



# **Market Penetration of a Finnish Start-up Operating as an Online Marketplace for Freelancers**

Donat Viktorov

BACHELOR'S THESIS  
November 2020

International Business

## **ABSTRACT**

Tampereen ammattikorkeakoulu  
Tampere University of Applied Sciences  
International Business  
Marketing

DONAT VIKTOROV

Market Penetration of a Finnish Start-up Operating as an Online Marketplace for Freelancers

Bachelor's thesis 48 pages, appendices 7 pages

November 2020

---

### **Abstract**

The evolution of technology has led to digitalization of the world, which contributed to the creation of new modern forms of employment. Today, self-employment has become more popular than ever before. There are online markets and mobile applications that facilitate the possibility of working as an independent employee e.g. freelancer.

The commissionaire of this thesis is a start-up company that provides a digital platform which operates as an online marketplace for self-employed community. Their objective is to enter the market of Finland and gain popularity and reputation amongst the target group consisting of freelancers, students and entrepreneurs. Therefore, the main research question of this thesis was how to successfully penetrate the market of Finland in the field of self-employment to secure a solid market share? Author used various books, articles and online sources as well as quantitative and qualitative research methods for data collection.

The findings indicate that this market has a great potential for growth. Results of the survey that targeted business students showed, that majority of respondents would consider freelancing, providing they got more information on the topic. The market analysis indicates that currently there is no major competition amongst companies that provide similar services for freelancers as the commissionaire. Freelancing is said to be the fastest growing form of employment in Finland which is why it is a good time to penetrate that market.

The recommendation regarding the marketing strategy for the commissionaire is price adjustment and augmented promotion using the repetition advertisement technique through social media channels. Different events related to Finnish universities such as fairs have a great potential for marketing opportunities since it creates extra exposure to advertisement which influences more potential end-users, increases brand awareness and builds good reputation for the company. Suggested social media channels to use in order to reach the potential target group based on the research are Facebook, Instagram, YouTube and Google.

---

Key words: Freelancing, self-employment, digital platform, online marketplace, market penetration

## CONTENTS

1	INTRODUCTION .....	4
1.1	What is freelancing.....	5
1.2	Digital platforms .....	5
1.2.1	Billing services.....	5
1.2.2	Online marketplaces.....	6
1.3	Tekijä Työväily Oy .....	7
1.4	Thesis topic and research question.....	8
1.5	Methodology .....	9
2	THEORETICAL FRAMEWORK .....	11
3	FINLAND AS A TARGET MARKET .....	13
3.1	Freelance in Finland.....	13
3.2	Competitors.....	14
3.3	Observation of quantitative and qualitative analyses .....	16
3.3.1	Survey for students.....	16
3.3.2	Survey for freelancers .....	22
3.3.3	Phone interviews .....	25
3.4	PESTEL analysis .....	26
3.5	SWOT analysis .....	30
3.6	Market penetration .....	31
4	CONCLUSION .....	33
4.1	Suggestions .....	34
4.2	Limitations.....	37
	REFERENCES .....	38
	APPENDICES.....	42
	Appendix 1. Phone interview with Person no. 1 .....	42
	Appendix 2. Phone interview with Person no. 2.....	43
	Appendix 3. Phone interview with Person no. 3.....	44
	Appendix 4. Phone interview with Person no. 4 .....	45
	Appendix 5. Phone interview with Person no. 5.....	46
	Appendix 6. List of questions of Survey for students .....	47
	Appendix 7. List of questions of Survey for freelancers .....	48

## 1 INTRODUCTION

We live in the world that is in a constant change. Technology has advanced rapidly during the past 20 years, which has also changed the way we consume life. Today it is possible to answer practically any question with the help of a smartphone or a computer. People can order food, send or receive e-mails, pay bills or watch a movie using only their smart devices. Even working from home has become a regular thing amongst people, especially now during the times of global pandemic.

With the development of modern technology, new forms of employment have occurred. For instance, self-employment through digital platforms such as social media platforms or some other platforms that specialize in employment services have become more common. A phenomenon called “freelancing” has made entrepreneurship seem much easier and less risky has gained more popularity. Freelancing means being self-employed and specializing in some particular field of work providing services to different customers and organizations (Cambridge Dictionary 2020).

In Finland, freelancing is called ‘light entrepreneurship’ due to its’ form of employment being similar to entrepreneurship but without needing a business ID or having to carry same responsibilities as an actual company owner. According to Uusityö.fi (2020), freelancing is currently the fastest growing form of employment in Finland.

The commissionaire of this thesis is a start-up company operating as a digital platform that provides opportunities for self-employed workers to sell and market their services in an online marketplace. Platforms of such kind have already been popular for some time in countries like United States and United Kingdom (Gilchrist 2019).

## **1.1 What is freelancing**

The definition of freelancing means being self-employed and working for various customers or organizations. A freelancer specializes in some particular profession and usually does gigs e.g. one-time jobs without being dependent on one particular employer. Freelancing can be compared to being a small business owner with less responsibility. (Cambridge Dictionary 2020)

The main differences between being a freelancer and being an entrepreneur is that as a freelancer you don't have to deal with the same responsibilities and risks. Unlike entrepreneur, a freelancer doesn't need a business ID to operate nor start-up money. A freelancer doesn't have to worry about insurances, deductible costs, accounting or basically any frustrating bureaucracy that entrepreneurs have to deal with.

## **1.2 Digital platforms**

According to Information Technology & Innovation Foundation (ITIF), digital platform can be explained as an online business that provides a place for commercial interaction between two or more parties. These parties usually consist of suppliers and consumers. (ITIF 2018)

### **1.2.1 Billing services**

In Finland, people who practise freelancing are usually divided into two groups; wage earners and entrepreneurs. Different billing services have their own terms and conditions but most of them treat freelancers as wage earners in which case the billing service operates as the employer. There are also billing services that provide freelancer with a business ID in which case the freelancer operates officially as entrepreneur e.g. freelancing with a trade name. (Bisnes.fi 2018)

## **Ukko.fi**

Ukko is a leading platform amongst all the Finnish billing services. It has over 100 000 registered users which makes it the biggest platform in this field of business in Finland. From the market perspective, Ukko possesses the biggest market share of all similar platforms in Finland. Ukko doesn't provide freelancer with business ID. (Ukko 2020)

## **OP-kevytyrittäjyys**

OP-kevytyrittäjyys or translated in English OP-freelancing is an example of a similar billing service as Ukko.fi but with a slight difference. OP provides freelancer with a business ID e.g. trade name which makes freelancer officially an entrepreneur. OP-group is Finland's biggest finance group and has over 4 million customers in total (OP 2020). Currently they have around 15 000 people using their form of freelancing. (OP-kevytyrittäjä 2020)

### **1.2.2 Online marketplaces**

There are also digital marketplaces for freelancers where they can create accounts in order to attract new customers and increase their revenue by acquiring more gigs. These platforms provide freelancers with an opportunity to market themselves in exchange for a certain amount of commission fee.

Fiverr is one of the biggest platforms worldwide in this field of business. This platform is a good example of how this type of marketplace operates. On their website, one can find plain and simple guide for how this platform works. Basically, there are three steps; register as a user, put up an ad about your specialization and find yourself a customer. For every transaction Fiverr takes a certain percent of commission fee. (Fiverr International Ltd. 2019)

### 1.3 Tekijä Työnvälitys Oy

The commissionaire of this thesis is Tekijä Työnvälitys Oy, a company that provides an online marketplace for freelancers and entrepreneurs in Finland. This online marketplace operates as a digital platform that provides freelancers, entrepreneurs or any other self-employed people an opportunity to market themselves and offer their services to different customers and organizations. (Tekijä 2020)

The main objective of this company is to penetrate the market of Finland and secure its' place as trusted and favoured platform amongst local freelancers, students and entrepreneurs. The ultimate goal is to become the biggest web-based platform in Finland that provides employment services through network. In order to achieve this goal, the company will need to create a strong reputation for itself by investing in quality service. Great service builds trust and will help with creating long-term relationships with customers and companies. One of the main missions of Tekijä is to expand the culture of freelancing in Finland and thereby support local entrepreneurs and sole traders. By supporting domestic labour system, the company is aiming to build itself a strong reputation and gain the trust of local society.

After the market is penetrated, commissionaire plans to establish a partnership with one of the leading companies in billing service industry in order to expand company's distribution channels and gain more popularity. As previously mentioned in the text, Ukko.fi is the biggest billing service company in this field in Finland, therefore it is the perfect option for collaboration. In case the partnership is not possible with Ukko, the company will proceed to search for another company that would be interested in collaboration.

The vision of the company is to expand abroad once the domestic market is secured. The concrete country that is targeted is Estonia, due to its' geographical convenience and long history of employment relationship with Finland. According to the commissioner, there is no similar market platforms in Estonia yet, which is another indicator of a good potential for this market entry.

#### **1.4 Thesis topic and research question**

The topic of this research paper is to analyze the market of Finland in the field of freelancing and entrepreneurship to create a successful market penetration strategy. The aim is to find the best approach for penetrating the market and establishing an effective marketing strategy for company Tekijä.

The research question for this thesis is “What is a good and effective approach for market penetration to gain popularity and reputation amongst freelancers and entrepreneurs in Finland in order to gain a solid market share?”. In order to answer that question, it will be necessary to investigate the behavior of the selected target group and find out their needs and wants. For this, the author will explore literature on this topic and use different tools to gather data from the selected target group. The author will use Ansoff’s Matrix as a theoretical framework in order to determine the market situation and choose the appropriate market entry strategy.

The research will also concentrate on determining the demand for freelancing in Finland amongst business students as well as what social media channels do should be used for marketing purposes. These questions will be used as sub-questions to find out how informed and interested business students are overall about freelancing and what are the best social media platforms to reach them in terms of marketing.

## **1.5 Methodology**

### **Quantitative research method**

Quantitative research method is an empirical investigation which observes the numerical data for statistical analysis. The quantitative research is mostly conducted via surveys/questionnaires that contain closed-ended questions. The extracted data results are analyzed to have clear numerical data statistics on the issue that is being investigated. (Given 2008)

The first survey will be implemented in order to determine the demand for freelancing and entrepreneurship amongst the business students of Finland. The aim is to study their behavior and learn about their needs and opinions concerning the possibility of working as a freelancer. The survey will consist mostly of closed-ended questions with a few open-ended questions. This is the quantitative part of the research.

### **Qualitative research method**

Qualitative research method is the opposite for quantitative method since in this research method the focus is not on numerical data. In the qualitative research method, the point is to get the opinions and experiences of the respondents. (Bhandari 2020)

The second survey will be targeted at self-employed freelancers and entrepreneurs. This survey will consist mostly of open-ended questions with a few closed-ended. People from this target group already have experience in freelancing and entrepreneurship hence will be able to express their opinions on this matter based on their expertise. The aim of this survey is to find out what are the pros and cons of being a freelancer, which billing services are preferred amongst freelancers and for what reasons.

In addition to the surveys, there will be a fixed number of participants that will be interviewed via telephone call. This part of the qualitative research method is conducted by one-on-one phone interviews using open-ended questions.

**PESTEL analysis**

PESTEL analysis helps the company with determining all the external factors that may affect the organization. These external e.g. macro forces are the ones that the company should be aware of before doing any major decisions regarding the market entry. If the company hasn't done the analysis of the macro-environment factors, it may face many obstacles and threats that can have a huge negative impact on the company's success. The reason why it is called a PESTEL analysis comes from the acronym of the letters which stand for Political, Economic, Social, Technological, Environmental and Legal aspects. (Oxford Collage of Marketing 2020)

**SWOT analysis**

The SWOT analysis stands for evaluating your company's strengths, weaknesses, opportunities and threats. It is a technique used by companies to understand better the position of the company, what advantages and disadvantages it has and how to position itself going into the market. This framework helps the company to have a clear and realistic expectations while creating a marketing strategy considering all the factors that may or may not affect the end results. (Grant 2020)

In this thesis, the swot analysis will be implemented after quantitative and qualitative researches are done, in order to determine the company's competitive edge and what risks it may face while entering the market as a start-up company. Another important factor is determining the external factors affecting the organization. Therefore, PESTEL analysis will be implemented before SWOT.

## 2 THEORETICAL FRAMEWORK

### Ansoff Matrix

In 1957 Igor Ansoff introduced his marketing-tool 'The Ansoff Product-Market Growth Matrix' for the first time and published his article that contained this framework in the Harvard Business Review (HBR), titled "Strategies for Diversification" (HBR 1957). The Ansoff's matrix (Figure 1) consists of four different quadrants that serve as strategies for marketers who aim for growth; Market Penetration, Market Development, Product Development and Diversification.

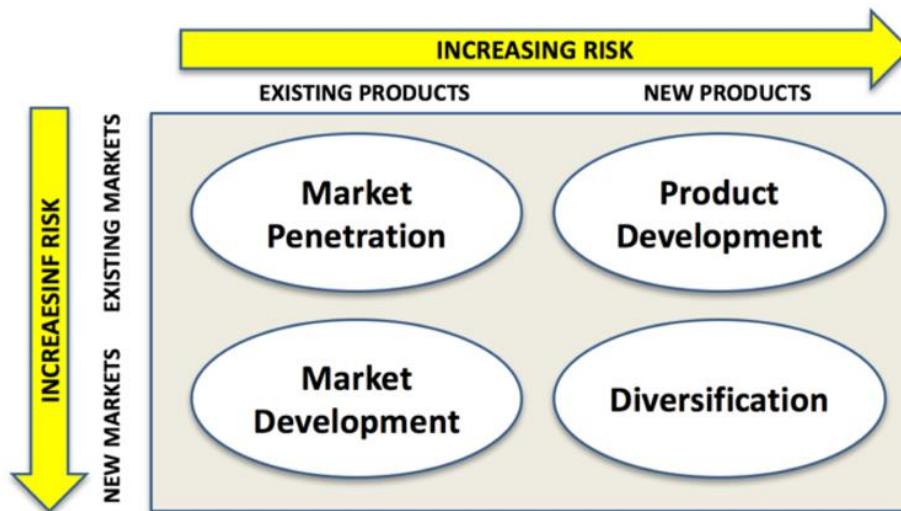


FIGURE 1. Ansoff Matrix (tutor2u 2020)

### Market penetration

Market penetration is a tool used to determine the size of the potential market and to measure the relation of how much a product/service is being used by the customers compared to the whole market in that field (Kenton 2020). This is the most efficient and least risky strategy out of the four presented in the Figure 1 when a company wants to increase their market share and generate more sales. According to Corporate Finance Institute (CFI), the techniques used in the market penetration strategy are usually price adjustment and increased promotion. Competitive prices will attract new customers and augmented promotion will help with spreading awareness and build the name of the company. (CFI 2020)

The market penetration rate is determined by using the formula presented in the Figure 2. Once market penetration is calculated, the rate is informed in percentages.

$$\text{Market Penetration} = \frac{\text{Current Sales Volume of a Product}}{\text{Total Sales Volume of a Product}} \times 100$$

FIGURE 2. Example of market penetration formula (CFI 2020)

### **Product development**

This strategy is based on developing and launching a new product into already existing market. It is usually used by the companies who have already secured their place in the market and are looking to develop new products to differentiate themselves from the competitors. There are several techniques to use this strategy; a company can invest into research and development department, establish partnership with other company to gain access to their distribution channels or merge with a competitor to create new product. (CFI 2020)

### **Market development**

This growth strategy is used when a company wants to introduce an already existing product to a new market. For instance, making a market entry into another country is one of the techniques. Another example of market development is acquiring new distribution channels or expanding into new customer segment. (CFI 2020)

### **Diversification**

Diversification means entering new market with a new product. Although it is said to be the riskiest strategy of all four, it can also have a great potential for increasing revenue. Diversification can be divided into two approaches; related and unrelated diversification.

Related diversification means that the new product that is being launched has some type of relation to the company's previous products. Unrelated diversification means that product has no relation to the previous products of that company. (CFI 2020)

### 3 FINLAND AS A TARGET MARKET

#### 3.1 Freelance in Finland

Statistics from Uusityö.fi (Figure 3) are showing that there were approximately 113 000 freelancers in Finland in 2018 and the estimation for 2019 was more than 150 000.

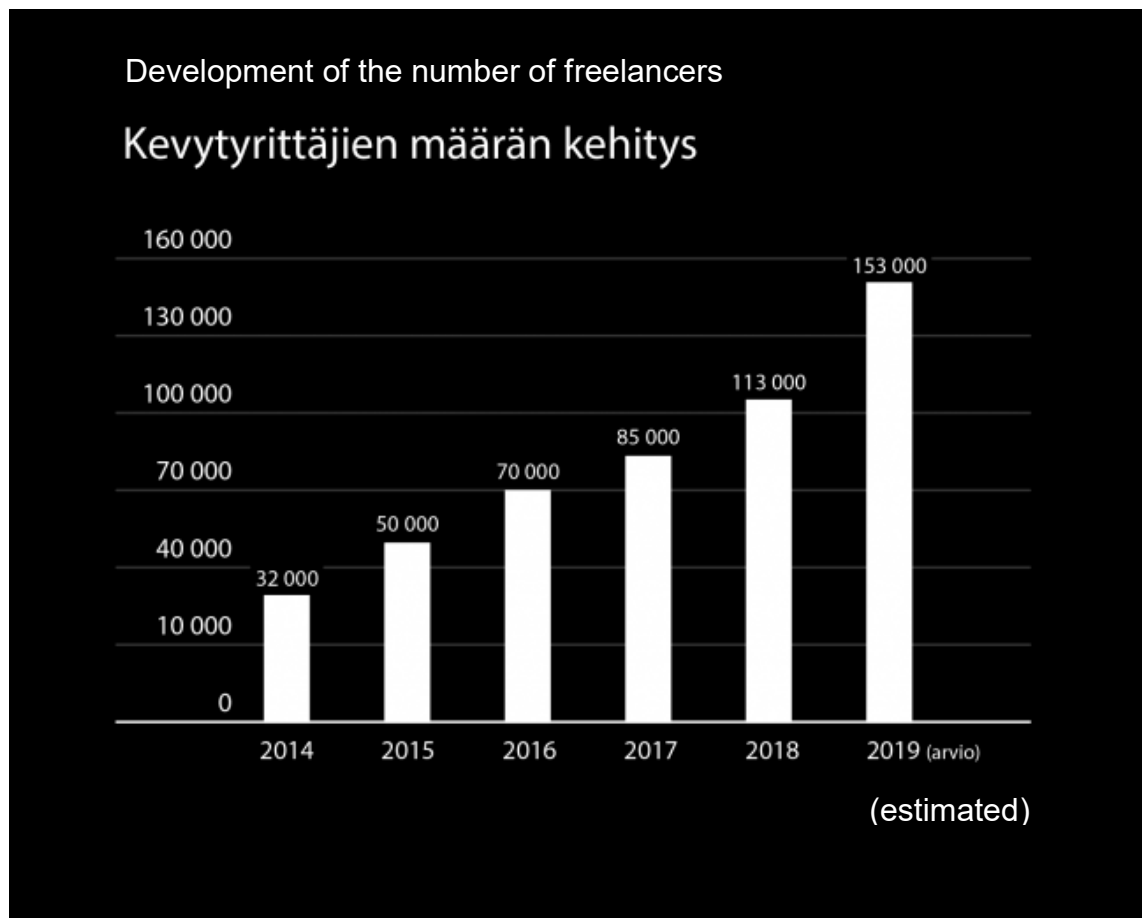


FIGURE 2. Freelancer volume development in Finland (Uusityö 2018 modified)

In Finland, freelancing is not an official term and thereby is not considered an official form of employment. That is why freelancers are usually divided into wage-earners and entrepreneurs. It is also not included in the official statistics of Finland (stat.fi 2020). Therefore, it is not possible to say the exact number of freelancers in Finland.

Different sources estimate from 130 000 to 160 000. Aleksi Rautavuori who is the CEO of Uusityö.fi stated on their website that there are over 150 000 registered users of billing services in Finland. (Uusityö 2020)

### 3.2 Competitors

The positive sign is that there aren't many competitors in this field yet. Foreign competitors that operate worldwide such as aforementioned Fiverr do not concentrate on the Finnish market and do not invest into promoting their platforms in Finland. This grants a great opportunity for Tekijä to emphasize the domestic qualities of their platform and differentiate itself from the foreign competitors by supporting the local labour system.

#### Free Talent

This online marketplace is a platform provided by the company Free.fi which operates mainly as billing service. Free is one of the two competitors with roughly 8000 registered users to their billing service. There is no valid data on the precise number of their marketplace users.

Free uses price adjustment strategy to market itself as a cheaper billing service for freelancers compared to other similar services. The comparison of the commission fees is listed in the table below (Table 1). The service fee is 5% for all the other services listed in the table except for free.fi. Their fee is 4%.

Billing Service	Service fee
FREE! (free.fi)	4%
Pooli	5%
Ukko.fi	5%
Odeal	5% (When turnover less than 60 000)
Eezy	5% (When turnover less than 75 000)
Omapaja	5% (When turnover less than 75 000)

TABLE 1. Comparison of commission fees of different billing services (Free 2020)

**Lookaid**

Another competitor that has just recently brought itself into the market is Lookaid. Lookaid is a company that operates as an online marketplace in the form of mobile application which has recently collaborated with the billing service Eezy. There is a page with Lookaid campaign on the website of Eezy. The campaign which lasted until 30.9.2020 granted all the customers of Eezy various benefits if they used a discount code mentioned in that post. (Eezy 2020). There is very little information about this application on the internet. Their mobile application is only available on Google play store but not in Apple store which is kind of strange. Tekijä should keep an eye on this company.

### 3.3 Observation of quantitative and qualitative analyses

#### 3.3.1 Survey for students

This survey was conducted in order to determine the demand for freelancing in Finland amongst business students. The survey was made in Finnish and English because some of the participants are English speaking students from abroad. The questions were the same for both language groups. The survey was distributed via e-mail to different groups of business students that study in TAMK. The purpose of this study was also to see how aware in general students are about freelancing and how interested they would potentially be in becoming a freelancer.

The survey also observes the opinions of people concerning the questions about entrepreneurship and how likely people from the target group would consider becoming one. Freelancing is considered as “light entrepreneurship” in Finland, hence why the survey contains entrepreneurship related questions. A total of 115 responses were gathered, 90 from Finnish speaking and 25 from English speaking students. Because of the language difference in the figures below, the blue colour represents English speaking students and red colour Finnish.

The figures will be presented in the same order as the questions were in the survey. The name and the number of the question that relate to the presented figure will be written below that figure. The questions that didn't have graphs/figures, will be simply written in bold and the text referring to that question will be written below the bold title. Only the relevant questions will be examined and analysed.

Participants were asked about their willingness to become entrepreneurs, in order to determine the general opinion of students about entrepreneurship and its' stereotypes. (Figure 5)

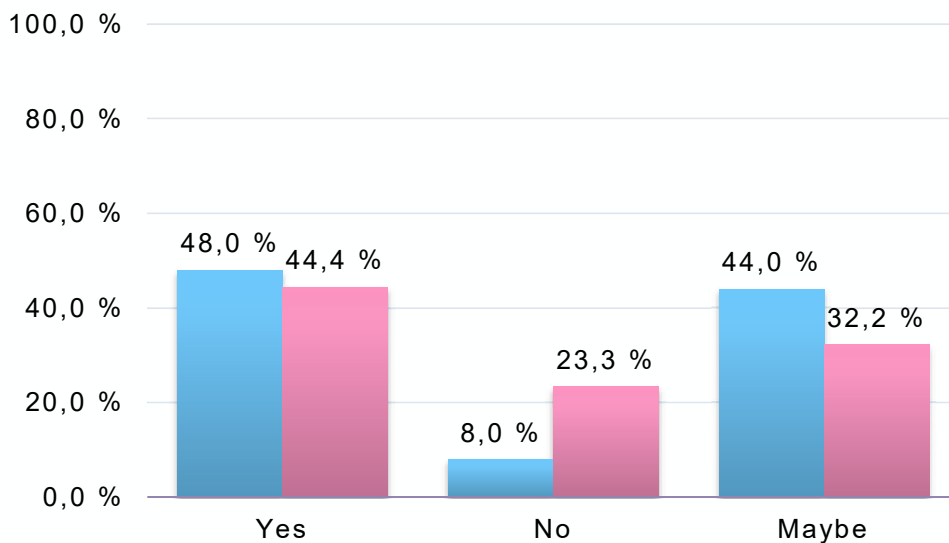


FIGURE 5. Willingness to become entrepreneur (Red = Finnish) (Blue = English)

Those who answered 'No' or 'Maybe' in the Figure 5 were asked to explain the reasons behind the answer in the next sub-question (Figure 6). Different reasons were presented in order to find out what is the most common reason for students not wanting to pursue a career as an entrepreneur

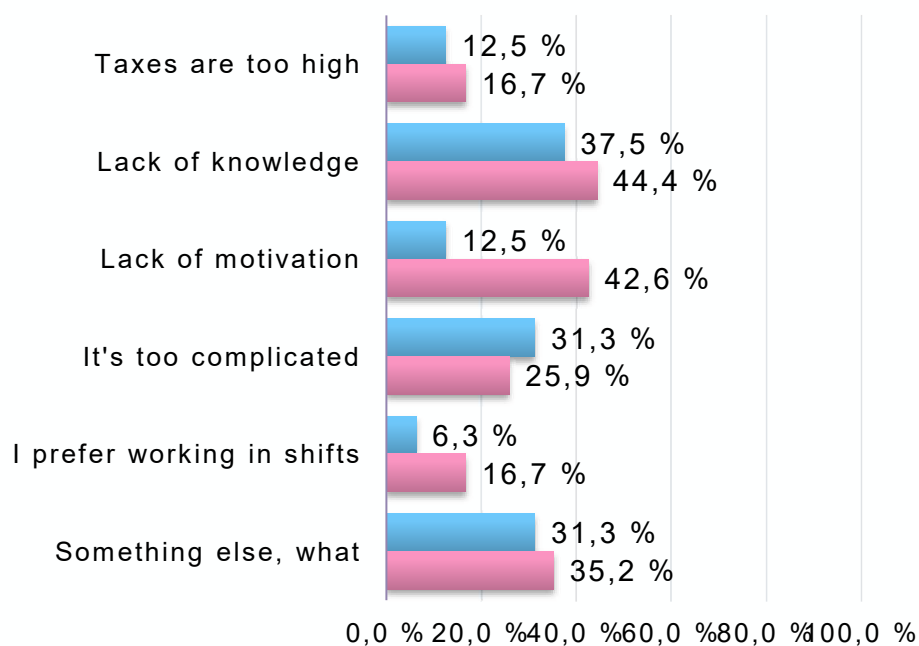


FIGURE 6. Reasons for not choosing to become entrepreneur (Red = Finnish) (Blue = English)

The main reason for not wanting was 'lack of knowledge' in both groups (Figure 6). Another factor that influenced the decision in the Finnish version was 'lack of motivation' (42,6%), which could be tied to the reason of it being "too complicated" and thus people don't want to bother looking into it. The percentage of the reason "taxes are too high" was positively lower than expected. The main reasons are easier to influence.

When asked about what would help respondents become freelancers, the most favourable answer was 'more knowledge on the topic'. It can be interpreted that spreading more awareness about this phenomenon and giving more information on the topic to the business students of Finnish Universities could increase the potential for freelancing in Finland.

To see which billing services are already known amongst students, the participants were asked to choose services they recognize (Figure 7).

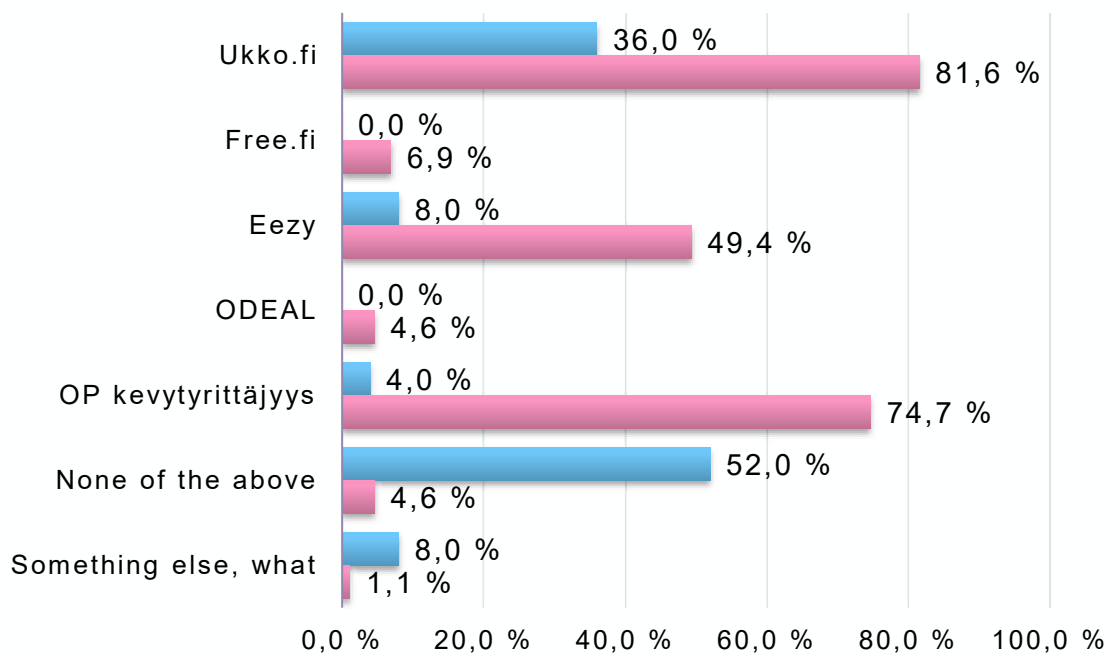


FIGURE 7. Most recognized freelance platforms amongst the respondents were Ukko.fi and OP kevytyrittäjyys (Red = Finnish) (Blue = English)

The main and most valuable question in this survey was how many of the respondents would be interested in freelancing. (Figure 8)

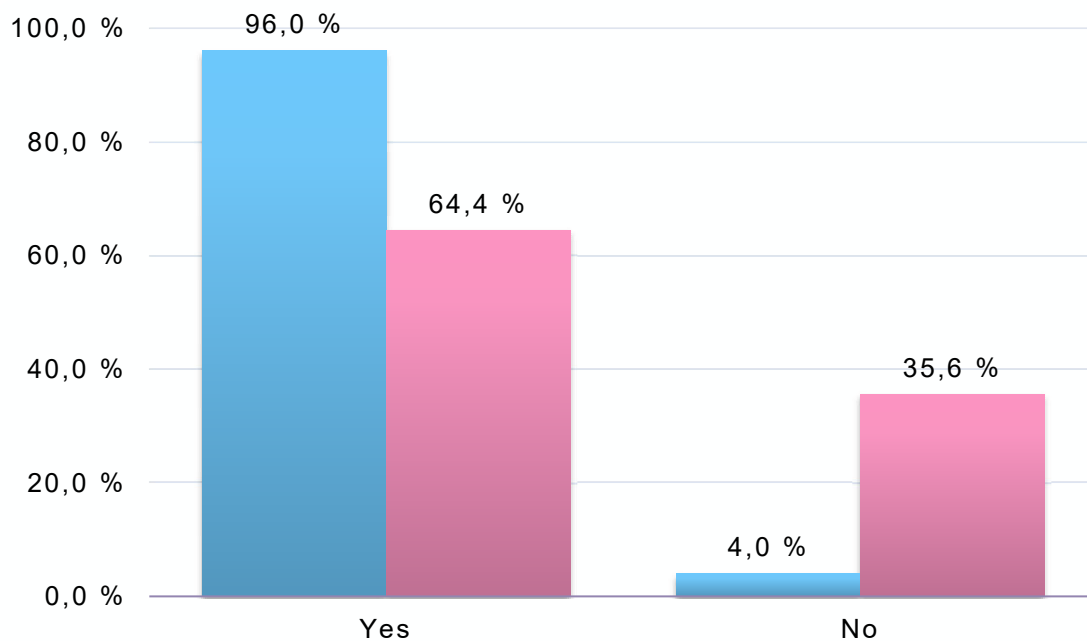


FIGURE 8. The respondents were asked whether they would be interested in freelancing (Red = Finnish) (Blue = English)

In both groups (Figure 8), the majority expressed their interest in potentially working as a freelancer in the future. The percentage for affirmative answer is relatively good considering that these students are future bachelor's and master's degree graduates and most of them are considering the option of freelancing. This implies that students are a good potential target group for the commissionaire.

To determine the most popular social media channels amongst the target group for marketing purposes, the participants were asked to choose the option they use the most. (Figure 9)

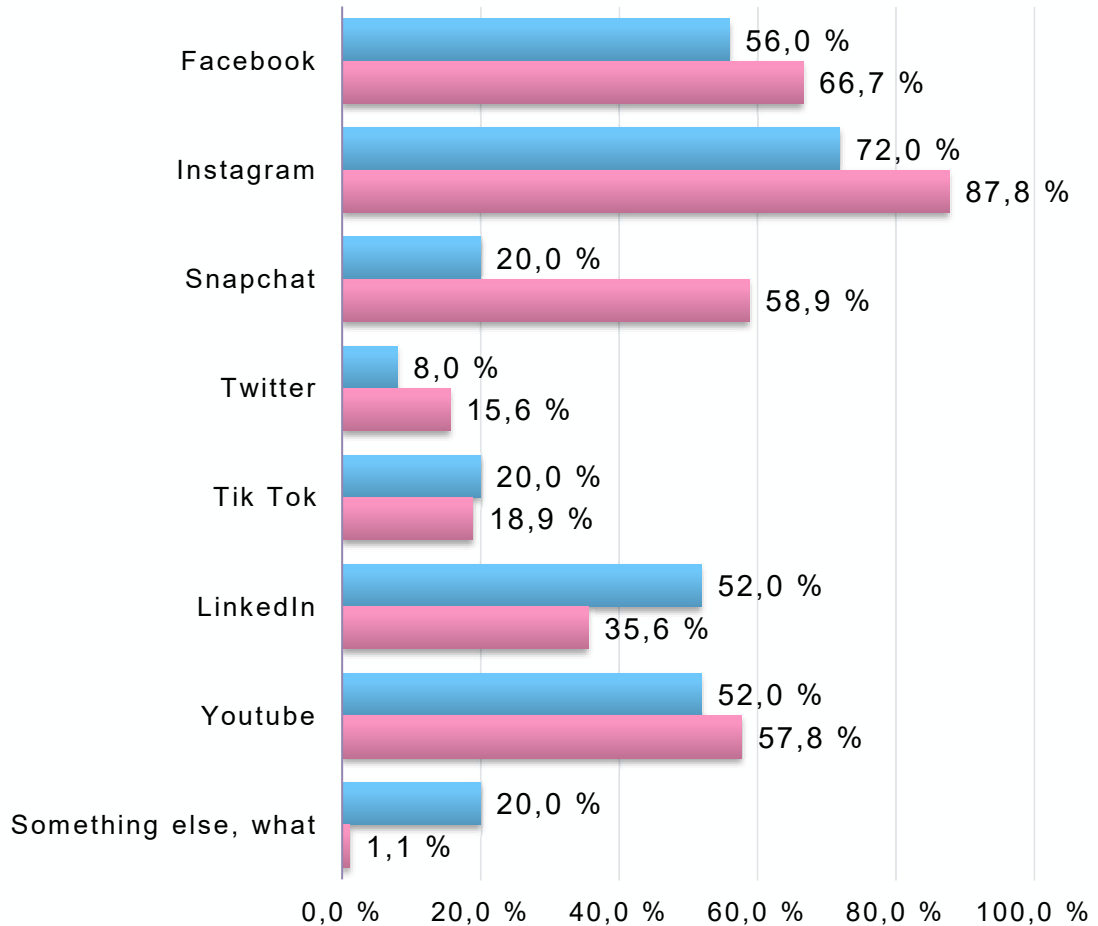


FIGURE 9. Most used social media channels amongst the respondents  
(Red = Finnish) (Blue = English)

The results support the data from the statistics of Statista (2020) mentioned earlier in the thesis. Most popular social media platforms amongst the target group are Facebook, Instagram and YouTube. This supports the commissioner's initial plan about using Facebook, Instagram and YouTube as the main marketing platforms. Snapchat was also one of the most popular ones amongst Finnish speaking respondents, but it may not be the best choice for marketing due to it not being as ad friendly as other mentioned channels.

This question was an indirect way of asking the respondents about their opinions concerning the platform of the commissioner. (Figure 10)

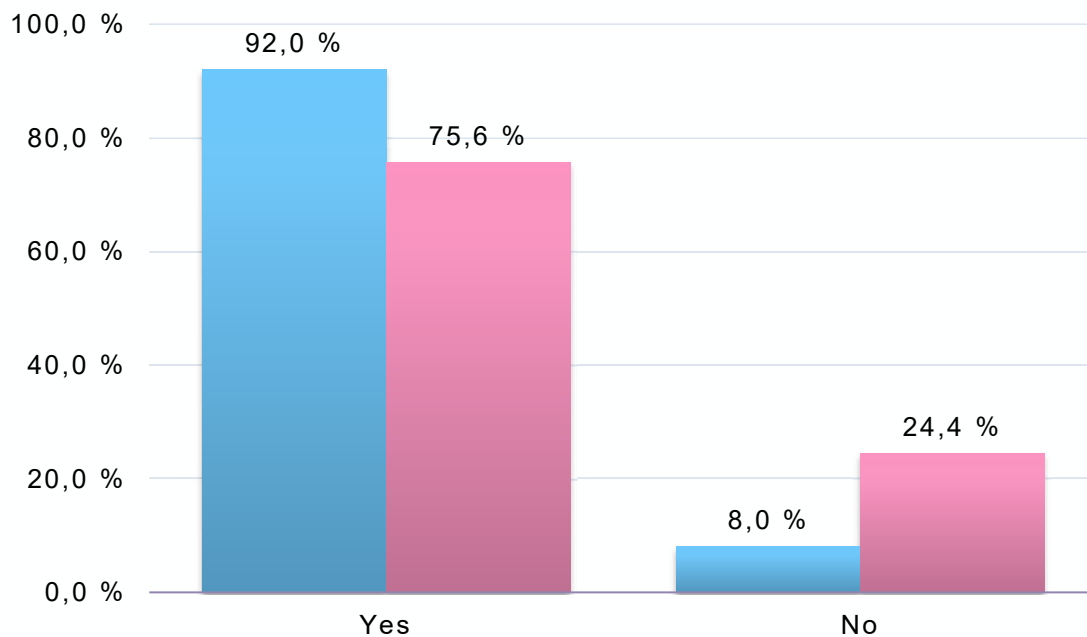


FIGURE 10. Respondents were asked if they would benefit from a digital marketplace where they can sell services/products as a freelancer or entrepreneur (Red = Finnish) (Blue = English)

### 3.3.2 Survey for freelancers

This survey was conducted in order to get more information about the current situation of freelancers and entrepreneurs in Finland. The survey consists mostly of open-ended questions in order to let the target group express themselves in the most explanatory way. A total of 19 responses were gathered from the survey. This survey adapted some elements from the similar survey made by ukko.fi in 2017.

The majority of the participants practise do freelance as their side-job (Figure 11).

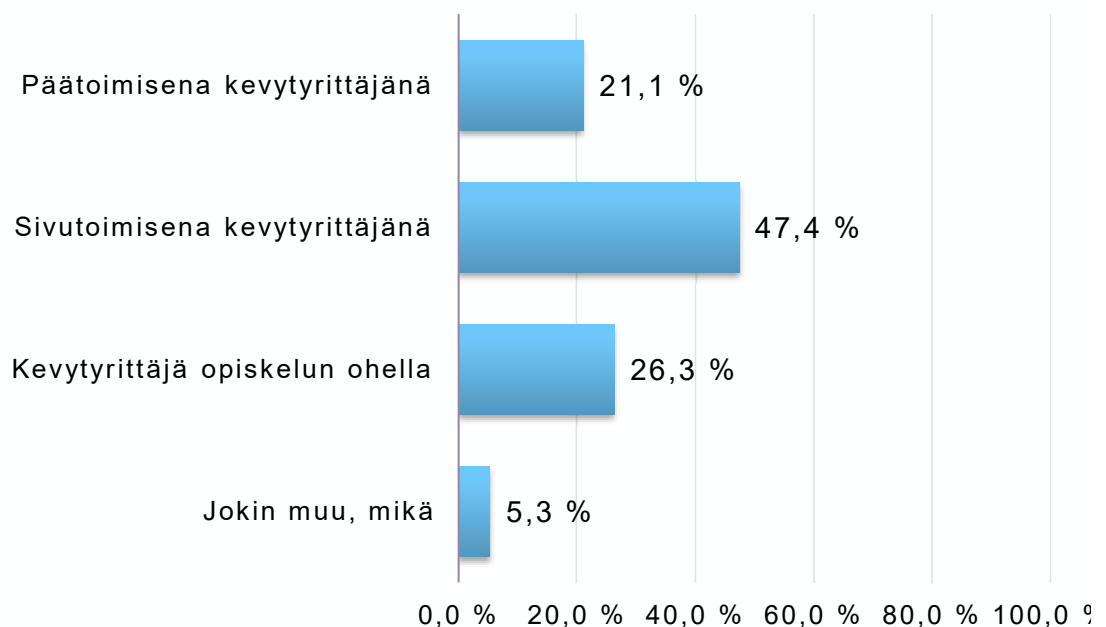


FIGURE 11. Current occupation

Translation of the options (Figure 11):

- Freelancing as the main profession 21,1%
- Freelancing as a side profession 47,4%
- Freelancing and studying 26,3%
- Something else, what? 5,3%

**“Why did you decide to become a freelancer?”**

There were given many different reasons for becoming a freelancer. New experience and passion for doing something you want was one of the reasons for some people to start their career as a freelancer. Some of the reasons were because ‘regular 9-5’ job is just too tiring and boring. For some people it is just some extra income alongside the main job and some people think it’s a better form of entrepreneurship. The reason that came up the most was that freelancing was the only way to be able to work in that field.

**“What kind of experiences have you had from freelancing?”**

Amongst 18 answers, there were 14 positive feedbacks, 1 negative and 3 in-betweens that mentioned positive and negative experiences.

Positive experiences were mostly about how easy freelancing is compared to actual entrepreneurship, not having to deal with the same problems as entrepreneurs but still be your own boss. The safety factor was definitely the one that was repeated several times.

Negative aspects were that freelancers are treated in some cases as regular workers and in some cases as entrepreneurs which sometimes results in many inconveniences for freelancers. One comment was that “Freelancing in Finland is as profitable as entrepreneurship, which unfortunately is not very profitable. The taxes and the pension fees are much higher than a regular wage earners’ even though the risks are way higher. Maybe this will change some day”.

Most of the freelancers use billing services to send invoices but some of them do it themselves and send invoices directly. (Figure 12)

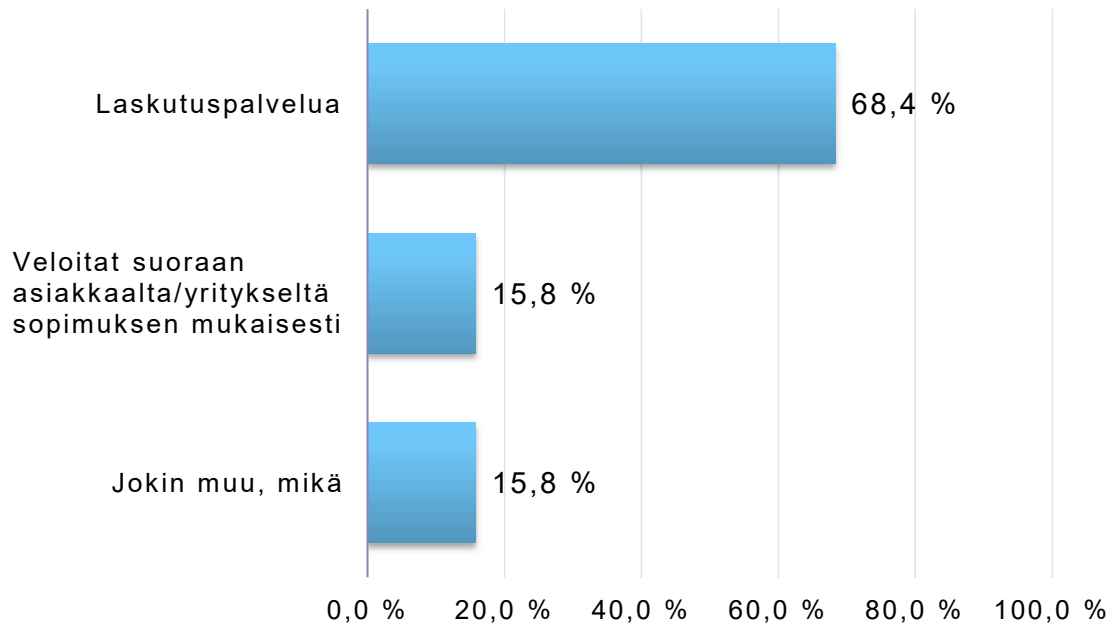


FIGURE 12. How many amongst the respondents use billing service

Translation of the options (Figure 12):

- Billing service 68,4 %
- Charge customers/organizations directly 15,8%
- Something else, what? 15,8%

The answers that were written in the option “something else, what?” were mostly OP-kevytyrittäjyys.

### “What billing service do you use?”

Services/platforms that came up more than once or twice amongst the answers:

- OP-kevytyrittäjyys (Mentioned 5 times)
- Ukko.fi (Mentioned 4 times)
- Ninjou.fi (Mentioned 3 times)

The majority of the participants showed that they would benefit from the marketplace that the commissioner of this thesis is providing (Figure 15).

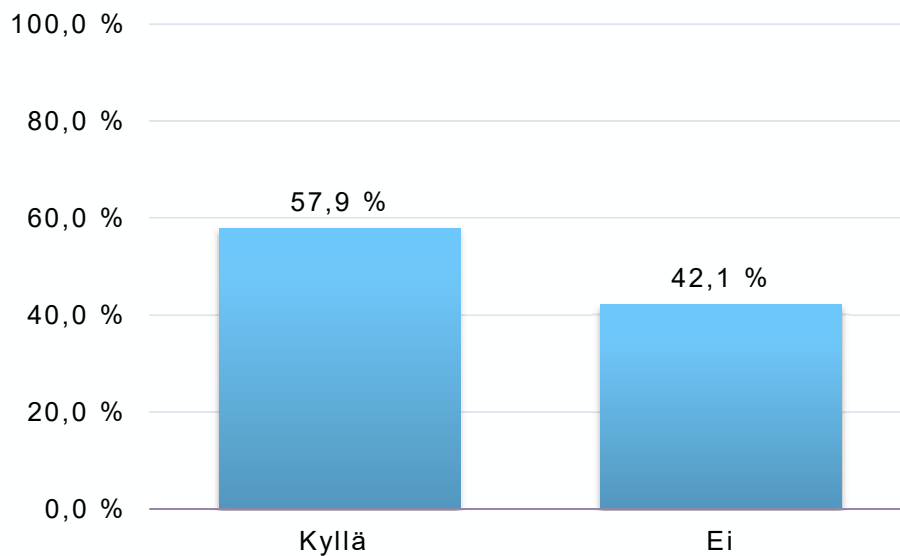


FIGURE 15. "Would you benefit from a marketplace where you can sell your services as a freelancer or entrepreneur?" (Kyllä = Yes) (Ei = No)

### 3.3.3 Phone interviews

There were 5 people who were interviewed about their experiences of working as freelancers and entrepreneurs. Out of 5 interviewees, 2 were full-time freelancers, 2 full-time entrepreneurs and one person was a freelancer and entrepreneur. The background, experience and field of the respondents were quite different and gave really versatile perspectives on the matter that is being investigated. The whole interviews can be found in the appendices 1-5.

The frame for the questions was adapted from the "Survey for freelancers", with a few extra questions- Due to some of the respondents being full-time entrepreneurs and not freelancers, some of the questions were modified on an individual basis to fit the situation of the interviewee better.

### 3.4 PESTEL analysis

The PESTEL analysis is conducted in order to recognize the elements of the macro environment that might have influence on the case company. The analysis consists of political, economic, sociocultural, technological, environmental and legal factors that represent the potential threats or opportunities.

#### **Political**

The political factors are tied to the government of the targeted country. This means that organization must consider all the factors that may affect it from the political standpoint regarding the industry that they're working in. These policies may include for instance tax regulations, privacy policies or financial policies that may affect the economy of the country. (Oxford Collage of Marketing 2020)

In terms of political factors, Finland is known for its' high government stability which indicates the low risk of fluctuation in the country. This derives from the low rate of corruption which was according to the Transparency International (2019) 3rd lowest out of 180 countries in the world. Finland as a country is reliable in terms of stability.

The taxation policy in Finland is somewhat strict for company owners. According to study of yrittäjät.fi (2015) the average tax rate in Finland for entrepreneurs was 33,8% in 2015 including the pension fees. The number is relatively high compared to a regular wage earner's average tax rate which was 5 percent less during the same year (Yrittäjät 2015). The standard VAT rate in Finland is 24% but it varies depending on the product and services. On the bright side, the corporate income tax in Finland was reduced from 24,5% to 20% in 2014. (Trading Economics 2020)

## **Economic**

These factors affect the organization and their profitability directly, because the economy of the country and its' performance has an impact on all the companies. The economy of the country affects the rate of employment and unemployment of the population as well as the regulation of interest rates, prices for raw materials and foreign exchange rates. (Oxford Collage of Marketing 2020)

Regarding the economic factors, Finland is a very stable market. According to the data from Trading Economics (2020), GDP of Finland was 268,76 billion USD in 2019. The currency of Finland is euro, which means that Finland has a really low risk of inflation unless something crucial happens in the European Union which would affect the euro. As a country, Finland is a great place to start a business. In fact, according to Forbes (2018) Finland took 13<sup>th</sup> place out of 161 countries in the rankings of "Best countries for business".

The Finnish banking system is based on domestic deposit banks, investment banks, and branches and subsidiaries of foreign deposit banks and credit institutions. The country is dominated by three major groups of deposit banks: OP Group, Nordea Bank Finland, and Danske Bank Plc Group (Privacy Shield 2017). Together these banks are employing over 21,000 people in banking.

After a successful market entry into the Finnish market, the suggestion to the case company would be to start a partnership with one of the three major banks following the steps of Ukko.fi who is already partnering with Nordea Bank. Obviously, securing the mutual benefit without giving up too much of the company ownership will require good negotiation skills. Ultimately this can create a huge expansion opportunity for the case company as well as more marketing support and potential clients.

## **Social**

The importance of understanding the social factors is crucial for marketing strategy in order to keep up with the constant changes that are occurring in the social environment. These aspects are the key factors in discovering the new emerging trends and seeing the bigger picture from the society's point of view. Through social factors, the company will recognize the needs of their target group and will adapt better to fluctuation of family demographics, the level of education, different cultural trends and changes in people's attitudes or lifestyles. (Oxford Collage of Marketing 2020)

In Finland, entrepreneurs get quite comprehensive social security. There is pension insurance for self-employed person, unemployment security, occupational healthcare, and sickness allowance of an entrepreneur. The only one that is not included is the statutory accident insurance. (Ilmarinen 2020)

## **Technological**

Technology is nowadays part of each human being's everyday life and plays a major role in the research and development department of an organization. The innovation of new technologies and digitalization of the industry may affect the whole market, that's why it is necessary to recognize these technological developments and utilize them for the benefit of the company. (Oxford Collage of Marketing 2020)

Regarding the technological aspect, Finland has always been one of the most advanced countries in technology. Before selling it, Finland was the original creator of a cell phone company Nokia, so keeping up with the modern technology is self-evident in this country. Finland also invests a lot in R&D which is important especially during these times of global pandemic (COVID-19) when it is necessary to be able to work by telecommuting and studying online.

For the commissionaire in this field would be beneficial to expand their service on multiple devices. In addition to having a website, another interesting and handy option would be to create some type of application for smartphones, that would notify the user about any transactions or activities on the platform. This way for

instance freelancers would be able to conveniently check all the offers they get or create an ad for themselves through mobile phone application

### **Environmental**

The environmental factors as the name suggests, refer to ecological sustainability. Today there is a lot of conversations about the global warming and the influence of our society on the nature measured by the carbon footprint. These factors are important to many people and can affect for instance the image of the company if it contributes to pollution and is not considering the surrounding environment. Topics such as recycling, waste disposal and climate change are the things that should be taken into consideration for the company's best interests. (Oxford Collage of Marketing 2020)

Finnish people emphasize the importance of the environment. It's considered a common courtesy in this country that everyone takes part in carrying the responsibility of recycling and protecting the environment. Some of the biggest political advocates who openly speak on the topic of carbon footprint are Minister of Education Li Andersson and Prime Minister Sanna Marin.

Sustainability in general is an important topic for Finnish people, especially now during the times of global warming. This is something a company should keep in mind in terms of building a positive company image. Contributing to the society's values will have a positive impact on the overall image of the company.

### **Legal**

The legal aspects define whether the company is allowed operate in the target country and what are rules it must abide. Legislation changes can have a decisive impact on the company's business, that's why it is important to be aware of them. In addition, the company must comply to all the legal requirements regarding the rights of employees, health and safety issues, consumer law and international regulations.

In terms of legal aspects, freelancing is not in the official statistics of Finland which is not a good thing since it basically means that it doesn't exist. This makes it much more challenging to develop the freelancing culture in Finland since it creates more doubt and slows down the employment development.

### 3.5 SWOT analysis

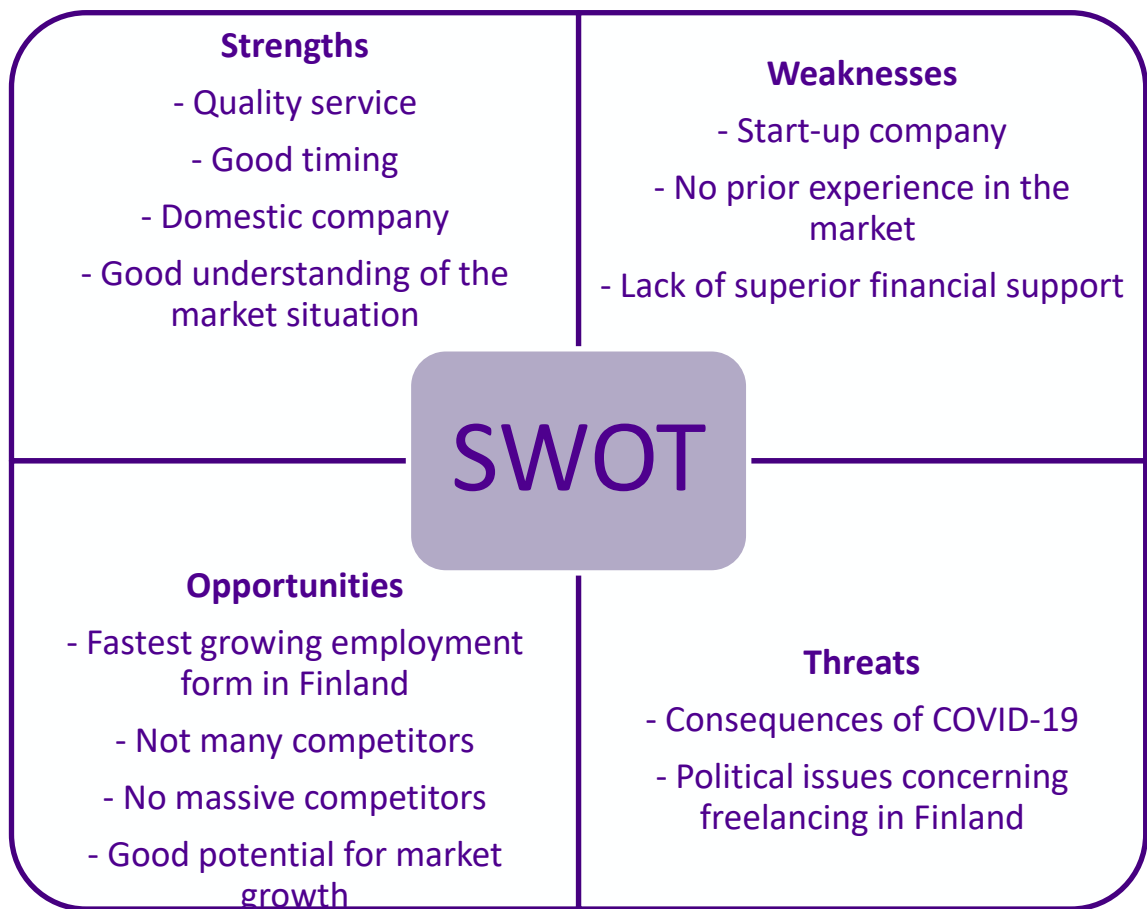


FIGURE 16. SWOT analysis of company Tekijä

#### Strengths and opportunities

One of the main advantages of company Tekijä right now is timing. As it was mentioned before, freelancing is said to be the fastest growing form of employment in Finland. There are many billing services in Finland that serve freelancers but not many online marketplaces where freelancers can sell their services. The small number of competitors indicates that this market is rather empty and has a huge potential for obtaining good market share.

Another thing that will differentiate the commissionaire from the competitors is quality service. If Tekijä is able to provide top quality service to their customers in addition to competitive prices, it will be one of the biggest strengths that will separate this company from others. In addition to that, Tekijä supports Finnish labour system which contributes to increasing the employment rate of the country.

### **Threats and weaknesses**

Being a start-up company can create many challenges in terms of resources and financial support. There aren't any prior business models to follow as an example because this field of market is relatively new and unexplored. Therefore, the company will have to learn in practise and try to avoid making any major mistakes. can also be beneficial because it teaches the company flexibility and adaption which are some of the most important qualities in the modern-day world.

The reputation and general opinion about freelancing might be influenced by the consequences of COVID-19, a global virus that spread originally from Wuhan in December 2019 and killed more than a million people around the world (WHO 2020). Small-business owners, sole traders and freelancers suffered a lot from this pandemic due to being responsible for their own well-being. This might create uncertainty regarding the willingness of potential freelancers.

### **3.6 Market penetration**

Referring to the theoretical framework of Ansoff Matrix (Figure 1), market penetration is the most logical strategy out of the 4 presented for Tekijä to avoid any unnecessary risks in the early stage of market entry. The main goal for Tekijä now is to grow their market share, market themselves to acquire new customers and thus increase sales.

In order to calculate the market shares of the competitors Free Talent and Lookaid, there needs to be recent data on the total number of freelancers in Finland and the number of users of these two platforms. As previously mentioned in the text, freelancing is not in the official statistics of Finland which means there is no precise data on the total number of freelancers. Information on the total number of online marketplace users of the competitors is also unknown. However, due to the fact that both competitors are also new to the market, the assumption is that the market shares of both companies in this field are still relatively low.

To have some idea about the market shares of the billing services, it is possible to calculate the rough estimation of registered billing service users based on the information provided by Uusityö.fi (2020). The number is expected to be somewhere around 150 000. However, this number doesn't include all the people who practise freelancing in Finland. There could potentially be a significant number of freelancers who do not use billing services. The author is going to use the number based on the statement of uusityö.fi (150 000) for market penetration formula as an example, to have a rough estimation of the market shares of Ukko.fi, Free.fi and Eezy.

The percentages that are shown in the Figure 16 are based on the formula of market penetration (Figure 2). The number of registered users of each company presented in the Figure 16, compared to the total number of registered billing service (150 000 used as estimation). The numbers of users of each company presented in the Figure 16 are based on the information provided on their websites. (Free, Eezy, Ukko 2020)

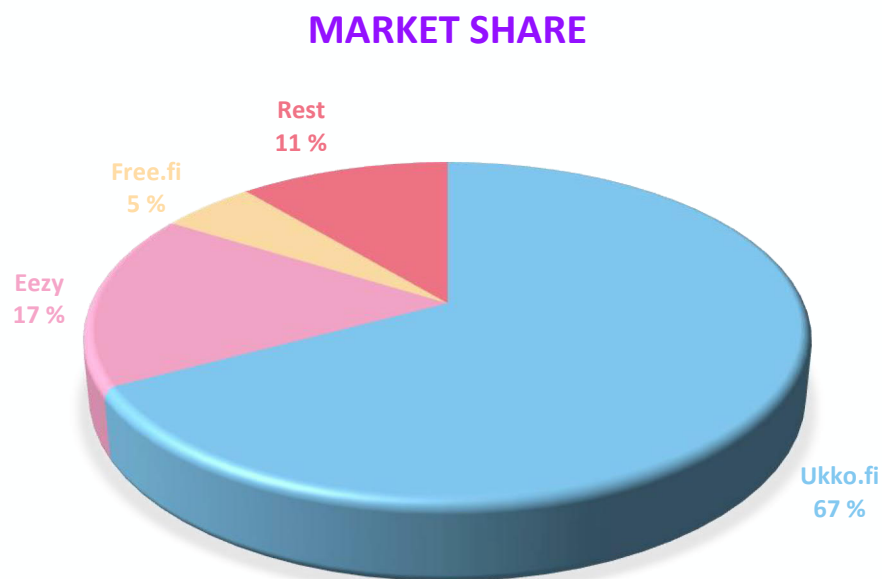


FIGURE 16 Rough estimation of the market shares of billing service companies

## 4 CONCLUSION

Overall, this research was beneficial in terms of acquiring valuable information regarding the competitors, the freelancing sector in Finland and its' potential amongst business students. There are certainly some aspects that will need further investigation and research to be done in order to have more precise information regarding the freelancing sector. The set aims for the research were accomplished partly but some questions were still left unanswered. For instance, due to the limitation of information about number of freelancers in Finland, the market penetration rate was not possible to calculate.

As it turns out based on the findings, freelancing is still sort of in the grey area in Finland since it is not recognized as an official form of employment and it is not included in the official statistics of Finland (stat 2020). This can be seen from a positive and negative perspectives. From the positive stance point, this market is not occupied yet and has a great potential. One could have a huge advantage due to being an early bird in this market. Negative is that there is not enough information about this phenomenon and people can be timid and sceptical because of that. Also, amongst freelancers there are those who work with business ID as entrepreneurs and those who work without it as wage earners. This will divide freelancers in two groups which might create confusion to those who don't have any clue about how freelancing works. That is why it is important to use simplicity in the marketing strategy to make freelancing seem less complicated.

On the bright side, freelancing industry is growing fast in Finland which means the awareness about this phenomenon will keep spreading across the country in the near future and more people will get interested in this form of employment.

It is clear that the commissionaire is on the right path regarding the entry strategy. The company recognizes the market situation and its' threats and opportunities as well as company's own strengths and weaknesses. The commissionaire also has clear and ambitious goals which are perfectly achievable as long as the expectations are kept realistic and composure is preserved. It will take some time to grow the business and gain a loyal customer base that will keep the platform active.

### **Applying framework to the case company**

The Ansoff matrix provides great tools and strategies for increasing market share and generating more sales as well as acquiring new distribution channels. However, not all strategies presented in the Figure 1 are suitable for all companies.

For instance, Hussain, Khattak, Rizwan & Latif (2013) did a research to investigate the effect of growth strategies suggested by Ansoff on firm's growth and moderating effect of market environment in fast food sector of Pakistan. The results of that research showed that only one strategy turned out to be ineffective which is diversification. The recommendation of the authors was that firms should avoid diversification due to its' possibility of reducing growth instead of increasing it. The authors suggested that the initial strategy for a company should be market penetration due to its' simplicity and reliability.

For a start-up company like Tekijä Työnvälitys Oy, the wisest and least risky choice would be to concentrate on only one or two strategies presented in the Ansoff Matrix. Out of those presented, market penetration is the most logical choice. Using this marketing tool, the company will be able to gain new customers as well as promote their brand and spread awareness. Another strategy that could be implemented later in the future is market development. After the market penetration is done and the Finnish market is secured, market development could be implemented to penetrate the markets of other countries like Estonia.

#### **4.1 Suggestions**

The techniques that should be implemented for market penetration is price adjustment and increased promotion. Price adjustment will help the company to attract new customers and differentiate itself from the competitors by combining competitive prices and quality service. Increased promotion will have a marketing impact on the end-users and help with building the brand awareness.

For promotion, the author suggests using repetition advertisement technique in order to build a brand familiarity in the consumer's minds. This means that the company should aim to put the information about their service in as many places

as possible. This can be done using social media platforms as well as physical flyers and posters in schools, universities and other places that might be a potential meeting point for the target group. (Magloff 2019)

Based on the results from the Survey for students (Figure 9) the most used channels amongst the target group were Facebook, Instagram and YouTube. Same results were found in the survey made by Statista (2020) indicating that there are 2,6 billion users on Facebook, 2 billion users on Youtube and more than 1 billion users on Instagram. These findings confirm that the initial choice for social media marketing channels by the commissionaire was correct. In addition to the three platforms mentioned above, Google is an obvious choice for marketing since it is the biggest search engine with around 79 billion people using it every month (Clever 2019).

Students showed great potential as a target group for freelancing which is why activity in universities and schools can create more marketing opportunities. Different events related to Finnish educational institutes such as fairs and conventions give extra exposure to advertisement which influences more potential end-users, increases brand awareness and builds good reputation for the company. In these situations, commissionaire could for instance invest in well-designed flyers and posters which will contribute to the repetition technique.

In addition, the company could for instance offer work practice or thesis topic opportunities for students of universities. Not only will it spread awareness about the company and attract more potential users, it will also build a great reputation due to the commissionaire's support towards the Finnish education system and contribution to increasing the country's employment rate.

When asked about what would help the students become freelancers, one of the most common answers that came up was the fact that the respondents had very little knowledge about freelancing and how it works in general. The most repeated answer was "More knowledge on the topic". Based on that, the company should promote not only their services but also their willingness to guide the potential clients through every step of becoming a freelancer.

Emphasizing the customer service is one of the key aspects of getting a good reputation. In this case, educating the potential target group about the phenomenon of freelancing and how it works will add value to the company and expand the awareness about freelancing in general.

As the technology progresses and people become more and more attached to their smart phones, one idea that the company should keep in mind for the future is creating Tekijä mobile app of. An app that will make it more convenient for the freelancer to use Tekijä's online marketplace, receive notifications, accept orders and search for services. This will increase the traffic on the company's website and people will be able to use it much more conveniently. Lookaid, who is one of the competitors is operating as a mobile app.

### **Partnership**

Regarding the commissionaire's plan of partnering up with Ukko.fi once the market is penetrated, the author supports that decision. After looking at the market situation and comparing the competitors and billing services, it is clear that Ukko.fi would be the best choice for raising awareness, increasing sales and acquiring reputation. However, it has to be noted that Tekijä will most likely have to give up a significant amount of percentage to Ukko.fi in case of partnership due to Ukko being the bigger company. Therefore, commissionaire should be careful and negotiate the best possible deal for itself without giving up too much ownership.

In case the partnership with Ukko will not succeed for one reason or another, second option would be partnering up with Eezy or OP-kevytyrittäjyys. The only thing that is inconvenient about OP is that it operates only by granting freelancers a business ID which makes them officially entrepreneurs. This can create limitations and complications because potential users might assume that using the platform of Tekijä is only possible with business ID due to their partnership with OP.

## 4.2 Limitations

There are some limitations that affected the outcome of the research which need to be taken into consideration. Firstly, the availability of the data on the topic was limited and thus affected the possibilities of gathering legit information regarding the subject. Freelancing is not recognized as an official form of employment in Finland and is not in the official statistics of Finland. Therefore, a lot of things had to be interpreted subjectively. Secondly, this study is not funded which creates financial restrictions to the author which leads for instance to the small sample size of collected data. This affects the viability of the results which requires further investigation on this matter.

### COVID-19

On the 31<sup>st</sup> of December 2019, Wuhan Municipal Health Commission reported “a cluster of cases of pneumonia” in Wuhan, Hubei province. This was when the new type of coronavirus was identified which led to a complete lockdown of many countries in the world (WHO 2020). Today there are over 48 million reported coronavirus cases and 1,2 million deaths (Worldometer 2020).

All of this has also affected the labour community of each country and in the country of Finland, it especially affected a lot of entrepreneurs and freelancers. Some of the respondents in the interviews of qualitative part of the research openly said that they were brutally affected by this pandemic and some of them were even left unemployed until the situation gets better. People who suffered from this situation in particular seemed to be in the field of music and entertainment. DJ's and event organizers pretty much suffer the most since most of the events are cancelled as well as night clubs being closed.

This might leave a bad stigma on the entrepreneurship and freelancing business since it is considered that small business owners suffered the most. This factor could have easily affected the decision making of the respondents in the process of answering the surveys. This type of survey needs to be conducted again after the situation with the covid-19 is settled.

## REFERENCES

Ansoff, I.: Strategies for Diversification, Harvard Business Review, Vol. 35 Issue 5, Sep-Oct 1957, pp. 113-124

Ansoff Matrix. Business. tutor2u. Read on 16.11.2020 <https://www.tutor2u.net/business/reference/ansoffs-matrix>

Archived: WHO Timeline - COVID-19. World Health Organization. Read on 12.10.2020 <https://www.who.int/news/item/27-04-2020-who-timeline---covid-19>

Best countries for business. 2018. Forbes <https://www.forbes.com/best-countries-for-business/list/#tab:overall> obtained on 7.10.2020

Bhandari, P. 2020. An introduction to qualitative research. Scribbr. Published on June 19, 2020. Revised on July 30, 2020. <https://www.scribbr.com/methodology/qualitative-research/>

Clement, J. Global. 2020. Social networks ranked by number of users 2020. Statista. Read on 12.9.2020 <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>

Coronavirus cases. COVID-19 CORONAVIRUS PANDEMIC. Read on 14.10.2020 <https://www.worldometers.info/coronavirus/>

Country data. Corruption in Finland. nd. Transparency International. Read on 14.10.2020 <https://www.transparency.org/en/countries/finland>

Eezy Kevytyrittäjät Osk. Read on 17.11.2020 <https://kevytyrittajat.eezy.fi/yhteystiedot-3/eezy-yrityksena/>

Finland – Banking Systems. Finland Country Commercial Guide. Privacy Shield. 2020. Read on 13.10.2020 <https://www.privacyshield.gov/article?id=Finland-Banking-Systems>

Finland GDP 1960-2019. Trading economics. Read on 13.10.2020  
<https://tradingeconomics.com/finland/gdp>

Gilchrist, K. 2019. The 10 countries with the fastest-growing earnings for freelancers. Read on 20.11.2020 <https://www.cnbc.com/2019/08/07/the-10-countries-with-the-fastest-growing-earnings-for-freelancers.html#close>

Given, Lisa M. 2008. The SAGE Encyclopedia of Qualitative Research Methods (vol.1&2). Los Angeles: SAGE publications

Grant, M. 2020. Strength, Weakness, Opportunity, and Threat (SWOT) Analysis. Investopedia. Read on 10.9.2020 <https://www.investopedia.com/terms/s/swot.asp>

Hussain, Sajjad & Khan, Jamshed & Rizwan, Arshad & Latif, Adnan. (2013). AN-SOFF matrix, environment, and growth-an interactive triangle. Management and Administrative Sciences Review. 2. 196-206.

ITIF Technology Explainer: What Are Digital Platforms? 2018. Information Technology & Innovation Foundation. Read on 18.11.2020 <https://itif.org/publications/2018/10/12/itif-technology-explainer-what-are-digital-platforms>

Kenton, W. 2020. What Is Market Penetration? Market Penetration. Investopedia. Read on 1.11.2020 <https://www.investopedia.com/terms/m/market-penetration.asp>

Kevytyrittäjien määrän kehitys. Tilastotietoa. Uusityö. Read on 29.10.2020  
<https://uusityo.fi/tilastotietoa/>

Kevytyrittäjäyys. Read on 17.11.2020 <https://free.fi/>

Käyttäjäkysely. 2017. Ukko.fi Read on 21.9.2020 [https://www.epressi.com/media/userfiles/15316/1511422824/ukko.fi-kayttajakyselytulokset\\_2017.pdf](https://www.epressi.com/media/userfiles/15316/1511422824/ukko.fi-kayttajakyselytulokset_2017.pdf)

Laskutuspalvelut. Bisnes.fi, 2018. Read on 17.11.2020 <https://bisnes.fi/laskutuspalvelut/>

LOOKAID.fi – Uusi maksuton markkinapaikka kevyrittäjille. Eezy. Read on 17.11.2020 <https://kevyrittajat.eezy.fi/lookaid-fi-uusi-maksuton-markkinapaikka-kevyrittajille/>

Magloff, L. 2019. Repetition as an Advertisement Technique. Read on 21.11.2020 <https://smallbusiness.chron.com/repetition-advertisement-technique-24437.html>

OP-kevyrittäjä. Bisnes.fi. Read on 3.9.2020 <https://bisnes.fi/op-kevyrittaja/>

OP ryhmä ja osuuspankit. Read on 1.9.2020 <https://www.op.fi/op-ryhma>

Rautavuori, A., Hellsten, S. 2020. Kevyrittäjyys pitäisi tilastoida. Uusityö. Published on 8.9.2020. Read on 15.10.2020 <https://uusityo.fi/yleinen/kevyrittajyys-pitaisi-tilastoida/>

The Richest in 2020. World's Billionaires List. Forbes. Read on 15.11.2020 <https://www.forbes.com/billionaires/>

Tilastokeskus. Read on 24.10.2020 [https://www.stat.fi/hae?word=kevyritt%C3%A4jyys&sort=inv\\_aika](https://www.stat.fi/hae?word=kevyritt%C3%A4jyys&sort=inv_aika)

Top 10 Search Engines in the World. Read on 22.11.2020 <https://clever-solution.com/blog/top-10-search-engines-in-the-world>

Welcome to the world of free! Tietoa meistä. Free.fi Read on 17.11.2020 [https://free.fi/tietoa-meista/?utm\\_medium=cpc&utm\\_source=google&utm\\_campaign=AP:%20Kevyritt%C3%A4j%C3%A4](https://free.fi/tietoa-meista/?utm_medium=cpc&utm_source=google&utm_campaign=AP:%20Kevyritt%C3%A4j%C3%A4)

What is a PESTEL analysis? Oxford Collage of Marketing. 2020. Read on 30.9.2020 <https://blog.oxfordcollegeofmarketing.com/2016/06/30/pestel-analysis/>

What is the Ansoff Matrix? Corporate Finance Institute. Read on 15.11.2020 <https://corporatefinanceinstitute.com/resources/knowledge/strategy/ansoff-matrix/>

Yrittäjien tulot ja verot. 2015. Yrittäjät Read on 13.10.2020 <https://www.yrittajat.fi/suomen-yrittajat/tutkimukset/yrittajien-tulot-ja-verot/yrittajien-tulot-ja-verot-2015-319876>

Yrittäjyys Suomessa. Yritystilastot 2018. Yrittäjät.fi Read on 13.11.2020 <https://www.yrittajat.fi/suomen-yrittajat/yrittajyys-suomessa-316363>

## **APPENDICES**

Appendix 1. Phone interview with Person no. 1

### **Current occupation**

- Entrepreneur/ Freelancer with business ID

### **Field of business**

- Translator

### **Years of experience**

- 9 years in total, out of which 7 years full-time

### **Why did you decide to become freelancer/entrepreneur?**

- It was pretty much the only option for that profession.

### **Do you use billing service?**

- No, I send invoices directly to my clients.

### **Is freelancing profitable in Finland?**

- I don't see any reason why not. I have been able to provide for myself for the past 7 years with this job. Obviously, the taxes are a bit too high as well as the pension fees. Aside from that, it's a good way of living.

### **Do you have/plan to have your own company?**

- I have already

### **Do you think freelancing is an easier way to become entrepreneur?**

- Yes definitely. For me, I didn't have to search for customers because I get them through a specific company.

### **What pros and cons could you tell about freelancing?**

- Pros would be definitely freedom, being your own boss, being able to schedule your own work time and not being dependant on any place.
- Cons are high taxes and other payments and irregular work shifts.

### **Has COVID-19 pandemic affected your job in any way?**

- No not really.

### **Would you benefit from a digital marketplace where you can sell services/products as a freelancer or an entrepreneur?**

- Not anymore. When I was just starting, it would've been more useful. Now, I don't have trouble finding clients since a company is doing it for me.

## Appendix 2. Phone interview with Person no. 2

### **Current occupation**

- Part-time freelancer

### **Field of business**

- Beauty care

### **Years of experience**

- A bit over 2 months

### **Why did you decide to become freelancer/entrepreneur?**

- Friends told me it was easy, since I don't know anything about entrepreneurship, so I was told that this is an easier way to become entrepreneur.

### **Do you use billing service?**

- When I do at home, I take cash, but at the beauty salon I charge with billing service. I use Omapaja, because it was recommended to me.

### **Is freelancing profitable in Finland?**

- I think yes. In my case, I wouldn't have considered entrepreneurship if it wasn't for freelancing.

### **Do you have/plan to have your own company?**

- Yes, I will apply for start-up money/grant.

### **What pros and cons can you tell about freelancing?**

- So far, I've had super positive first impression about this thing. It seems really easy and I haven't encountered any bad experiences yet at least. Everything is pretty much taken care of, so I don't have to stress about anything. Maybe the only bad thing I can say is the billing service taking a commission fee and the taxes being a bit too high. Other than that, I've liked it very much.

### **Has COVID-19 had any effect on your job?**

- Not really, although I only started now so it's hard to say. Maybe due to the nightclubs being shut down, girls will not be getting lashes as often so it may have some effect in the future.

### **Would you benefit from a digital marketplace where you can sell services/products as a freelancer or an entrepreneur?**

- I don't think that in my field of work, that would bring me much benefit.

### **Do you think freelancing is an easier way to become entrepreneur?**

- Yes 100%

### Appendix 3. Phone interview with Person no. 3

#### **Current occupation**

- Full-time entrepreneur

#### **Field of work**

- Import, entertainment & event organizing

#### **Years of experience**

- 12 years

#### **Why did you become entrepreneur?**

- It was a sum of many things. I've always wanted to do things my own way and that I can work for myself, not for somebody else.

#### **Is it profitable in Finland?**

- It's a matter of opinion. Sure, it can be profitable, but employee expenses could be cheaper. If it's a small company and you want to hire only 2-3 employees, the expenses are way too high and it's not profitable.

#### **Billing service**

- I don't use any service, I use Arkimedes which is a program, but I send invoices myself.

#### **What pros and cons can you tell about entrepreneurship? 2 (2)**

- I have learned a lot through my own mistakes which is a good thing because now I don't have any restrictions holding me back or any fear. It's good for my mental health since I'm innovating, scheduling my own work hours and the best thing is everything is up to me. The more I do the more I get.
- The biggest cons are probably loneliness, not having a regular workplace, if u get sick then it's your responsibility and entrepreneurs are not valued in Finland.

#### **Has COVID-19 affected your job in any way?**

- Yes, it has. All the events are cancelled, around 80% of the revenue has suffered only because of that.

#### **Would you benefit from a digital marketplace where you can sell services/products as a freelancer or an entrepreneur?**

- I think in the future it will be very needed. Most of the jobs will be operating through such platforms.

#### Appendix 4. Phone interview with Person no. 4

##### **Current occupation**

- Full-time freelancer

##### **Field**

- Restaurant and entertainment business (DJ)

##### **Experience**

- 6 years

##### **Reason to become freelancer**

- My work requires. Performance artist can not do wage earner's job

##### **Is it profitable?**

- It gets you by, if you are ready to work for it. In case the revenue grows drastically, you should switch to full-time entrepreneur.

##### **Billing service**

- I use Ninjou. Best customer service amongst similar platforms. They care for their clients and cheaper than the competitors.

##### **Is your goal to have your own company?**

- Yes of course. Once I get enough income and experience, own company is the goal.

##### **Do you think freelancing is an easier way to become entrepreneur?**

- I do. You can make mistakes and learn from them without any severe consequences.

##### **What pros and cons can you tell about freelancing?**

- You are your own boss and your income depends on how much you do and things are done my way.
- Cons would be taxes in caption, the monopoly dominance and fierce competition

##### **Has COVID-19 had any effect on your job?**

- Yes, major. I lost my job because my field is the first in line to get banned and cancelled due to the big risk.

##### **Would you benefit from a marketplace where you can sell your services as a freelancer?**

- Yes, I would. Every freelancer would benefit from that.

## Appendix 5. Phone interview with Person no. 5

### **Current occupation**

- Co-creator of 2 companies and regular day job.

### **Field**

- Music and media

### **Experience**

- 3 years as a freelancer before. 1,5 years as an entrepreneur

### **Reason to become freelancer**

- I wanted to create something of my own.

### **Is it profitable?**

- Depends on what you're seeking. Music industry in Finland for instance, is not very profitable because it has a small turnover compared to other countries.

### **Billing service**

- I don't use billing service. I create invoices with Procounter

### **Do you think freelancing is an easier way to become entrepreneur?**

- I do. As a freelancer you get a good 'pre-school' for what being an entrepreneur is. You will make less mistakes in case you want to have your own company.

### **What pros and cons can you tell about freelancing?**

- Pros are definitely that you can do your own thing that you're passionate about.
- Cons, time managing. You have to have a strong mental state to handle all that workload.

### **Has COVID-19 had any effect on your job?**

- Yes. It affects the negotiations not being able to talk face to face and express yourself fully.

### **Would you benefit from a marketplace where you can sell your services as a freelancer?**

- Not me, but maybe somebody else.

## Appendix 6. List of questions of Survey for students

1. Gender
2. Age
3. Current occupation
4. If you are currently working do you... (method of working)
5. What method of working do you prefer
6. If you are currently employed, how satisfied are you with your job?
7. Is it something you could see yourself doing for the rest of your life?
8. Are you able to utilize your professional skills at your job?
9. (Optional) In what field of business are you currently working?
10. Have you considered becoming an entrepreneur?
11. In case you answered "no" or "maybe" in the previous question, what stands in the way?
12. Have you heard about freelancing?
13. What freelance platforms do you recognize?
14. Would you be interested working independently as a freelancer?
15. What would help you become self-employed?
16. What social media platforms do you use the most?
17. How many hours per day do you spend on social media?
18. How familiar are you with social media marketing?
19. Would you consider using social media platforms to market your expertise?
20. Would you benefit from a marketplace where you can sell services/products as a freelancer or an entrepreneur?
21. Was this questionnaire relevant to you?

## Appendix 7. List of questions of Survey for freelancers

The original questions are in Finnish language, for clarity purposes the questions are translated in English.

1. Gender
2. Age
3. Current occupation situation
4. Field of work
5. How long have you worked as freelancer?
6. Why did you decide to become a freelancer?
7. What kind of experiences do you have?
8. Do you think freelancing is profitable in Finland?
9. Do you use billing service, direct invoicing or other methods?
10. What billing service do you use? Why?
11. Is your goal establishing your own company?
12. Would you benefit from a digital service operating as an online marketplace where you can sell and market your services?
13. Do you think freelancing is an easier way to become an entrepreneur?