



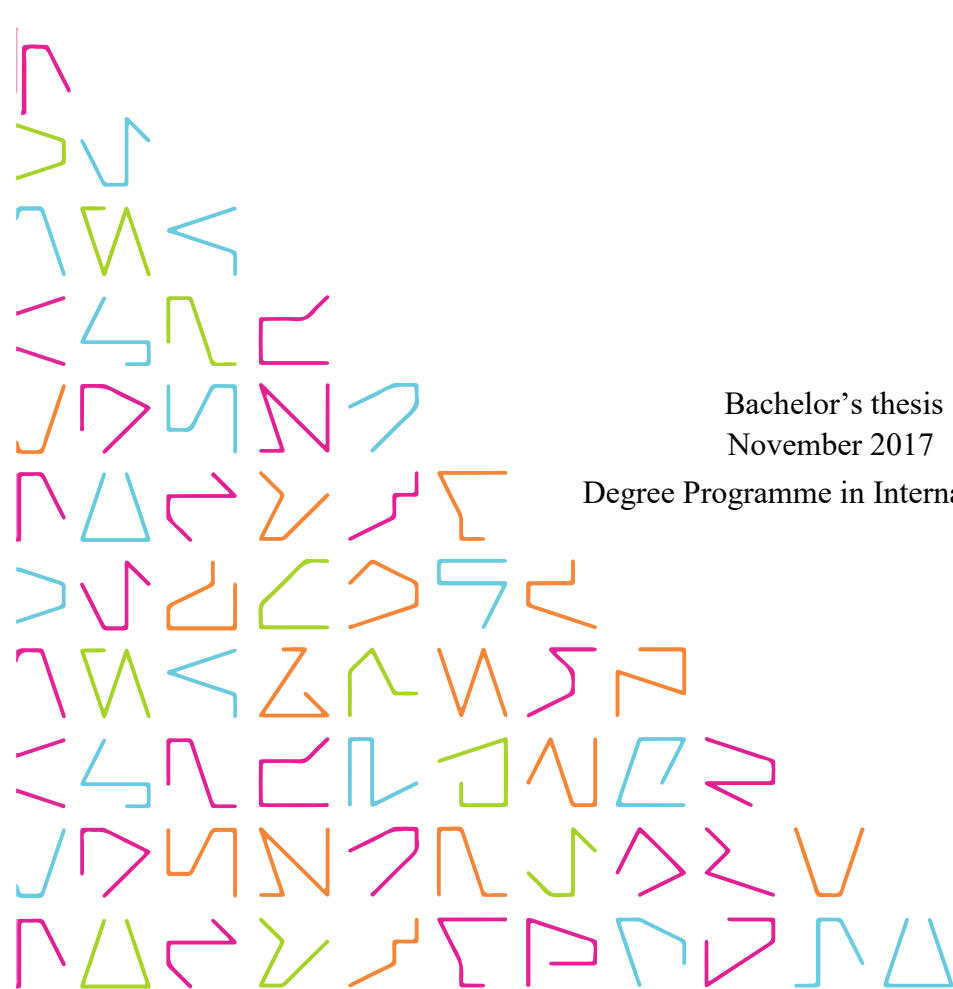
TAMPEREEN
AMMATTIKORKEAKOULU

DEVELOPING BUSINESS PLAN FOR SUMMER AND WINTER SCHOOLS FOR THE CHINESE MARKET

Siyao Peng

Bachelor's thesis
November 2017

Degree Programme in International Business



ABSTRACT

Tampereen ammattikorkeakoulu
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Developing Business Plan for Summer and Winter Schools for the Chinese Market

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Finland is famous for the quality of higher education. Finland has one of the best higher education and training systems in the world, according to World Economic Forum, while China is the largest source of overseas students. According to a report released by the Center for China and Globalization, in 2015, a total of 1.26 million Chinese students studied abroad.

The objective of this bachelor's thesis was to develop a short-term study and internship program for a university of applied sciences in order to attract potential applicants from the author's home city, Wuhan, China.

A marketing research was carried out to get reliable and accurate information. Two different marketing researches were conducted; the research question for the first, quantitative research was to find out who are the potential customers and understand their behavior. An online survey was done with one of the high schools in Wuhan city with 82 respondents. In the second qualitative research, seven Chinese students who had completed an exchange program in the year 2015 were interviewed. The goal was to find out how and why they had chosen Tampere University of Applied Sciences as the exchange study destination.

It was found out that students at this specific high school in Wuhan preferred one to two weeks' summer or winter school. Their biggest concern was the safety issue of the destination country and their budget was up to 5,000 euros. The product was designed according to the information gained via the marketing research.

The results of the marketing research were analyzed and presented. However, further research needs to be done since the questionnaire was sent to a small group of high school students of the same school. The marketing environment is changing rapidly, thus different actions might be needed in order to stay competitive in the market.

Key words: business plan, summer and winter school, marketing research

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1 INTRODUCTION

Finland has made itself an attractive place for foreign students to complete higher education. In the year 2014, altogether, approximately 20,000 international students were enrolled at Finnish higher education institutions, and annually nearly 3,000 international students complete a higher education degree in Finland (Marjukka & Alekski 2014). Scandinavian countries are the wonderland that are famous for the perfect social security system and high standard of education. Moreover, Finland as one of the financial heavens in Europe has the stable yet dynamic economy. Safe and close to nature living environment add advantages to attract young talents from all over the world. In 2017, Finland started to collect tuition fees from students coming from outside of the EU/EEA area, which makes it more necessary to promote Finnish higher education.

The Finnish higher education system is divided into two sectors, general universities and universities of applied sciences. In total, there are 14 universities and 24 universities of applied sciences in Finland. Universities focus on the academic and scientific research and education, universities of applied sciences aim at providing the necessary knowledge and skills that are needed in expert functions at work and meet workplace requirements.

As the country that has the biggest number of population in the world, China is also the biggest source of overseas students. In 2016, 544,500 Chinese studied abroad, more than triple the 179,800 that sought out education overseas in 2008, the Ministry of Education says (Wangshu 2017). Attracting international students from China to study in Finland will bring benefits for both countries. Chinese students value overseas study since it gives students an opportunity to build up a global outlook and broaden the mind. The experience of living in another country can also benefit for the development of intercultural competence of the students.

The aim of the bachelor's thesis was to create a business plan for personal purposes. The idea to start a business, related to promote Finnish higher education institution has been grown since the author started the degree programme at Tampere University of Applied Sciences. The well-structured study program, multicultural environment, excellent

experienced teacher team and great facilities made TAMK the top three universities of applied sciences in Finland.

The main objective of the bachelor's thesis was to develop a summer and winter school program to attract Chinese high school students who might be potential applicants to complete degree studies in a Finnish UAS in the future. In order to find out the potential customers, two different marketing researches were done. The main purpose of the researches was to find out what kind of a summer and winter school program can attract high school students and what are the advantages that Finnish higher education institutions have.

A quantitative marketing research was conducted in a high school in Wuhan city, which is one of the biggest cities in China with more than 10 million population. The questionnaires were sent to the second-year high school students, and the aim was ideally to get 80-100 responses. In addition, a qualitative survey gathered information from seven students who have completed a one-year exchange program at Tampere University of Applied Sciences and University of Tampere.

The main questions for the researches are mentioned below.

- Who are the potential customers for the summer and winter school program?
- What buying behaviors do they have?
- How to attract them?
- Why did those students who have completed one-year exchange program in Finland choose to come to Finland?

Some similar study programs have already been introduced to the Chinese market. For example, in the University of Oulu, there are study programs running annually from January to February and July to August. The target customers are the bachelor and master degree students in China. The size of the group is 15-40 students and the length of the program is 20 days. Students will spend 6 days at Oulu Business School at the University

of Oulu to complete a 5 ECTS credit course about Scandinavian innovation, creation and entrepreneurship and visit local companies. The rest of the days will be spent on a tour around Finland, Sweden, Estonia and Latvia. Another example is a Tampere based company FICEA Ry that organizes two weeks' summer and winter camps. The target group is students of age between 7-17 years old and the activities include visiting Finnish schools, outside school courses, arctic creative courses, arctic snow and ice experiences courses and Nordic culture courses. Students spend time with their Finnish schoolmates and experience the ideas of learning by doing and learning through playing, which are key features of the Finnish education.

The existing similar services from other companies give an example for developing the business plan and in addition, they also prove that there is desire in the market for such products.

2 THEORETICAL FRAMEWORK

2.1 Business plan

A business plan describes the business's vision and objectives as well as the strategy and tactics that will be employed to achieve them. A plan may also provide the basis for operational budgets, targets, procedures and management controls. Two businesses are not identical and two business plans are never exactly the same. The process should begin by evaluating the business's existing or intended position and the environment in which it operates, before analyzing existing or future customers, competitors and suppliers. The results of the analysis, combined with a set of expectations about the future, coupled with creative and innovative thinking, allow the business to develop a range of strategic options, designed to achieve its objectives. (Graham & Stefan 2004, 1.)

2.2 Marketing research and methodology

Marketing research is the process of collecting, analyzing and presenting useful information about customers. Marketing research also includes a more general research into markets, which includes competitive activities and environmental issues such as government activities and economic shifts. Customer research is intended to produce facts about markets and market segments; it provides information about where customers live, what they do with their time, what their motivations are, what they like to spend money on, and what their spending power is, and what the trends are in the market. (Blythe 2008, 95.)

Qualitative research is to do with how people feel about the product, advertisement or company; the approach is usually much more probing (and thus time-consuming) than would be the case with a quantitative research, and therefore the sample size (number of respondents) will be much smaller. Qualitative research will often tell researchers why people behave in the way they do, but since it usually consists of subjective opinions it can be difficult to quantify. (Blythe 2008, 100.)

Quantitative research methodology deals with areas that can be expressed in numbers. It will tell researchers, for example, what proportion of the population drinks tea in the mornings and what their ages and occupations are; what it will not do very easily is tell researchers why those people prefer tea to coffee. (Blythe 2008, 101.)

A comprehensive research study requires both primary and secondary data. “Primary data is one which is originally collected by the researchers based on sampling. Collection of primary data is a time and money consuming affair. The data may be collected by survey, observation or experimentation or any possible combination suitable to the researcher. It is an unpublished but latest and relevant data to the problem and most accurate. On the other hand, secondary data is both published and unpublished information which is readily available with the external parties. Such information may not be latest but unbiased and, therefore, accurate and reliable. It costs less in terms of time and money. (Sontakki 2009, 57.)

2.3 Marketing plan

TABLE 1. Main sections of a marketing plan. Adapted from Marian Burk Wood (2013, 7)

<i>Section</i>	<i>Description</i>
Executive summary	Briefly reviews the plan’s highlights and objectives
Current marketing situation	Summarizes environmental trends: <ul style="list-style-type: none"> • Internal and external situational analysis (products, markets, previous results, competitors, other environmental forces) • SWOT analysis (internal strengths and weaknesses, external opportunities and threats)
Objectives and issues	Outlines the specific marketing objectives to be achieved and identifies issues that may affect the organization’s attainment of these objectives.
Target market	Explains the segmentation, targeting, and positioning decisions and analyzes the market and segments to be targeted through marketing strategy.
Marketing strategy	Shows the strategy to be used in achieving the marketing objectives.

Marketing programs	Lays out the programs supporting the marketing strategy, including specific activities, schedules, and responsibilities for: <ul data-bbox="606 268 877 528" style="list-style-type: none"><li data-bbox="606 268 766 302">• Product<li data-bbox="606 324 734 358">• Price<li data-bbox="606 380 877 414">• Place (channel)<li data-bbox="606 436 813 470">• Promotion<li data-bbox="606 492 766 526">• Service
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3 MARKETING RESEARCH AND RESULTS

3.1 Marketing research process

The research questions of the bachelor's thesis were derived from a business plan, as the aim was to develop summer and winter schools based on universities of applied sciences in Finland, targeting on Chinese high school students. Two different marketing researches were done.

Quantitative research method was used in order to find out the buying behavior of the target customers. A survey questionnaire that contained 10 questions was sent to a high school in Wuhan city, China and in total 82 responses were received. These 82 respondents were 16-18 years old second-year high school students from the same high school, and therefore the results represent statistically viable results. The original questionnaire is in appendix 1.

Qualitative method was used to gather information from seven Chinese students who have completed one-year exchange program in Finland. The objective of the research was to gain thoughts and opinions about what advantages universities of applied sciences in Finland have, as the respondents have studied in Finland before. Phone interviews were done to accomplish the research.

3.2 Research analysis of the questionnaire survey

Figure 2 shows that 65% of the respondents have participated a summer or a winter school abroad. 53 out of 82 second-year high school students have been to a study trip abroad.

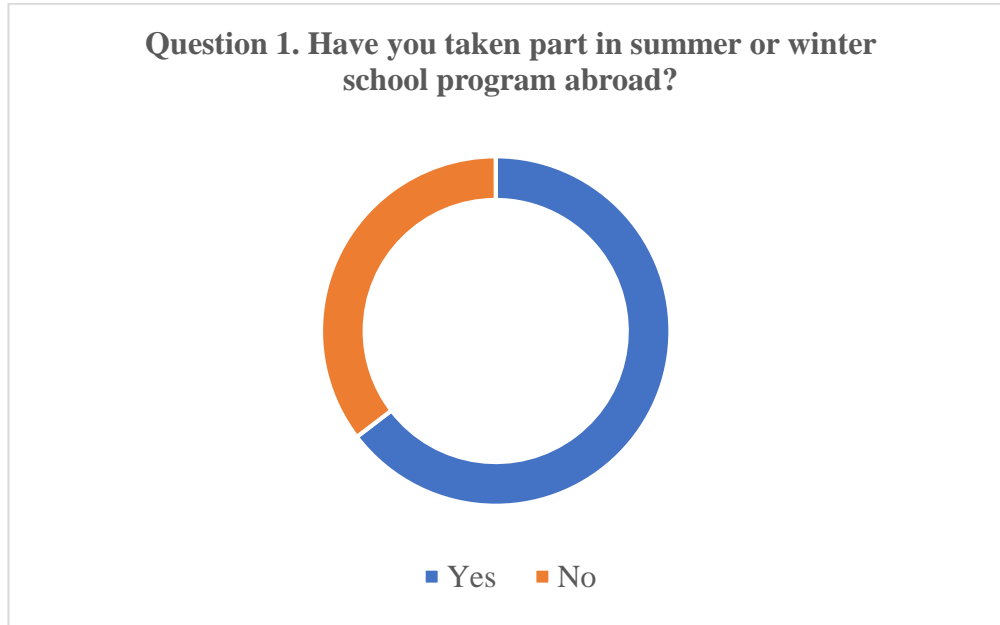


FIGURE 2. Have you taken part in summer or winter school?

Table 1 shows that 25 out of 53 students who had been in a summer or winter school abroad had chosen New Zealand as their destination. 12 of them went to the United Kingdom, 9 visited Australia and 7 were in Singapore. New Zealand was the most popular destination since the school has collaboration with high schools in New Zealand. The duration of the summer or winter school was between one to two weeks.

TABLE 1. Where have you been and for how long time?

Destination	Duration	Number of students
New Zealand	2 weeks	25
United Kingdom	1 week	12
Australia	1 week	9
Singapore	1 week	7

School arranged program was the biggest source of information when students wanted to participate summer school. Usually the teachers inform students about such a program at the beginning of the school year so that there is enough time for parents to consider and apply for visa. 19 students chose social media as their channel to search for information about summer school, followed by search on internet and recommendation from friends. Traditional media like newspaper and advertisement on TV had the least preference.

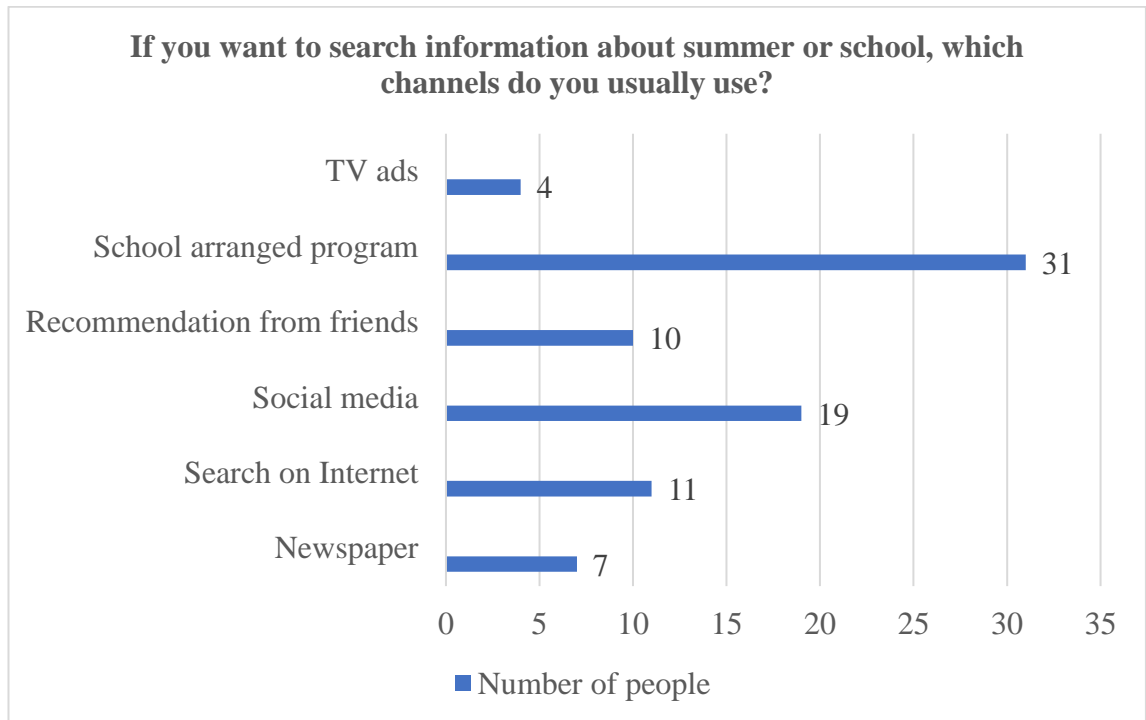


FIGURE 3. Source of information about summer school

Figure 4 indicates the motives of the students who would like to participate summer or winter school. To experience different culture and to improve language skills were the top two reasons that motivated them to participate summer or winter school, the percentages were 39% and 28% respectively. Other motivations were eye-opening experience, learn to be independent and build up leadership.

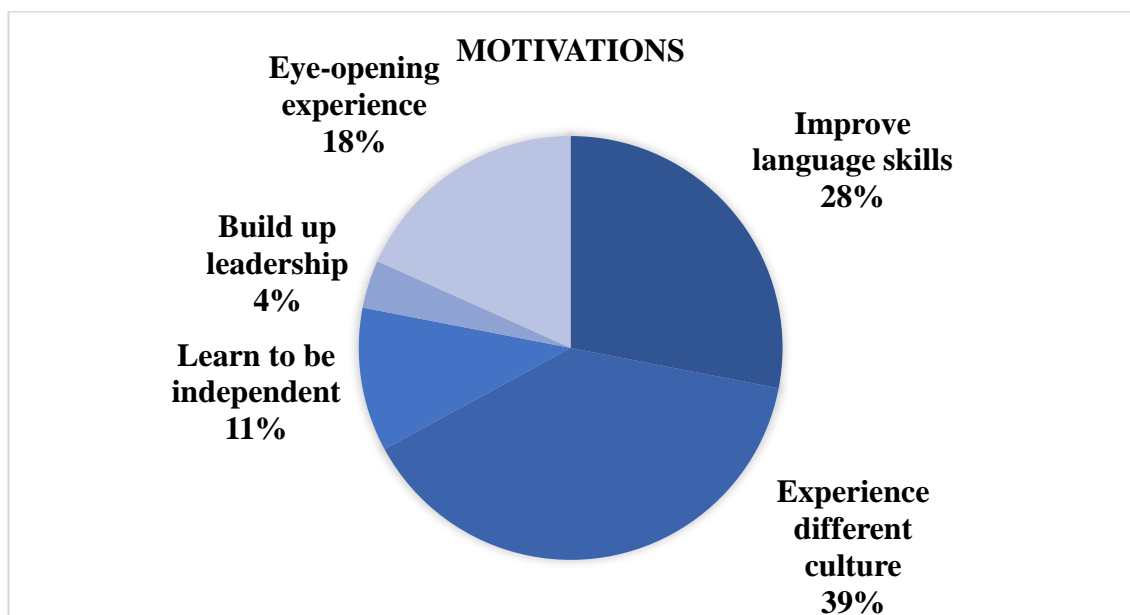


FIGURE 4. Motivation to participate summer or winter school abroad

Figure 5 shows the attractive contents of the summer or winter school. As shown in the bar chart, outdoor activities attract the most. Nearly 50% of the students were interested in outdoor activities since Chinese students rarely have time to be in nature, especially those who live in big cities. Courses related to business and technology were the other attractive part in the program, followed by a tour in different cities and company visit.

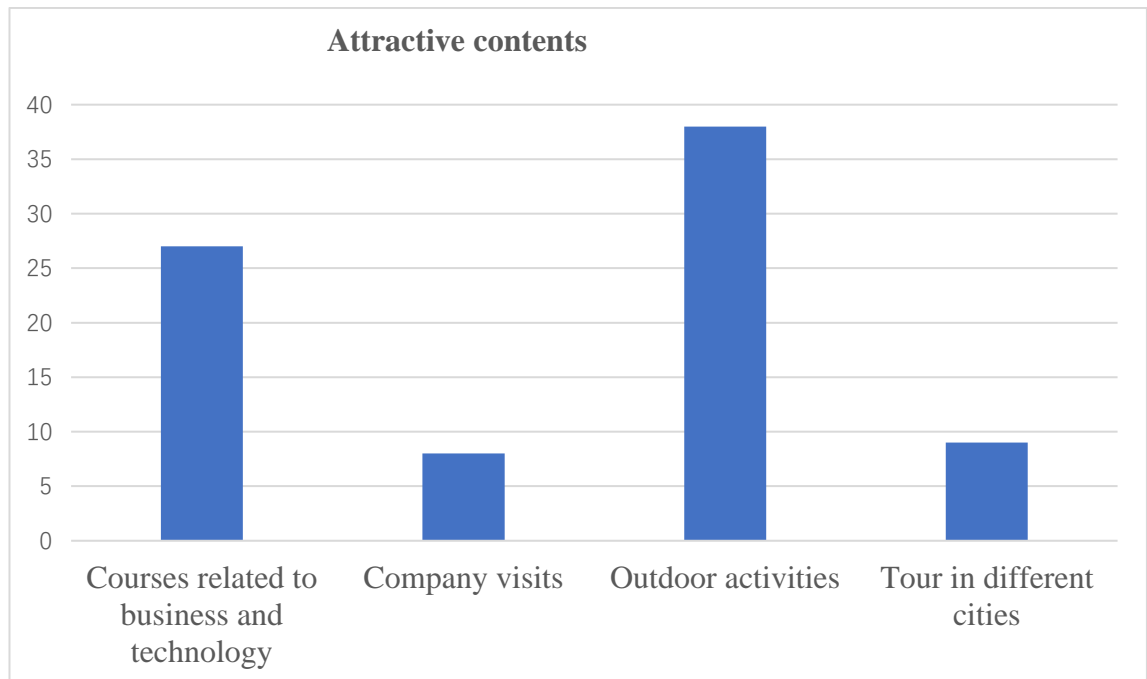


FIGURE 5. Attractive contents of the summer or winter school

Table 2 shows the ideal length of schedule. More than half of the students preferred two weeks' trip, and 37 out of 82 students wanted a shorter schedule. Only 1 of them would like to spend more than two weeks abroad.

TABLE 2. Ideal length of schedule

Length	Number of respondents
1 week	37
2 weeks	43
More than 2 weeks	1

Figure 6 shows the concerns that influence students to make decision about the destination country. Safety issue was one of the biggest concerns since the students will be travelling without their parents. Finland has its own advantage thanks to the stable political and economic environment. Food was the second biggest concern among the respondents due to the fact that summer or winter school could last one to two weeks. 13 students were worrying about the cultural difference between China and the destination country. Accommodation, language barriers, schedule and the possibility to travel with friends were other concerns of the students when participating summer school abroad.

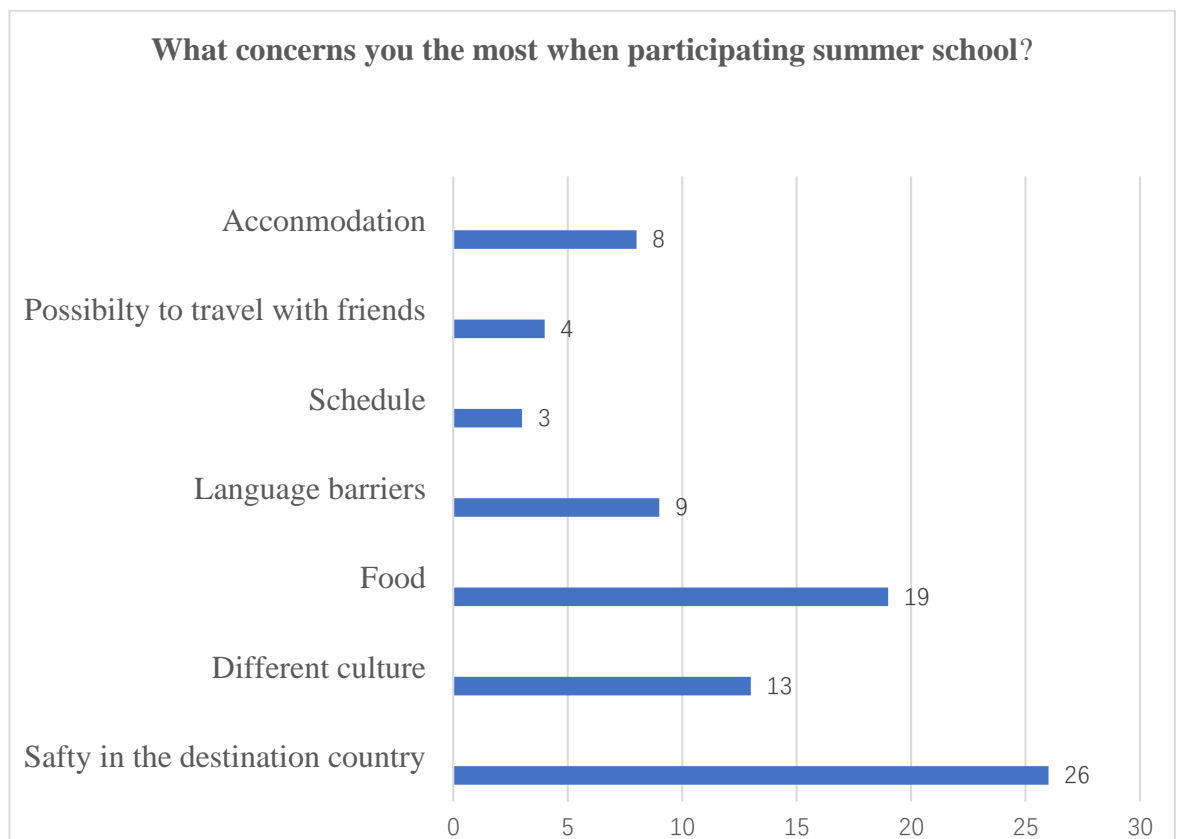


FIGURE 6. What concerns you the most when participating summer school abroad?

When asked about who can decide the destination country, 35% of the respondents were able to make their own choice while less than one third said that the initiative was in parents. 39 % among the students would choose to discuss with parents and make the decision together.

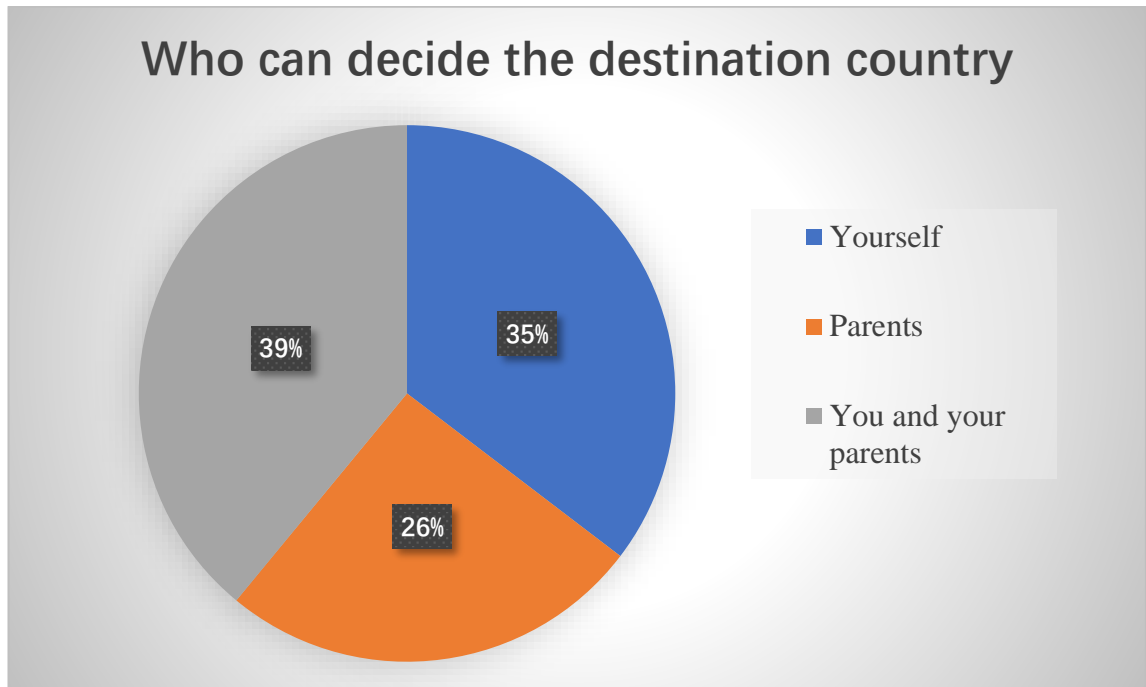


FIGURE 7. Who can decide the destination country?

Table 3 shows the budget for summer or winter school. Most acceptable budget was between € 4,000 and € 5,000, to be followed by under €4,000.

TABLE 3. Budget of participating summer school

Budget	Number of people	Percentage
Under € 4,000	27	32.9%
€ 4,000- € 5,000	33	40%
€ 5,001- € 6,000	22	25.8%
More than € 6,000	0	0

At the end of the questionnaire the annual family income was asked but unfortunately 90% of the respondents did not answer this question.

3.3 Research results analysis of phone interviews

The objective of the interview was to find out what advantages Finnish universities have to attract Chinese degree students since the author expected that those high school students who participate the summer school would become potential applicants to study as degree students in Finland. This interview was conducted via phone interviews, and the author was able to reach seven Chinese exchange students from different universities in China who had spent one year in universities in Tampere, Finland. In the following, the answers from them are presented:

- They chose to come to Finland because their home universities are partners with the universities in Tampere. All of them mentioned that they wanted to study where there is less Chinese people so that they can have an English environment.
- They have heard about the wealthy social system of the Nordic countries, yet knowing less about Finland.
- Application process was much easier in Finland, compared to other countries.
- Visa application was not as complicated as for example in Germany.
- Student housing system was working efficiently in Finland, all of them were able to get an apartment before their study began. One of them said that her classmate who went to Germany was not able to get a student apartment and had to pay higher rent to get accommodation in the private market.
- There are less Chinese students in Finland, which gave them more chance to practice English.
- Well-structured curriculum.
- Multicultural study environment.

4 MARKETING PLAN

In this chapter, the author focuses on the marketing planning. The current marketing situation including SWOT, with internal and external situation was analyzed. In addition, marketing mix and marketing communications were also introduced in order to achieve the objectives.

4.1 Current marketing situation

Ipsos Group S.A, which is a global market research and consulting firm with worldwide headquarters in Paris, France, had conducted a marketing research in 27 provinces in China, and collected data from 3,750 students to analyze the current marketing situation of short-term study trips abroad. The white paper released in 2016 indicates that students of age between 15-17 years old who are studying in public education institutes were the major customers of short-term study trips abroad. 88.3% of them were either in the application process to pursuit a degree or planning to do so in the future. Most popular destinations were U.S, Britain, Australia, France, Germany and Canada, only 3.1% had visited Nordic countries. Thus, the market of study trips is booming in China and the demand is relatively high.

4.2 SWOT analysis

The SWOT analysis is a much-used tool to determine the company strategy and is an essential part of the marketing plan. The abbreviation SWOT in SWOT analysis stands for strengths, weaknesses, opportunities and threats – strengths and weaknesses are factors in the internal business environment, whereas opportunities and threats are external factors. (Holloway 2004, 30.)

Strengths

Finland as a destination for summer or winter school programs has its own advantages. In the first place, Finland has a reputation of being one of the wealthiest countries in the world where high-tech companies like Nokia and Kone are located. In the second place, for those who consider the safety issue of the destination, Finland is their top choice since this is the safest place in the world. Thirdly, Finnish education is highly valued worldwide.

Last but not least, currently there are direct flights from 7 Chinese mega-cities to Helsinki, covering 100 million population. Direct flights from China to Helsinki is the shortest airway for Chinese to access Europe.

Weaknesses

Finnish education needs marketing since in the global market, only the pride and bold ones will success. Considering Chinese culture, everything new and unfamiliar is somehow scary and threatening. In this specific target market, study trips to Finland is a rather new product and has a limited market share, thus how to enter the market and find the right customers is a big challenge.

Opportunities

The weaknesses can be turned into opportunities, as long as the right strategy is applied. Although summer or winter school to Finland is not as popular as the ones to U.S or other European countries, it also means that there are less competitors, who are professionals in the same market. Being the first one to enter the market with a more creative and attractive program will benefit in long term since the first comers will have more experience.

Threats

Threats are mainly coming from the competitors who are already offering the similar program. But currently the company based in Tampere which is operating summer and winter schools is targeting on primary school students. The economic situation in the world affects the business quite strongly. Economic crashes like the one in 2008 would be potential threats to the business.

4.3 Marketing mix

Marketing mix is the set of marketing tools that a company uses in implementing its marketing strategy. There are four major tactical marketing tools in the marketing mix, which are often called the four Ps of marketing. The marketing tools known as the four Ps are product, place, price and promotion. (Kotler & Armstrong & Harris & Piercy 2013, 12.) In the service industry, a framework for 7 Ps was introduced in 1981 by Booms and

Bitner, additional 3 factors are people, process and physical evidence. The following figure shows the 7 Ps of the marketing mix.



FIGURE 8. Marketing mix with 7Ps (marketingmix.co.uk)

Product

- 1-2 weeks' summer or winter school program in a UAS in Finland.
- Content including English courses related to business or technology, outdoor activities, tour in other cities.

Place

- Universities of applied sciences in Finland, preferable in Helsinki area, Tampere or Turku.
- Target market is in Wuhan city, China.
- Education fairs.
- Company website.

Price

- Around € 3,000- 4,000, including transportation and accommodation.
- Excluding the visa application fee.

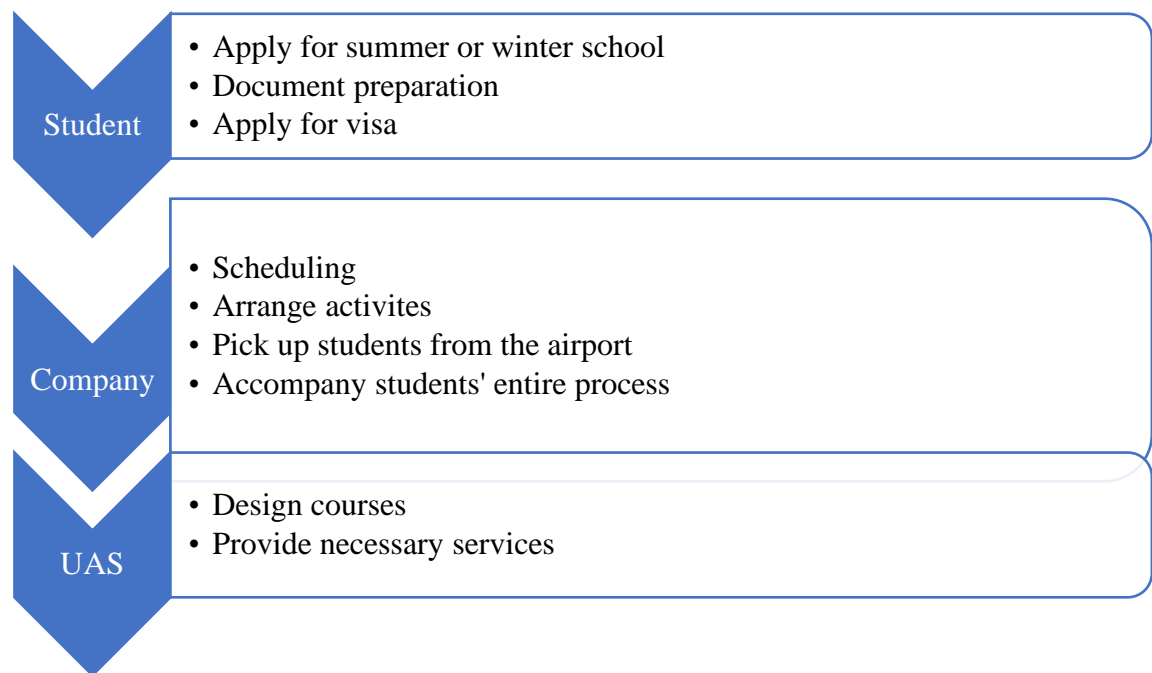
Promotion

- Working with the high school in Wuhan city, China since students trust the program arranged by the school.
- Marketing on WeChat and Weibo, which are nowadays the most popular social media networking systems in China. In the most recently reported quarter, WeChat has 1 billion users and Weibo has 313 million users.
- SEO, also known as search engine optimization. In order to improve rankings, drive traffic, and increase awareness in search engines, building a search engine-friendly website is necessary.

People

- Experiences and enthusiastic employees.
- Partners from different high schools.

Process



Physical evidence

- Register the company both in Finland and in China.
- Get permission to organize study trips abroad.
- Professional and informative website.

5 DISCUSSION

This bachelor's thesis contains basis for the business plan and marketing plan to develop summer and winter school programs. The marketing plan has been made with the focus on the target market. The aim of the thesis has been to make a profitable business plan to attract high school students to short study trips to universities of applied sciences in Finland, in long-term, they can become potential applicants to complete a degree program in Finland.

The results of the marketing research show that there is a potential market for this business. However, since the questionnaires were sent to students of the same high school, and the sample was quite small, more research is needed to be done in order to get more accurate information.

During the writing process, the author has used a variety of different sources. In the beginning of the thesis, the background information and used theoretical framework were introduced. By conducting a marketing research, the buying behavior of the target customers was studied, and different statistical information has been investigated in order to get information about the target audience.

All of the thoughts described in this business plan have been for the current market situation. In the future, it is important to adjust the plan according to the marketing environment, and different marketing channels might be needed in order to be competitive in the market.

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APPENDICES

Appendix 1. Questionnaire

This questionnaire aims at finding out the buying behavior of the target customer. The anonymity of the respondents will be guaranteed and the information given will only be used in writing the thesis.

1. Have you taken part in summer or winter school abroad?
 - Yes
 - No

2. If yes, where have you been and for how long time?

3. If you want to search information about summer school, which channels do you usually use? You can choose more than one channel.
 - Newspaper
 - Search on Internet
 - Social media
 - Recommendation from friends
 - School arranged program
 - TV ads

4. What motivates you to participate summer or winter school?
 - Improve language skills
 - Experience different culture
 - Learn to be independent
 - Build up leadership
 - Eye-opening experience
 - Others, what _____

5. What attracts you most in the following contents of summer or winter school?
 - Courses in English related to business or technology
 - Outdoor activities for example camping, hiking, water sports
 - Playing games with team members
 - Tour in different cities
 - Company visits

6. What concerns you the most when participating summer school?
 - Safety issue of the destination country
 - Different culture
 - Food
 - Accommodation
 - Language barriers
 - Schedule
 - Whether it is possible to travel with friends
 - Others _____

7. What kind of schedule would you like to have?

- One week
- Two weeks
- More than two weeks

8. Who can decide the destination country?

- Yourself
- Parents
- Both you and your parents

9. What is your budget of participating summer school?

- Under € 4,000
- € 4,000 - € 5,000
- € 5,001 - € 6,000
- More than € 6,000

10. What is the annual income of your family? (This question is not mandatory)

- Under € 20,000
- € 20,000 - €25,000
- € 25,001 - € 30,000
- € 31,000 - € 40,000
- More than € 40,000