, Communication & Security	2022-03-10	00:48
8	G	Head of Department Digital Primary Care	2022-03-10	00:33
9	G	Manager Digitalization & eHealth	2022-03-10	01:01
10	B	Area Director, Local Health Care	2022-03-11	00:46
11	H	Head of Unit and Assistant Head of Department, Unit for General Medicine, Division of Local Health Care	2022-03-11	00:51
12	I	Operations Manager eHealth	2022-03-14	00:47
13	H	Specialist in General Medicine, Head of Local Health Care Primary Care	2022-03-15	01:02
14	J	Medical Responsible, Digital Primary Care	2022-03-15	00:45
15	K	Communication Strategist eHealth	2022-03-18	00:43
16	D	Business Developer eHealth	2022-03-18	00:51
17	M	Strategist eHealth	2022-03-18	01:15
18	N	Director of Health and Medical Services	2022-03-22	00:50
19	L	Director of Health and Medical Services	2022-03-23	00:46
20	F	IT Manager, Department of eHealth Strategy	2022-03-23	00:36

9.2 Appendix 2 - Interview guide

Introduction

We are two masters students in Business & Management and we are currently writing our thesis focusing on digital healthcare and Netdoctors.

We investigate the attitude to the digital healthcare phenomenon and private online medical companies (such as Kry, Doktor.se, Doktor24, MinDoktor, Caphio Go) and how these types of companies have, or have not, been accepted in society. When we say Netdoctors during the interview, we are referring to private Netdoctors companies and our focus is on their primary care operations.

We will answer our research question by interviewing employees at Regions who have an insight into the subject and who have been involved in discussing these issues. We would like you to answer these questions based on your perception as a representative of your Region.

The purpose of the study is to understand how innovative business models, which establish themselves in new markets, become accepted.

We estimate that the interview takes around 45 minutes to one hour. During the interview, you are more than welcome to develop your thoughts on what you find interesting.

Your participation is completely voluntary and you can withdraw from participating at any time if you wish. We will not mention your name or the name of the Region you represent in the thesis.

Is it OK for us to record and transcribe this interview?

Background of the interviewee

- Age
- Years of experience working at the Region
- Position/role at the Region
- In what ways have you been involved in issues concerning digital care and Netdoctors?
- How would you describe your Region's relationship with the Netdoctors?

Part 1 - General questions about the Netdoctor-phenomenon

- Are there any special events related to Netdoctors that have affected your view of them? If so, how?
- Are there any events in society that have affected your view of them? If so, how?
- What do you think has contributed to the shift where Netdoctors have become established despite criticism?
- Do you feel confident in Netdoctors? Why/why not?
- What is your perception of conducting primary care in a digital format?

Part 2 - Value Creation component

- What do you think about Netdoctors' offering? What are the positive and negative aspects?

- What needs/demands (if any) are these actors fulfilling according to you? In that case, whose needs are fulfilled as a result of their offering?
- Do you think the Netdoctor phenomenon is morally right? Why/why not?

Part 3 - Value Delivery component

- What is your perception of how the Netdoctors run their businesses in general?
- What is your perception of how the Netdoctors engage with different stakeholders? I.e. ways of working working with Regions, politicians, medical professionals (the way they recruit and manage their employees).
- What is your perception of their different processes, resources, routines, such as ways of marketing themselves and technical solutions?
- How do you determine if the Netdoctors' technology is reliable?
- How do you assess if the care provided by Netdoctors is quality assured? Are there standards / regulations, etc. to lean on when assessing Netdoctors?
- Most of the major players (Netdoctors) now also provide physical care in addition to digital care. Has it affected your perception of these actors? If so, in what way?

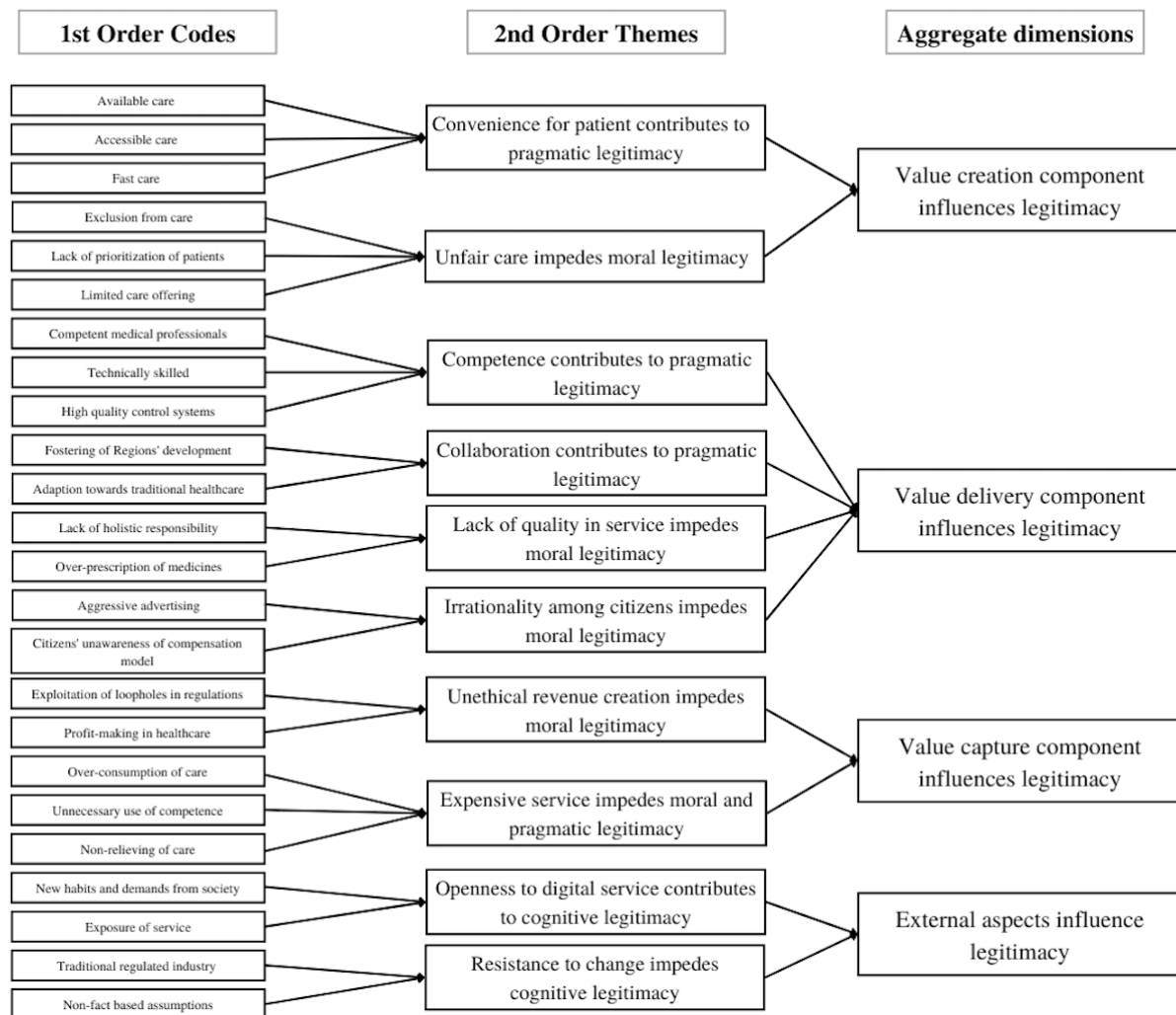
Part 4 - Value Capture component

- What is your perception about the Netdoctors' compensation model?
- Do you think that there is a reasonably correct level of compensation? Are there any aspects in the compensation model that you think could be altered?

Conclusion

- What do you think is necessary in order for Netdoctors to become more accepted in the future?
- Is there anything you want to add in the subject of Netdoctors, or something you think we should elaborate on that we have not addressed during this interview?

9.3 Appendix 3 - Data Structure



9.4 Appendix 4 - Additional quotes

Quotes constitute 1st Order Codes	2nd Order Theme	Aggregate dimensions
<i>“High availability, quick responses, easy to book an appointment, simple to get medications prescribed on a Friday night. Access to fast and effective care, based on my personal needs.”</i>	Convenience for patient contributes to pragmatic legitimacy	Value creation dimension influences perceived legitimacy

<p><i>(Interviewee 17)</i></p> <p><i>“An advantage is that it is very convenient to meet the patient. The patient can have the appointment wherever he or she is located.”</i> <i>(Interviewee 15)</i></p> <p><i>“I fully understand that you want to use their (Netdoctors’) service. It is convenient, you receive help fast and you don’t have to travel to a physical care unit.”</i> <i>(Interviewee 10)</i></p>		
<p><i>“Not all can take advantage of Netdoctors’ services. The elderly are excluded as it is difficult to use their services.”</i> <i>(Interviewee 13)</i></p> <p><i>“It is healthy people that are using the Net Doctors services. (...) but it is the most seriously ill patient that should receive care first.”</i> <i>(Interviewee 2)</i></p> <p><i>“We (the Region) must help everyone while the Netdoctors can suck out only the good stuff in line with their preferences.”</i> <i>(Interviewee 3)</i></p>	<p>Unfair care impedes moral legitimacy</p>	
<p><i>“Netdoctors are serious actors and they are competent in their medical assessments.”</i> <i>(Interviewee 18)</i></p> <p><i>“The experience we have from their technical solutions is positive. Their platform solutions work really well.”</i> <i>(Interviewee</i></p>	<p>Competence contributes to pragmatic legitimacy</p>	<p>Value delivery dimension influences perceived legitimacy</p>

<p>20)</p> <p><i>“They have immensely better control of antibiotic prescription and drug prescription, compared to physical primary care (...) If you, as a doctor working for Kry, prescribe narcotic drugs, the supervisor is immediately and automatically informed which makes it possible to follow-up. As far as I know, these procedures do not exist in physical primary care.”</i> (Interviewee 2)</p>		
<p><i>“Net Doctors have become a complement to our care and we have also needed to step up in order to take part in the digital development and offer similar solutions within our Region.”</i> (Interviewee 7)</p> <p><i>“Thanks to the Net Doctors and what they have achieved, we (the Region) have gained more momentum to also develop different types of digital services ourselves.”</i> (Interviewee 4)</p> <p><i>“We see that they (Netdoctors) are developing all the time. They have become more similar to traditional primary care.”</i> (Interviewee 1)</p>	<p>Collaboration contributes to pragmatic legitimacy</p>	
<p><i>“The continuity is of course a disadvantage. You never know who will pick up, you are not getting the same doctor when you call. That is a disadvantage from a patient perspective.”</i></p>	<p>Lack of quality in service impedes moral legitimacy</p>	

<p><i>(Interviewee 4)</i></p> <p><i>“I wish that they (Netdoctors) would establish more physical care units in my Region so that they could take full responsibility for patients.” (Interviewee 19)</i></p> <p><i>“I turn to a Netdoctor and easily get a prescription. It will be like a one-time effort for them. But the main responsibility of the patient still lies with the Regions and this can become problematic.” (Interviewee 16)</i></p>		
<p><i>“Their marketing is everywhere and it is possible that it can lead to an overconsumption of care.” (Interviewee 12)</i></p> <p><i>"There have been some campaigns that have suggested that you should visit a doctor for very mild symptoms, like I have a little pollen allergy or a little runny nose." (Interviewee 17)</i></p> <p><i>"If you book an appointment, there will be a visible cost for the patient, but there are other costs in the background that the patient does not see." (Interviewee 14)</i></p>	<p>Irrationality among citizens impedes moral legitimacy</p>	
<p><i>“I think there are several aspects in their way of acting that make it seem as if they are cherry-picking and trying to take advantage of loopholes within the</i></p>	<p>Unethical revenue creation impedes moral legitimacy</p>	<p>Value capture dimension influences perceived legitimacy</p>

<p><i>system.” (Interviewee 13)</i></p> <p><i>“Net Doctors find new ways of exploiting loopholes to earn money.” (Interviewee 17)</i></p> <p><i>“Of course you should get paid for what you do but it feels wrong that they, as a healthcare actor, are making profits.” (Interviewee 9)</i></p>		
<p><i>“The question is how much the offered availability actually creates, rather than fulfills, a need among the population. (...) There are a lot of unnecessary visits that the Regions have to pay for.” (Interviewee 4)</i></p> <p><i>“I believe it’s often enough to talk to a nurse, but instead, you are automatically referred to a doctor.” (Interviewee 8)</i></p> <p><i>“It feels extremely unfortunate when it costs hundreds of millions of tax money every year and it does not relieve the care.” (Interviewee 2)</i></p>	<p>Expensive service impedes moral and pragmatic legitimacy</p>	
<p><i>“Meeting online is a natural way for us to meet today and due to the pandemic, it has become even more natural.” (Interviewee 9)</i></p> <p><i>“Net Doctors are here to stay. It is a part of society now.” (Interviewee 5)</i></p> <p><i>“Today we see these actors everywhere and that makes you more accepting. In just a</i></p>	<p>Openness to digital service contributes to cognitive legitimacy</p>	<p>External societal factors influences perceived legitimacy</p>

<p><i>few years, it will be just as common as traditional care.” (Interviewee 8)</i></p>		
<p><i>“If it is a physical appointment, it is easier to see that there is a need for a doctor's appointment compared to a digital one. Perhaps it is old values, or an untraditional way of seeing things.” (Interviewee 6)</i></p> <p><i>“It takes time. We will certainly think differently in the future, I am absolutely convinced of that. But there is still some resistance out there.” (Interviewee 8)</i></p> <p><i>“Many people are thinking and feeling a lot regarding subjects that they don't really know anything about. They have no actual reason for thinking like that.” (Interviewee 17)</i></p>	<p>Resistance to change impedes cognitive legitimacy</p>	