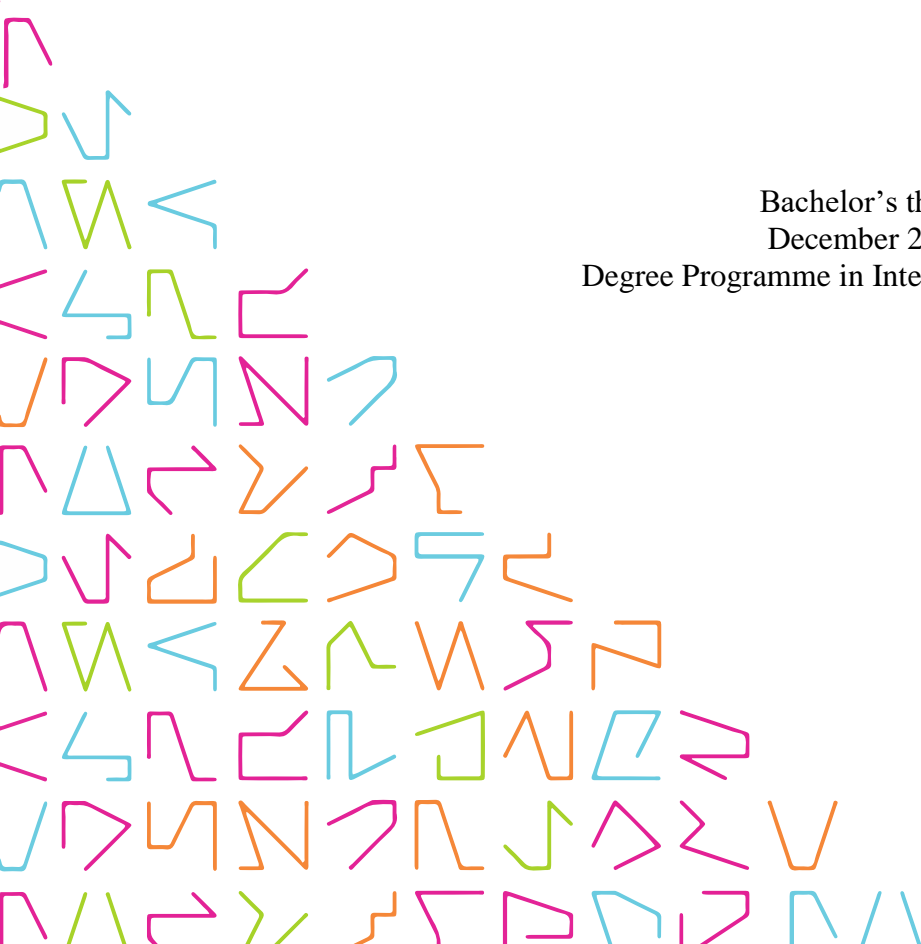


# **Creating a brand foundation for IK Helsinki**

MIKKO OJANIEMI

Bachelor's thesis  
December 2017  
Degree Programme in International Business



## **ABSTRACT**

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The objective of this bachelor's thesis was forming an outline for creating a brand for the new off-campus of IK College. This thesis was commissioned by IK College.

The purpose of this thesis was to give IK College a foundation from which to begin branding their new off-campus in Helsinki. This is a great opportunity for the College. With the new off-campus, the College is in many ways starting from a blank page and with it a possibility to transform some of the issues that have been associated with their brand in the past.

The source of theoretical background for this thesis consisted of books, online and other publications. Information about the College was gathered during an internship. Interviews and questionnaires were used to further understanding of the current situation at the College in regards to marketing habits and procedures.

Branding and marketing have become essential components of any modern company or institution. According to the research, IK Helsinki will need to build a brand based on core values, the environment, the customer, and their unique capability. Using these four bases for building a brand, IK Helsinki will gain a strong foundation from which to build for the future. It will also apply added clarity to their marketing and marketing strategies for the future, as well as increasingly distinguish them from competition.

Currently IK College lacks long term strategy. Although the world is fast paced, and consistently changing. It is important for customers to know what the College stand for and what their values are. Creating a clear image of values and communicating that image to customers in the most clear and effective way will make all the difference in creating long lasting customer relationships.

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Key words: branding, marketing, strategies, customer

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## 1 INTRODUCTION

This bachelor's thesis focuses on creating and giving a basis for branding IK College Helsinki, a new off-campus of IK College.

IK College has started this fall a new off-campus in Helsinki, called IK Helsinki. This is a venture by the College to attract new students, by bringing the College closer to the students. Their main campus is located in Keuruu, Finland. As their current campus is quite far from everything else, the new campus gives the possibility of the greater Helsinki area students attending the college without having the need to move or leave their current employee.

This project is timely for the College as giving some insight into creating a brand and strategy is key at this moment of time. They have recently hired a marketing company to handle some, but not all of their current marketing and branding. Also with the move to Helsinki, the subjects of marketing and branding are now important at the College as changes are being made.

Branding and marketing have arisen to be some of the most important aspects of any company in the 21<sup>st</sup> century. Due to the increased nature in competition, it is more important to stand out now more than ever. Customers are also increasingly concerned with values of companies, which creates the need for companies to effectively communicate their values so that customers can relate to them. Reaching people has become harder than ever, and the cost of effective marketing is very expensive. (Sounio 2010, 27)

The educational business is fiercely competitive, because of the amount of options out there for students. Because of this competition it is important to have an effective brand and successful marketing. One of the major factors in individuals buying decisions is the image of the particular business or product. (Marconi 1993, 35)

## 1.1 Commissioner

The commissioner of this thesis is IK -college. IK -college is a school based in Keuruu, Finland. IK is a Christian Education and Conference Centre. The larger organisation IK, offers different types of services: conferences, seminars, camping as well as banquets and meetings in its grounds. IK -college, the school, offers mainly Diploma, BA and MA level theological studies for its students. IK college is however the main unit of the overall company.

IK -college is the education centre of the Finnish Pentecostal Churches. Its main focus is in Bible studies, church ministry, missions and discipleship. Pupils have the available options from short weekend courses to degree programs. Currently the degree programs are validated by Alphacrucis College, Australia.

Over the past few years, the college has struggled financially due to the decreasing amount of students attending the college. Reasons for the decrease have believed to be numerous. Some of the recognized reasons are due to changing demographics caused by government economics, an increase in competitors for theological education from local churches, and poor marketing from IK itself.

In the fall of 2016 the college decided to create an off-campus in Helsinki. The application was accepted by the government in the spring of 2017 and plans are currently being made on where and how to begin. The main target of the off-campus is to bring the education that IK offers closer to prospective students. Helsinki is the largest city in Finland, and bringing the college to Helsinki, would allow students to live at home instead of moving to the college's own campus, as Keuruu is located far away from large cities. Another opportunity with the off-campus would be the possible cooperation with the local churches in and around Helsinki. Having an off-campus in Helsinki would help IK integrate better into the churches and close the gap.

## **1.2 Objectives and thesis scope**

The purpose of this thesis is to provide IK Helsinki with a foundation on which to begin building their brand. The research will result in giving information on what are the most important components when building a brand. The research will also enlighten us of the surrounding in which the College performs, and what kind of a needs the brand needs to answer.

In addition the research will provide IK Helsinki with specific building blocks and answers on which to begin building their brand. These results have been tailored to their needs based on the information given by the research.

## **1.3 Research methodology**

The thesis is mainly a case study. The Helsinki off-campus of IK College being the key centre of focus. A part of the research focuses on the current brand and marketing situation at IK College and how they have been completing these tasks in the past.

For this research a qualitative approach was chosen. Although some parts of the thesis required primary research, the thesis is mainly based on literature and theory. This approach was chosen because it suited best the information which is available. A quantitative approach would have not resulted in accurate ideas and results. This is because although the brand is aiming to answer the customer needs, the customers would not likely know or be able to put into words what they would like to see from a brand. This is a common problem with even the big brands in the world, and how they aim to understand the customer.

## 2 THEORETICAL FRAMEWORK

The theoretical framework section consists of concepts and theories which are directly related to the study. Main source of concepts is literature and also online publications, as well as online studies. The chapter covers branding and marketing in a general manner, and gives a foundation from which to further analyze specific branding tools to use in branding.

### 2.1 Branding

#### 2.1.1 Definition

Although brands and branding is by no means new, the essence of branding has gone through major changes in the past few decades, as well as the importance of it. The contemporary understanding of a 'brand' is relatively new. Today branding is *principally the attachment of a name and reputation to something or someone, primarily to distinguish it from competition.* (Slade-Brooking 2016, 12)

#### 2.1.2 Marketing evolution

The rise of branding has risen from a more in depth understanding of consumerism. Every human has basic needs such as food, shelter and clothing. People also have subjective needs defined by a particular lifestyle. Culture, society, social group, class, aspirations, social pressure are all characteristics which effect a person's buying decision. Understanding these triggers and causes is essential to effective branding and marketing. (Slade-Brooking 2016, 10)

### 2.1.3 The essence of branding

The success of any new product now relies on the branding process from creation to sale. The design of the product is as important to branding as the product itself. These designs serve as a vehicle for the brands values.

Brands seek to consistently connect with their customers on an emotional level. This helps create lifelong relationships with customers, and ensures that that particular brand is always the first choice for the particular customer. Creating these relationships has become to be known as relationship marketing.

Malmelin and Hakala (2007) in their book “Radikaali Brändi” argue that the modern ideology of branding has gone forward. It no longer stands only for the basic ideas that once were related to a brand: the name, logo and marketing. A “radical brand consists of everything the company does, how it communicates, how it looks, how it sounds and how it is discussed. A radical brand is not a product, a name, brand or a logo. It is the guiding philosophy of the organization – a vision that unifies activities and the communication.” (Malmelin & Hakala 2007, 18)

IK is missing a clear brand strategy which would be their guide in marketing and other departments. Creating a clear identity for the college may also help procurement of new students due to its marketing value. The brand creation process has become vital to the success of any new product, service or venture. In *Creating a Brand Identity*, Catharine Slade-Brooking comments that “the manipulation and control of a brand’s image has become, in many cases, more important than the ‘real thing’ the brand represents, with the design of the product now often acting as a vehicle for the brand’s values. Rather than a brand existing to sell more of a particular product, products are now developed to extend and reinforce a brand success.” (Slade-Brooking 2016. 12)

Branding shouldn’t be done solely from an aesthetic view, but instead it should also attempt to refer to all of the customer’s senses. For example, Singapore Airlines took advantage of smell by issuing a fragrance to all their cabin crew, towels, and sprayed into their cabins which eventually became familiar with passengers and they could relate back to positive memories from it. Although this aspect can be hard to attach to IK Helsinki, there could be other areas where the concept could be used. For example, the values that

IK Helsinki will stand for. Can it share certain beliefs which prospective customers could identify with and could this also be a route to new customers than just the Pentecostal community.

## 2.2 Marketing

Marketing has taken large steps in the past decade within companies. Marketing has always been around as long as there has been trade, in one form or another. It can be seen in the outbound marketing at markets, shouting at customers to stop in their tracks to take a peek at the offers of someone's stand. Later it evolved into printed advertising, radio commercials, to TV ads in the 1950's. 1970s saw the beginning of telemarketing, and the digital age saw the emergence of mobile and internet marketing.

However the largest changes in marketing have been in how customers fit into the solution. The marketing of the early 20<sup>th</sup> century was entirely based on the interruption of the customer to grab their attention, in the hope that the product would intrigue the customer and result in a purchase which profited the business financially. Businesses have eventually realized, that by committing to a longer term relationship with the customer, they will profit more. Therefore holding onto customers for more than just a single sale has become infinitely important. Creating these relationships with customers has brought about *relationship marketing*, "an approach to develop long-term loyal customers and thus increasing profitability."(Evert Gummesson 2008, 5) Although there are numerous other, new marketing theories, the relationship between the business and the customer is at the heart of most of them. This has created a new definition for marketing in the modern market, based on these values.

The book *Principles of Marketing* gives the following definition for marketing: *Creating customer value and satisfaction is at the very heart of modern marketing thinking and practice. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others...marketing involves building profitable, value-laden exchange relationships with customers.* (Kotler & Armstrong & Wong & Saunders 2008, 7)

### 2.2.1 Strategies

The essence of brand and marketing strategy is in what is important to the company. Peter Doyle (2008) argues that the goal for chief executives in companies is to maximise and uphold shareholder value. This goal is the long-term sustainability of the company, by creating value for the long term. Shareholder value is also often confused with maximising profits, but maximising profits for a company is often shorter term. “Maximising shareholder value, on the other hand, requires long-term thinking, the identification of changing opportunities and investment in the building of competitive advantage.” (Hooley, Piercy, Nicoulaud. 2012, 5)

Brand and marketing strategy is needed to create patterns and objectives for the long term. All members of the organisation need to be coordinated in their efforts to satisfy customer needs, and to also reduce the amount of gaps which might appear in design, production or delivery. (Hooley et al. 2012, 24)

### 2.2.2 Role of marketing strategy

Greyser (1997), notes that marketing has successfully migrated from a functional discipline to being a concept of how a business should be run. In the last decade marketing has earned a different position in companies. A clear shift from a mere department under PR, advertising or sales, marketing has become one of key components to any company leadership. Customers are at the forefront of companies through commercial and social objectives. It is key for a successful company to meet customer needs in these areas. Not-for-profit companies are taking a longer time to establish themselves in the world where the customer is central, but the change is happening nonetheless. As long as a customer has an option for who provides them with the particular service, they will always prioritise whoever serves their needs best. The marketing concept and market orientation are the foundations of strategic marketing. (Hooley et al. 2012, 6)

The role of marketing in the company is to find ways to communicate company values to the customers. This is why marketing is a part of effective branding. Branding creates the

values the company wants for its image, and the duty of marketing is to share those values in the most effective way to the people the company wants to reach.

### 2.3 The branding process

The branding process is based on the book *Creating Passion Brands* by Helen Edwards and Derek Day. The theory has then been supported by the book *Creating a Brand Identity* by Catharine Slade-Brooking. A brand stands on four integral foundations: Ideology, Capability, the Environment and lastly the Consumer. A brand to be steady it needs to be equally based on all four corners, and one should be no stronger or overlooked than the other. The following branding process has been created keeping in mind these foundations.

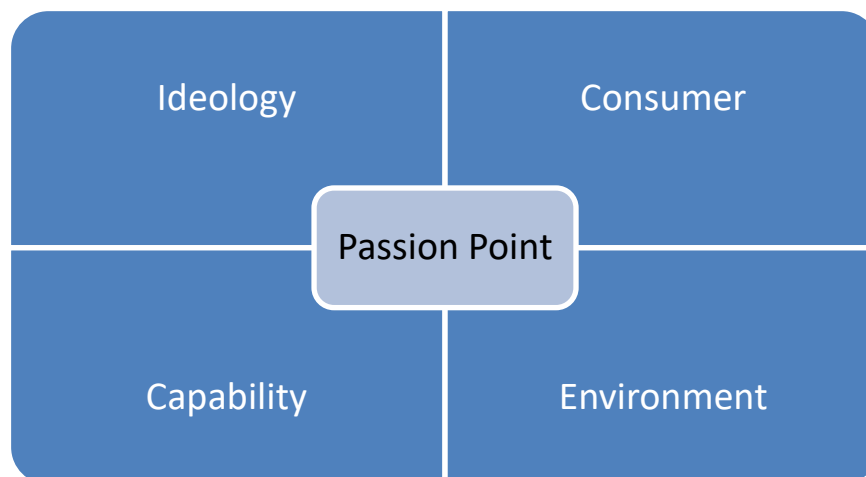


Figure 2. Creating Passion Brands (Edwards & Day 2005. 98)

The branding process has become unique and necessary for all companies. Most global companies have very easily identifiable brands and marketing schemes. Strong branding is necessary for many reasons. However most of them are related to the customer. For example, a strong brand will retain more customers. Therefore the company will be able to uphold premium pricing due to not having to fear customer loss. Nike is a good example of a premium pricing sports business which has an extremely strong brand. (Malmelin & Hakala 2007, 27)

Branding is all about communication between the business and the customer, and building that relationship to a level of trust. The business promises a certain level of service and products, and the customer can trust that the business will continue deliver on their promise. A failure in the delivery of that promise could result in losing a customer forever. This communication is delivered in many forms, and it is often said that a successful brand tells a story. What this means that a brand, which consists of a numerous tangible and intangible assets, all come together to deliver a certain message to the customer. That is why sometimes a simple logo, colour, or phrase can immediately relate the customer to the business. Successful branding is communicating the brand as effectively as possible to the audience, meanwhile creating a message that the customer can relate to and finds appealing. Creating the appropriate message is very difficult in creating a brand. This is why research in the target market and having an understanding of the audience is key. To really have an in-depth understanding of the customers' needs and wants.

In this thesis the branding process has been summed down to five steps, based on the previously mentioned pieces of literature.

### 2.3.1 Creating the core values

Realization and research of the core values, the philosophy and ideology of a brand is probably the most important step into creating a more effective brand. Whether known or unknown, every company has some set of rules or beliefs which are ingrained in their business practises. "In most cases the first stage in developing the brand philosophy is to research the company's own corporate philosophy. This is primarily a distillation of its culture or ambience, developed into a group of core values that inform all aspects of its business practises. The philosophy both guides employees as part of internal branding, and provides the structure for external brand communication strategies." (Slade-Brooking, 35) Some companies have had very distinct values from the day of creation, for others this could be something they will have to start from scratch.

Core values and a brand philosophy is important for many reasons. From a branding perspective it creates unity and consistency throughout the business, and without consistency it is difficult to have a strong brand. The values essentially communicate to the customer

that whatever the product they buy from the business, they will be made the same way and the quality will be reliable, equal to the expectations.

Customers may also see if the company values reflect those of their own. This may prove an additional bridge between the company and the customer, creating new relationships which is beneficial for the business to reach new people. In addition, including pre-set values, customers have a chance to understand whether or not a company is involved in any other humanitarian issues other than just being a business. For some customers it is important to believe that business are trying also to better the world.

### 2.3.2 Creating the mission statement and business plan

The mission statement summarizes what the brand promises to deliver. It is created to help the marketing department and designers to then deliver that promise through communication to the customer. Usually a mission statement includes in it emotional characteristics which are related to the business plan. For example the following mission statements: TED '*Spreading Ideas*' and the Make-A-Wish foundation, '*We grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy*'. By reading purely the mission statements of these two organisations one would have a general idea of what they are about, and in the case of the Make-A-Wish foundation quite a clear picture as well.

There are different types of mission statements and although not in all cases, they are generally different from slogans. In example, Nikes slogan or tag-line is '*Just do It*', while their mission statement is '*To bring inspiration and innovation to every athlete in the world.*' From the previous examples we can already see that some have separated the two, and others combine them. Mission statements can therefore be long or short, depending on what the organization is after. Regardless the goal is the same, to bring clarity and direction which to follow. The mission statement also serves as guidance to the marketing and branding team while creating the company brand, as the brand should deliver and convey the mission statement to the audience.

A good brand promise conveys what problem or question the organisation aims to answer. What solution they bring a certain desire or need. The statement should also be able to

stand the test of time, for longevity. This longevity enables to create a loyal and lasting customer base.

### 2.3.3 Identifying the customer and environment

Identifying the target market and prospective environment is an important phase of effective branding. Without research it is impossible to know who the customer is, and to understand their needs and desires, as this is generally the solution the organisation aims to solve. The visual appearance of the brand needs to fit the eye of the customer, therefore it is essential for the design team to identify who they are designing for and to conduct customer analysis. Age for example can be one way to categorize the customers, and it has a direct effect on the visual appearance, as elder people might find one look more appealing than another. In the same way younger people might be more attracted by bright colours, or a certain type of commercials. Customer research can also lead to “*new insights about attitudes, awareness, and behaviour of prospects and customers often indicate opportunities for future growth*” (Wheeler 2013, 120)

In depth study of the market and customers can also be a money saver. Launching new products or services is a costly business, and research can prevent the launch of products that might fail. (Blythe 2005)

### 2.3.4 Identifying the capabilities

Identifying the capabilities and possibilities of the company is about finding the competitive advantages for the model. This is because it is very difficult to achieve a status of enduring advantage. Where a business is capable of creating a product that simply cannot be replaced or copied by another, generally speaking most products and services are replaced or copied sooner or later.

Capabilities for competitive advantage can be found anywhere in a business, from the production line to the business idea, to the trade relations with other companies. The possibilities are often endless, but also extremely difficult to create and produce effectively.

### **3 ANALYSIS AND RESEARCH**

#### **3.1 Research process and data collection**

Research is primarily based on personal study of the college's material during my internship at the college as well as preserved marketing material by the college. This includes: advertisements in the Ristin Voitto newspaper, printed material which is sent out regularly churches, conference flyers and other printed material. Online material such as the web page and its advertisements and banners, the study of their Facebook page as well as their Twitter and Instagram accounts. Minutes of the marketing team were also examined as well as the college' budget plans for the past six years. In addition, I also interviewed some personnel involved in the college's marketing. These included two members from the secretarial staff who were a part of the marketing team and also the academic dean. The type of interview method I conducted was General Interview Guide Approach. I chose this type of approach to interviews because their purpose was to be additional information to strengthen my opinions gained from other material. This type of approach gave me a degree of freedom with the discussions, as well as adaptability with the person interviewed but still had more focus than pure conversation. (Turner 2010, 755)

## 3.2 IK College brand and business analysis

IK College is an educational centre for the Finnish Pentecostal Churches. Their main educational focus is on Bible studies, church ministry, missions and discipleship programs. Studies can vary from shorter weekend courses all the way to full Bachelors and MA level degree programs. Currently the degree programs are validated by Alphacrucis College, Australia.

This section will examine the different business aspects of IK College from a marketing perspective, to create a company analysis.

### 3.2.1 Customer analysis

#### *Customer analysis*

To gain a better understanding of the target market, a clarification of the target customer must be made. The defining factors in the case of IK College are age, background, life situation and goals of the customer.

The target customer for IK College, is an adult anywhere between 18 and 40 years old, who wishes to conduct in-depth studies on the bible. This can happen in various forms and lengths. Because any student attending the College will gain government benefits, they don't differ in any way from normal students. This also proves to be the largest challenge for the College, as they have to compete with prospective students choosing between IK College, and another public college.

The separating factor is that IK College, has been setup by the Pentecostal movement in Finland, and therefore most of the students that come there are also from a Pentecostal background. This narrows the market immensely. According to recent studies, there are only about 45000 Pentecostals in Finland currently. Factoring in the ages in where most people look to be students that number becomes considerably less.

Lastly any prospective student generally attends IK College for one of two reasons.

1. They are looking for a career related to missions, teaching or ministry.
2. They are looking for spiritual confidence, understanding of the bible, or a better foundation in the Christian beliefs through studying the bible meanwhile pursuing a career in another field. Either through a gap year from another educational institution, or taking a break from work. Attendance may also occur due to not finding either: a college to attend, or a suitable employer.

The previously laid identification of the target customer creates a very small and tight market in which IK College consists of. Largely due to the size of the prospective customer market. It also creates a market where it is difficult to locate the customer, as the customer's situation must be quite specific for IK College to prove a suitable option. Creating suitable marketing material and channels which reach the customer can prove to be difficult and a challenge that is not easily overcome. An effort to identify the best suitable marketing channels and methods could prove greatly beneficial to the College to most effectively and consistently reach their customers. Especially demographic segmentation could give additional clarity in which area to focus marketing.

### 3.2.2 Market analysis

#### *Market orientation*

During the research of IK College, some staff members were interviewed to gain better knowledge about the brand, marketing and especially internal attitudes towards these two subjects. Because there aren't available tests which could be taken to test how effective or how good a brand is, a market orientation assessment was conducted in replace to the interviewees. A market orientation assessment was chosen because the customer plays a big role in an effective brand. The assessment can be found attached in the appendix.

The questions are based on giving information the businesses attitude towards different areas: customers, competitors, long-term perspectives, interfunctional coordination and organisational culture.

On average, out of a score of a 100, the interviewees scored 50.5. According to the interpretation given with the assessment, the results indicate that IK College has a “long way to go in developing a market orientation”. (Hooley et al. 2012, 12)

The highest scores appeared customer orientation, where the answers represented 65% of available points. This indicates that the company is attempting to be customer orientated. The College also regularly assessed customer satisfaction to improve areas which needed more focus according to students.

In turn the lowest scores were scored in organisational culture. Scores were especially low in employees recognising their role in helping to create satisfied end customers and senior management setting priority in discussing these issues.

### *Demography & Segmentation*

The market can be analysed from different viewpoints. First analyzation will be made from a larger view, consisting of entire Finland.

Pentecostal Christians based in Finland: 45000

Around 37.9% of the Finnish population are between 25 – 54 years of age, which is within the target age, although slightly higher from both ends which the College looks for in a student. (Index Mundi) Comparing this with the amount of Pentecostals, it results in a market of roughly 15 – 16,000 people within the age restrictions. It should be noted that rarely are students older than 40 years old. Lowering the size of this market number considerably.

Secondly from a segmentation point of view, the target market can be looked at geologically. IK Helsinki, will be opening up in the capital. Therefore the only market needing considerable focus is Helsinki. Dividing the country also to smaller specific markets, will provide additional focus and specifics in regards to the needs of marketing and branding within that market. Even though IK Helsinki is not closed to students from outside the

capital, it is expected that the largest portion of customers will be from within the city, and thus the focus of marketing.

IK Helsinki will be located in eastern Helsinki. Due to fluent public transportation, this sight should be accessible from most locations in the Helsinki area quite easily, and the location in itself should not disregard for any markets within Helsinki. However, additional focus to churches near the new location could provide with added relationships, cooperation and customers in the future.

### 3.2.3 Competition analysis

The main contenders within the market are other Universities, Tulisielu, YWAM and courses provided by local churches.

#### *Universities*

Universities and other degree providing educational institutions provide the largest competition, due to their offer of a career. A large portion of IK College's courses are full time, and thus forcing to choose between one and the other and resulting in a career choice. Attending both is possible and many do so but not simultaneously, instead successively. Both IK College and universities offer degrees, therefore the student has to make a career call in which career they would like to pursue, and what university offers the closest education.

#### *Tulisielu and YWAM*

Tulisielu and YWAM are mission organisations providing discipleship courses. These courses are usually fulltime anywhere from 3 – 6 months which includes a mission trip to another location, usually out of the country. The purpose of these courses is to get closer to God, gain theoretical knowledge and have a mission trip where the goal is to help locals in one way or another. These courses are direct competitors to a course provided by IK College called FOLLOW, which consists of the same format.

### *Local Church Programs*

The larger Pentecostal and other churches in Finland also provide some of their own theological courses and bible studies. Although IK Colleges courses are more in-depth, these courses will at times prove to be replacements to attending IK and the College has had to battle these competitors in the past, and will more than likely have to battle them even more in the future. As churches have the potential to grow, they might look to become autonomous, and self-preserving with regards to education. In the Christian movement the slightest theological debates can prove to be deal breakers between parties.

#### 3.2.4 Macro and Micro environment

The economy of the European Union has finally begun to hum again. So says the writer and analyst Geoffrey Smith, from Fortune. Manufacturing has risen to the highest in the area since 2011, the turn has been particularly strong in France and Italy. German business confidence hit an all-time high in June. The *Eurozone's jobless rate holding its lowest since 2009, at 9.3% of the workforce...a year ago, the jobless rate stood at 10.2%* (Geoffrey Smith, Fortune, June 13 2017) Additional confidence in the European Union gives the election of Emmanuel Macron as the new president of France, who is “pro-trade, pro-competition, pro-immigration and pro-EU.” (The Economist March 4<sup>th</sup>, 2017)

These promising indicators of rising trade in the European Union is important even to a smaller college like IK. IK College is largely dependent on additional government funding. The past few years have seen decreasing amounts in that funding due to the economic situation of the Finnish government. This year has shown that the Eurozone stands at a turn, and the future is brighter. This could also mean changes in government aids to smaller colleges, as their economy is better for it. According to Eurostat, unemployment in Finland has been decreasing since June 2015.

Further, the improvement in the economic state of the country will mean that the prospective students will have more in their pockets when choosing a focus of study. IK College as a target for a student, may require some savings. Therefore some students in the past may have been forced to choose to study elsewhere because of financial difficulties. The financial turn, could allow more students in the future to choose IK College as their own place of study.

### 3.2.5 SWOT Analysis

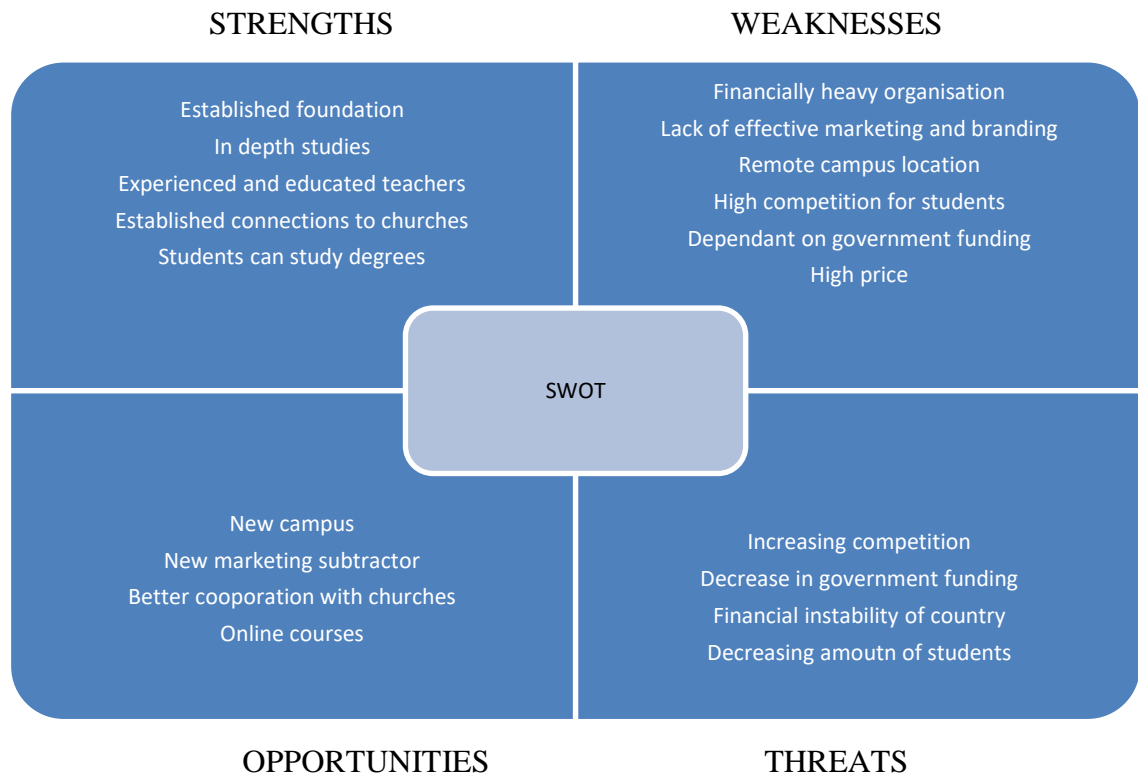


FIGURE 1. SWOT analysis of IK College.

### 3.2.6 Products & services

The main products of IK College are various college courses that it offers. Courses are of various levels, from MA and Bachelor's degree level courses to diploma and weekend courses. In addition to the educational courses, IK also offers various events, camping grounds, and venues.

### 3.2.7 Financial analysis

For the past seven years, IK College has had a steady marketing budget. The college has a marketing budget that has been stable around 0.4 – 0.7% of total profit. For the past 7 years varying from 17,000 – 25,550€ depending on the year and budget. The marketing budget has had small fluctuation, generally some thousands to either direction but rather insignificant. In 2016 this budget had a slight increase of 0.2% and 7000€. This would

indicate a small change in mentality towards marketing, and an attempt to increase its overall value.

In addition to the marketing budget, IK College has distributed hours from teachers in marketing. On average these hours varied from 0 – 50 hours, depending on the teacher and their role. Compared to overall work hours of one semester (840-880) this amount related to be between 2 – 3% of the work hours for half a year.

The marketing budget at IK College is very small when compared to usual modern businesses. Generally it is suggested that new businesses have a marketing budget of 10-25% of total profit, already established businesses should have a marketing budget of 5-10% of total profit. Laurel Mintz, the founder and CEO of *Elevate My Brand*, suggests that established brands should have a marketing budget of around 6 to 12%. (Entrepreneur, 17.6.2016) This is because these more established businesses already have their name and brand known to the market. The size of IK Colleges marketing budget is a very important indication of the companies' priorities. With a marketing budget of under 1% it is hardly possible for the marketing personnel to achieve the possibilities that marketing offers.

When a marketing personnel was interviewed, it revealed that IK College has not given much funding into marketing or even more importantly, marketing research. Very little research had been conducted to determine the target customers and future students of the college. When the environment is changing quickly in the business, it is important to constantly keep track of who the customer is and how the market will change. (Omar 2009, 35) As an example; in Finland, due to the economic recession, a lot of the financial aid that was available for students have been withdrawn. The marketing department needs to be able to study and keep track of markets, to be able to meet the demand, and find new markets. Without these opportunities, the changing markets will leave the college without the ability to react. Over the past 5 years, IK College has seen a large demise in the amount of students. A larger marketing budget could allow for the hiring of new professional personnel who could study the causes and suggest changes.

## 4 APPLICATION OF THEORY

### 4.1 Core values

The values are created to form a basis for all company operations. They should be known for all employees and through them the students.



FIGURE 3. IK Helsinki core values

These four values have been chosen because they best define the College in its many forms.

#### 4.1.1 Education

The main purpose of IK is to educate Christian students. IK College offers various different types of courses and classes for students. IK Helsinki will also aim to give a variety of courses in the future, and because of this education has been chosen as one of the core values. The whole College was created to offer education that was not available earlier, this makes it an essential core value.

#### 4.1.2 Devotion

Devotion as a core value is chosen because while the College aims to be an Institution based on Academics, an important aspect of the College is also devotion to God. For students this includes different types of activities during studies which are aimed to help improve the relationship with God. Teachers are also encouraged to include activities and time in their courses to devotion with God.

#### 4.1.3 Community

Community is an important aspect of the College. IK College aims to serve all types of churches in Finland with their education and weekend courses, and this can also be seen with the cooperation they conduct with many local churches. They have a strong relationship with the local church in Keuruu, and their new off campus in Helsinki is also strongly based on cooperation and community with the local churches there. The local churches of Helsinki were a big part of the planning and decision making process to create the new off campus.

#### 4.1.4 Leadership

Leadership is a part of IK College in two ways. Leadership is included in the curriculum and a large part of the education offered at the college. Secondly IK College aims to lead in the market by offering the highest level of theological education.

Teaching leadership is an important feature of the education given at IK College. The basic level bachelors offered at IK College is in theology and ministry. Ministry requires leadership skills as a portion of the students go on to become pastors.

Launching the new off campus is also an opportunity for the IK brand to take on new features. If the college could act as a leader in its own market, it would give it an edge compared to other competitors.

## **4.2 Mission statement and business plan**

### 4.2.1 Mission statement

IK College is a Finnish graduate school of Christian Studies, devoted to offer a high standard of academics to a new generation of Christian leaders.

The mission statement is created to give a precise description of what the main beliefs of the College are and what their purpose is. Any new student in Helsinki who is interested in studying at the College could quickly look up and understand what the ethos of the school is through the mission statement.

The mission statement also includes in it a marketable value. It serves staff and students alike to attract new prospective students. It is important to be able to simplify the purpose and beliefs of a business to one idea.

### 4.2.2 Business plan

The business plan of IK College is based on two larger bodies: IK College which is in charge of education, and IK RY. The two bodies work together to form IK College as a whole. The College also receives government aid as a public school.

IK RY's main purpose is to provide additional income for the College in various forms of services. Some of the different services and products offered are for example: camping grounds, events, event tent renting, cabins, restaurant services, and also hotel services. The services take advantage of the Colleges own property, and buildings to maximise profit and upkeep costs.

### 4.3 The customer

The main target customer of IK Helsinki is any individual between the ages of 18 and 40, however prioritising 18-25 year olds, who is looking to keep a gap year or otherwise without a university spot. Most of the students attending IK are students who have not received a place in the University of their choosing, or have chosen to take a gap year. Some of the students are however older and already have their degrees or are otherwise employed, but are looking to further their biblical knowledge through in depth studies.

While the large array of customers can be difficult to pinpoint to a certain demographic, it would be in the College's best interest to focus on the young. This is because it is easier at a younger age to influence the decisions of prospective students and to appeal to them to attend IK Helsinki. Helsinki is also known as a student city, with a large population of young students. 84% of students between the ages of 16 – 24 also travel abroad. This demographic is an enormous opportunity for IK Helsinki as their main course 'Follow' is based on including a student trip abroad. (the guardian)

With regards to branding the demographic of students has the biggest impact on the visual design and the way the brand is marketed. Young adults are more inclined to like brands with a strong sense of purpose and visual appeal. Social media is the most common platform that young adults use. It is also the cheapest form of marketing which makes it cost effective for any company, and especially to IK Helsinki due not having the option of spending large amounts on traditional marketing methods.

## 4.4 Capability

### 4.4.1 Improved connection to local churches through off-campus

IK Helsinki's unique new position gives it a possibility of creating first-hand connection with the local churches in Helsinki. Previously, the remote location of IK College has acted as an obstacle to fluent cooperation with local churches. Regardless of the strong ties they have to the Finnish Pentecostal Church community. Having local courses in Helsinki will provide a possibility to strengthen ties with any local churches, and to offer new and improved cooperation which will benefit the College. Churches in Helsinki have been reluctant to finance or encourage students to attend IK College, because sending students to Keuruu is costly. IK Helsinki offers the College to offer the same education but now much closer to the churches in Helsinki. Helsinki as a location is important because there are many churches located in the city and its vicinity.

### 4.4.2 Online courses

Recently IK College has taken its first steps into offering online courses to students. If IK College were to successfully fashion online material, it would generate a larger market and customer base. Currently the remote location of the main campus is one of the main reasons many don't attend IK College. Having lectures and material online, would enable students to attend the College without having to travel long distances or to move to Keuruu. Currently there are some weekend seminars that are offered, which are a workaround to attending the College full time.

With the case of IK Helsinki, online studying could be a solution that could persuade many to attend the College. Living in the capital can be expensive, and most adults need to work or study full time to be able to cover living expenses with either pay, or student support from the government. Full time studying is not an option to those who are working daytime, therefore evening studies in the form of online studies could work as a new form of classes.

#### 4.4.3 Structure to innovate

IK College, although a heavy structure, has the longevity to plan and innovate for the future. A factor which can in many ways differentiate it from the rest of the competition.

Most of the other competitors in Finland have the following articles in common:

- Smaller budgets
- Don't possess their own buildings, as most rent or share with another organisation
  - But are mobile, able to move locations quickly to follow need
- Limited staff
- Generally work within their own Christian movement
  - IK College has the ability to work across movements
- Don't offer online courses

#### 4.4.4 Structure for long term strategies

Because of the structure and foundation in place at IK College, due to the longer history. They are able to make plans and strategies connected to branding and business which are longer than those of its competitors. This could include 5, 10, 15 year plans for example. Most of the competitors are smaller, therefore they live in shorter term and have shorter visions. It makes the competition more mobile, but reduces their chances to plan for the longer term.

Currently one of the larger problems at IK College is that lack of plans and strategies for the longer term. Creating a branding and marketing strategy for long term, could clarify the core principles of the company.

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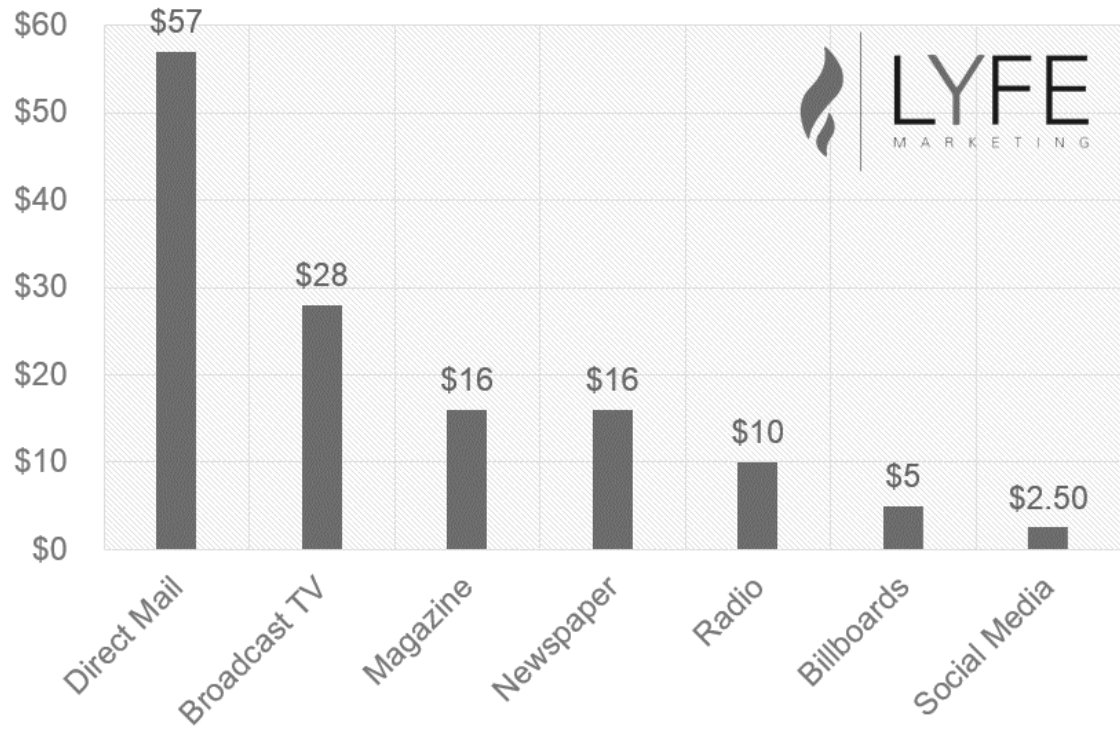
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**APPENDICES**

Appendix 1. Marketing cost comparison of various media channels



## Appendix 2. Market Orientation Assessment

1(2)

## Customer orientation

1. Information about customer needs and requirements is collected regularly
2. Our corporate objective and policies are aimed directly at creating satisfied customers
3. Levels of customers satisfaction are regularly assessed and action is taken to improve matters where necessary
4. We put major effort into building stronger relationships with key customers and customer groups
5. We recognise the existence of distinct groups or segments in our markets with different needs and we adapt our offerings accordingly

## Competitor orientation

1. Information about competitor activities is collected regularly
2. We conducted regular benchmarking against major competitor offerings
3. There is rapid response to major competitor actions
4. We put major emphasis on differentiating ourselves from the competition on factors on important to customers

## Long-term perspectives

1. We place greater priority on long term market share gain than short-run profits
2. We put greater emphasis on improving our market performance than on improving internal efficiencies
3. Decisions are guided by long-term considerations rather than short-run expediency

## Interfunctional coordination

2 (2)

1. Information about customers is widely circulated and communicated through the organisation
2. The different departments in the organisation work effectively together to serve customer needs
3. Tensions and rivalries between departments are not allowed to get in the way of serving customers effectively
4. Our organisation is flexible to enable opportunities to be seized effectively rather than hierarchically constrained

## Organisational culture

1. All employees recognise their role in helping to create satisfied end customers
2. Reward structures are closely related to external market performance and customer satisfaction
3. Senior management in all functional areas give top priority to creating satisfied customers
4. Senior management meetings give high priority to discussing issues that affect customer satisfaction

Each question is worth 5 points, and any answer was rated from 0-5 points depended on the answer in the following manner:

1. 5 points for strongly agree
2. 4 points for agree
3. 3 points for neither
4. 2 points for disagree
5. 1 point for strongly disagree
6. 0 points for don't know

## Interpretation

80 – 100 indicates a high level or market orientation

60 – 80 indicates a moderate market orientation

40 – 60 shows a long way to go in developing a market orientation

20 – 40 indicates a mountain ahead

Source: Hooley et al. 2012. 10-12