
Keeping foreign students interested in HAMK after the introduction of new tuition fees.



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ABSTRACT

The purpose of this thesis was to apply the scope of marketing activities and techniques learned in order to keep potential students from outside the European Union or European Economic Area interested in applying to International Business Bachelor Degree Program in Häme University of Applied Sciences with the introduction of tuition fees for higher education students.

A questionnaire among the target customers and an analytical internal and external audit of the organization with an emphasis on the digital marketing activities were chosen as the research methods. To meet the research objectives, such marketing tools as Segmentation, Targeting and Positioning were used in line with Extended Marketing Mix for Services.

Considering the challenges the author met after the main determinants of service quality were identified, recommendations on how to improve those determinants in HAMK and communicate them to customers from non-EU\EEA area, as well as recommendations to concentrate on another segment were given.

Keywords higher education, foreign students, tuition fees, targeting, price, promotion, digital marketing

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1 INTRODUCTION

The aim of this thesis was to answer the following research question: Using various marketing activities and techniques, how to keep potential foreign students interested in applying to International Business Bachelor Degree Program in Häme University of Applied Sciences with the introduction of changes to tuition fees for higher education students? Theoretical part would be first introduced, including general information about the Häme University of Applied Sciences, particularly about the International Business Degree Program as well as including marketing strategy university is already applying. The new proposal on tuition fees, its' effect on the flow of international students and the current situation in Finland in terms of high education would also be stated in the theoretical part and, finally, in order to understand, what influences the target group of customers the most, when they are making decisions on university and program to study, the nuances of marketing education as a service and digital marketing would be described. In the Research and Analysis part, the results of the research among the target group- students, coming from non-EU\EEA area- would be included along with the analysis of those results. In addition, the strategic internal and external audit of the organization and its activities and processes with special emphasis on the digital marketing activities would be included in the Research and Analysis section. In the next part, recommendations would be given based on the two previous parts on how to change current HAMK marketing strategy using new Positioning ideas in line with three elements of Extended Marketing Mix for Services – product, place and promotion, as well as new digital marketing decisions as one of the cheapest and relatively effective marketing decisions. The conclusion would be made to summarize the findings.

1.1 Company Introduction

Häme University of Applied Sciences (HAMK) is a multidisciplinary higher education institution situated centrally in the most populated area of southern Finland. (Häme University of Applied Sciences official web site). University offers 30 different programs and six out of them are taught in English language. The number of countries of origin of students, who had chosen to receive high education in HAMK, exceeds 70. Therefore, the university annually attracts a significant number of international students, coming both from the European Union and outside it. Various factors lead to the popularity of Finnish system of high education and of HAMK in particular, which would be addressed later in the following thesis.

1.2 Research Question

The research question of this thesis was “Using various marketing activities and techniques, how to keep potential foreign students interested in applying to International Business Bachelor Degree Program in Häme University of Applied Sciences with the introduction of changes to tuition fees for higher education students?” With the new proposal on the tuition

fees that are charged on foreign students coming from outside the European Union and the European Economic Area, the flow of applicants to the University would most likely decrease. (Press release on tuition fees for higher education students from outside the EU/ETA area.2015).

1.3 Research Objectives

The most important objective of this work is to identify the aspects, which students of a target group find the most important while choosing a university - information would be based on both theoretical and practical study – and based on that information, give recommendations and additional improvements to the overall marketing strategy of HAMK, especially considering its techniques and activities in digital marketing. Moreover, another important objective is to improve personal knowledge about the topic (Services Marketing, Digital Marketing) as well as put into practice the skills of conducting the research and analyzing the results together with the ability to organize thinking logically.

1.4 Research Methods

Both theoretical and practical researches would be conducted in order to achieve the thesis objectives. Theoretical study would be based on both printed and electronic sources. Practical study would be based on the creation of a questionnaire, distribution of that questionnaire among the target group and analysis of the results, applying the knowledge and experience, as well as conducting a strategic internal and external audit of the company and its processes and activities, applying logical thinking and information derived from theoretical study and results of the questionnaire.

2 THEORY BASIS

2.1 Häme University of Applied Sciences: Vision, Mission, Strategy, International Orientation

As it is stated on the official web site of the university, their Vision for the year 2020 is that HAMK offers the most inspiring higher education and the most customer-oriented applied research.

Mission: Häme University of Applied Sciences (HAMK) has a high professional profile and is the only higher education institution in the region. HAMK performs its statutory duties in a novel and unique way. The student is the centre of all operations and the workplace is the immediate beneficiary. We are near the operations of the sub-region, we internationalise our students and we actively communicate about our operations. We are successful and the region is successful. That is why we put emphasis on our presence in the sub-regions.

We improve Finland's competitiveness and disseminate our expertise globally and also into the fields of education and research (HAMK Strategy year 2020).

Primary aspects of the HAMK Strategy for year 2020 are the following:

1. Education – HAMK provides a study atmosphere where students could successfully combine individual and group work in a way that it would help them to faster integrate into the processes on their future work place, could generate unique ideas and build useful connection
2. Digitalization - HAMK applies user-friendly digital services to facilitate studying process
3. Customer-oriented applied research - four HAMK research units contribute to the customer-oriented studying
4. Regional influence and Business Services - HAMK presence in many regions in the Southern Europe gives the university particular influence
5. Internationalization - it is important for HAMK to ensure share of experience between students and teachers from different countries, as well as ensure the internationalization of the region by providing programs, taught in English
6. Personnel and management - willpower, competence and leadership are essential among staff members, who also have distinct career paths and possibilities for growth
7. Finances and facilities – HAMK concentrates on sustainable development (HAMK Strategy year 2020).

International Orientation: HAMK University has 6 programs, which are taught in English language (in this thesis we would focus particularly on International Business program, which would be introduced in more details in the next chapter of the theory basis). Therefore, foreign students present a significant part of the HAMK university customers, they are directly and indirectly involved in all the activities inside and outside their campuses and after graduation they promote the overall internationalization and business development of the regions.

According to the Ministry of Education and Culture, in the year 2014 19,880 foreign students were studying degree programs in Finnish institutes of higher education, what accounted for around 6.7% of all students studying at that level. 77% of 19,880 foreign students (15,330 students) were from outside the European Union and the European Economic Area - mainly from Russian Federation, China and Vietnam. (Press release on tuition fees for higher education students from outside the EU/ETA area. 22.10.2015).

2.2 Bachelor Degree Program in International Business

This thesis was focusing particularly on the International Business program in Valkeakoski campus of HAMK because this program usually attracts the largest number of foreign students. International environment is particularly important for this program since in modern world both huge

transnational corporations as well as small and medium-size enterprises operate internationally.

The Degree Programme in International Business provides students with a Bachelor's degree in Business Administration. The programme is taught in English. Students from over 30 countries ensure a truly international study environment. Staff members represent both European and other nationalities. With over a decade of experience, the programme offers the possibility to become a professional in the field of international business.

The Degree Programme in International Business in Valkeakoski provides students with an education that promotes professional careers, especially in the European and Chinese markets. (HAMK International Business official web-page)

According to the official web page of Häme University of Applied Sciences, International Business Degree Program ensures international atmosphere and close to real life working environment by providing modern facilities and equipment (auditoriums, classrooms and computer rooms), as well as encouraging studying in a form of projects. Such education promotes individual thinking and brings with it life-long communication skills, and skills of critical and analytical thinking. (HAMK International Business official web-page)

2.3 Changes to the University Act and the Polytechnics Acts.

Official web page of the Ministry of Education and Culture of Finland states that the Finnish higher education system consists of two complementary sectors: polytechnics and universities. The mission of universities is to conduct scientific research and provide instruction and postgraduate education based on it. Polytechnics train professionals in response to labor market needs and conduct R&D, which supports instruction and promotes regional development in particular. Häme University of Applied Sciences is a polytechnic institution. (University of applied sciences' education in Finland.)

2.3.1 Introduction of Tuition Fees

According to the official web site of the Ministry of Education and Culture of Finland, on the 15th of October year 2015 there had been a proposal made by the Finnish government to increase tuition fees for the students, coming from outside the European Union and the European Economic Area.

Minimum annual tuition fee should reach 1500€-university's administration should set the final amount of the fee. Tuition fees would be applied to those students, who

- Are studying in English language
- Would start their studies on the 1st of August year 2017 or later (exceptionally some universities can start collecting those fees earlier)
- Are coming originally from the countries outside EU/EEA

(Press release on tuition fees for higher education students from outside the EU/ETA area.22.10.2015)

By introducing those fees, the government of Finland aims at expanding funding base of the universities, as well as advancing opportunities for education export. Finnish education is known for its high level; therefore, introduction of the tuition fees would emphasize the quality of education as a competitive advantage. (Press release on tuition fees for higher education students from outside the EU/ETA area.22.10.2015)

According to the official web-page of Häme University of Applied Sciences, tuition fee for the upcoming academic year 2017/2018 is going to be €8700 for Bachelor's Degrees and €9700 for Master's Degrees. (Tuition fees and scholarships. 22.8.2016)

It is also stated on the HAMK official web-site, that there was a scholarship introduced for Bachelor Degree students, which consist of 45 percent of annual tuition fee amount and which could be applied for after certain number of credits was achieved by the student – 27 Credits for first academic semester and then 55 Credits for each academic year. (Tuition fees and scholarships. 22.8.2016)

2.3.2 Possible Consequences of the Tuition Fees and Various Opinions

Opinions regarding the effect of introduction of the new tuition fee had divided into two parts: while some authorities claim that tuition fees could help to generate Finnish export revenue, others argue that it would lead to even higher costs for universities and drop in the number of international students.

The argument for tuition fees goes as follows: Finland has a renowned education system and capitalizing on it financially would increase the Finnish export revenue and in part help the economy to recover from the downturn. The second widely used argument is based on the common-sense assumption that international students come to Finland, enjoy Finnish social security, obtain their degree and leave the country: they enjoy free taxpayer-paid education, but give nothing back. Finnish higher education institutions should be forced to collect tuition fees from them – no taxpayers' money should be wasted.

However, it could be the case that the foreign capital flow into Finland would dive if tuition fees were introduced. This has nothing to do with quality of education nor other education-related issues, but with the fact that the total cost for students to study in Finland would be too high. Living in Finland is very expensive, and throwing full cost tuition fees – as required by the proponents of this argument – on top of that would make studying in Finland a no-go option for many. (J. Kallunki. 2014)

Jarmo Kallunki is education policy officer at the National Union of University Students in Finland. In his article about tuition fees he introduces

his opinion and concludes, that such fees may seriously harm the university education system in Finland both in economical and ethical terms.

He claims that, it all comes down to the fact that international students cannot afford to study in Finland if tuition fees are collected: the recruitment pool of Finnish higher education institutions is not the sons and daughters of millionaires, but the children of the middle-classes in developing countries.

For them, tuition-free education is a sign of social justice and a guarantee of equal opportunity. And for them, tuition free education is a clear pull-factor onto which Finland should hold in the competition for international talent.

The same is true when it comes to education export: Finnish education is a reflection and a creation of the Nordic welfare society and the excellence of its quality is based on a long tradition of building a socially sustainable society.

It is stated in the Universities Act itself: besides promoting free research and education, the mission of Finnish universities is to educate students to serve their country and humanity.

If education export is developed according to this principle – and it should be – then tuition fees are not needed. And putting a fee barrier in the path of international students coming to Finland is not exactly serving humanity either. Tuition-free education, on the contrary, fits this purpose well and is therefore worth promoting. (J. Kallunki. 2014)

Discussions about the tuition fees in Finnish government occurred numerously before the year 2015, and always Finnish students' associations showed their concern and opposition to the tuition fees introduction for different reasons such as possible discrimination of potential students based on nationality, general unprofitability of tuition fees due to higher marketing costs and decrease in the number of graduates, who would choose to study and then work in Finland.

According to SAMOK and SYL (2013), the motion that introduces tuition fees to students from outside the EU and the EEA is based on false presumptions with no support from research or evaluation results. Finland battles a weakening dependency ratio and needs more international professionals to help the younger generation to build and maintain the Finnish welfare state. A purely mathematical calculation shows that an international degree student already pays back his or her studies in taxes through 2–3 years on the Finnish employment market. All further work and tax can be considered national economic profit. The introduction of tuition fees, however, will repel these students: follow-up studies show that students charged with the upcoming tuition fees will simply choose not to study in Finland. (SAMOK 7.01.2013)

The Government has aimed severe cuts at higher education institutions (HEI) and now encourages HEIs to increase their income by tuition fees

for foreign students. It is clear that HEIs will be forced to heavily invest in marketing the programs subject to fees, in order to attract students, and to secure the administration of stipend systems. It is more than likely that the costs will far exceed the revenue from the tuition fees. SAMOK and SYL greatly disapprove of the lack of perspective in the education policy of the Government. The unions fear that tuition fees for foreign students are just a prelude in the commercialization of education.
(SAMOK. 22.10.2015)

2.4 Theory of Marketing Services

In business and economic terms, HAMK provides a service with education as a core service. With the introduction of tuition fees, described in details above, educational institutions are gradually moving to being commercialized. In order to keep the stable inflow of foreign students, universities would have to put more effort on marketing their most international programs, highlighting other competitive advantages than free education, since it would not be the case anymore. Consequently, to keep foreign students interested in International Business HAMK program, it is essential to understand the basic concepts of services marketing and how it differs from marketing goods.

2.4.1 Services Marketing Specificities and Service Categories

Services are economic activities, offered by one party to another, most commonly employing time-based performances to bring about desired results in:

- recipients themselves
- objects or other assets for which purchasers have responsibility

In exchange for their money, time, and effort, service customers expect to obtain value from access to goods, labor, facilities, environments, professional skills, networks, and systems. However, they do not normally take ownership of any of the physical elements involved.

While marketing services, significant challenges may occur due to the differences between marketing management tasks in service sector and manufacturing sector. (Lovelock & Wirtz 2010,15)

The eight common differences are:

1. Most service products cannot be inventoried

Services involve actions and performances, therefore, they are ephemeral - transitory and perishable – and could not be stocked as inventory following production. Therefore, in situations when demand exceeds capacity, the chances of customer dissatisfaction are they high, unless service providers are able to make the demand meet capacity by introducing promotions, reservations and dynamic pricing strategies.

2. Intangible elements usually dominate value creation

Often intangible elements create the most value in service performances. Customers can't taste, smell or touch these elements, and they may not be able to see or hear them. That makes it more difficult to assess the important service features in advance of use and evaluate the quality of service performance itself, and distinguish particular service provider from its competitors.

Creating physical clues and strong brand associations helps to make service more "tangible".

3. Services are often difficult to visualize and understand

It is difficult for customers to visualize the experience in advance of purchase and understand what they will be getting. Intangibility is most likely to present a problem and a perceived risk for first-time customers. That risk could be reduced by helping customers to make good choices, educating them on the service processes, offering guarantees, emphasizing company's experience and credentials.

4. Customers may be involved in co-production

Some services require customers to participate actively in co-producing the service product. Both service providers and customers have much to gain from the process of the latter becoming more competent and productive. This means that service marketers should work with specialists from different departments to develop web sites, equipment, facilities and systems that are user-friendly. They should ensure that customers get the training they need to use these options well and that operations personnel could offer real-time support.

5. People may be part of the service experience

Other customers' misbehavior presents a marketing problem. In addition to managing their own employees effectively to ensure good service delivery, firms must manage and shape customer behavior. (For example, seriously consider the decision not to mix various segments)

6. Operational inputs and outputs tend to vary more widely

Final "assembly" of service product must take place in real time. Attitudes, transaction speed and quality of performance can vary widely even within one company, what makes it difficult for service organizations to improve productivity, control quality and ensure reliable delivery.

Variability could be reduced by adopting standardized procedures, implementing rigorous management of service quality, training employees carefully and automating tasks previously performed by human beings.

7. Time factor often assumes great importance

Many services are delivered in real time when customers are physically present. Today's customers are the most time-sensitive in history, are in

more of a hurry, and see wasted time as a cost to avoid. Busy customers expect the service to be available when it suits them, and are concerned of how much time elapses between making the request for service and receiving the finished output. Successful marketers strive to minimize customer waiting times and make waiting itself less burdensome.

8. Distribution may take place through nonphysical channels

Some service providers are able to use electronic channels to deliver all (or at least some) of their service elements. Many information-based services can be delivered almost instantaneously to any location in the world that has Internet access. The Internet is its key component- user-friendly web sites would ensure pleasant and secure service performance.

However, there is a need to distinguish between the potential for delivering information-based core products and simply providing supplementary services that facilitate purchase and use of physical goods. (Lovelock et al. 2010,15-21)

There are 4 different Service Categories:

1. People processing

Services, directed at people's bodies. For example, barbershop. While purchasing this category of services, customers must physically enter the service facility and cooperate actively with the service operation personnel.

Managers should think about process and output from the customer's perspective to identify benefits created and non-financial costs- such as time, mental effort and physical effort.

2. Possession processing

Services, directed at customers' possessions-for instance, refueling of the car. There is no simultaneous production and consumption during the performance of this category of service. Possession processing services usually include cleaning, maintaining, storing, improving, or repairing physical objects. Customer involvement is usually limited.

3. Mental stimulus processing

Services, directed at people's minds- for example, education. This category is very important, since it includes services, which HAMK offers. As those services are targeted at people's minds, they require higher ethical standards, because anything touching people's minds has the power to shape attitudes and influence behavior, therefore, customers could even be manipulated. Physical presence of recipients is not required for that type of service – elements could be delivered through electronic channels.

4. Information processing

Services, directed at intangible assets- for instance, banking services. This category is the most intangible and usually includes services that are highly dependent on the effective collection and processing of information. For example, financial services and professional services – accounting, law, marketing research, management consulting, and medical diagnosis. Even though those services operate with intangible assets, the output could be transformed into enduring form. (Dr. Zheng L., Lecture 12.01.2016)

2.4.2 Extended Marketing Mix for Services

Marketing mix elements, all four together, are usually addressed by marketers to attract customers, stimulate sales and increase revenues. Goods manufacturers usually use basic four elements- Product, Place, Price (or Distribution) and Promotion (or Communication) - which are also called 4Ps of the marketing mix. However, when dealing with services, those four elements are not enough to capture its distinctive nature, and therefore, the mix should be extended and three more elements should be added. The 7Ps of Services Marketing are:

- Product

Product is a heart of a firm's marketing strategy. Planning the marketing mix begins with creating a service concept that will offer value to target customers and satisfy their needs better than competing alternatives. (Dr. Zheng L., Lecture 12.01.2016)

Experienced service marketers recognize the need to take a holistic view of the entire performance that they want customers to experience, highlighting the specific dimensions on which the firm plans to compete. The value proposition must address and integrate three components- core product, supplementary services and delivery processes. The core product is the central component that supplies the principal, problem-solving benefits customer seek. Supplementary services augment the core product, both facilitating its use and enhancing its value and appeal. The extent and level of supplementary services often play a role in differentiating and positioning the core product against competing services. Adding more supplementary elements or increasing the level of performance should be done in ways that enhance the perceived value of the core product for prospective customers and enable the service provider to charge a higher price. Finally, the last product component describes the processes that are used to deliver both the core product and supplementary services. The design of the service offering must address the following issues:

- How the different service components are delivered to the customer?
- The nature of the customer's role in those processes
- How long delivery lasts
- The prescribed level and style of service to be offered.

Each of four categories of services described in part 2.4.1- people processing, possession processing, mental stimulus processing and information processing-have different implications for operational procedures,

the degree of customer contact with service personnel and facilities, and requirements for supplementary services.

(Lovelock et al. 2010,70-72)

In terms of education services, the determination what is exactly core products, and what are the supplementary services could cause certain doubts and disagreements. Nevertheless, in this work HAMK core product is defined as Bachelor Degree in English language (in other words, giving access to information and knowledge) and students are seen as customers.

- Place and Time

Delivering product elements to customers involves decisions on where and when the former is delivered to the latter, as well as the methods and channels employed. Delivery may involve use of physical channels, electronic channels or even both, depending on the nature of service. Firms may deliver service directly to end users or through intermediary organizations. Speed and convenience of place and time have become important determinants of effective service delivery.

- Price (and Other User Outlays)

Like product value, the value inherent in payments is central to marketing's role in facilitating a value exchange between the firm and its customers. For suppliers, pricing strategy is the financial mechanism through which income is generated to offset the costs of providing service and create a surplus for profits. On the contrary, customers see the price as the cost they have to accept to obtain desired benefits, and in order to calculate the “worthiness” of a particular service they may as well take into account nonmonetary costs and assess the outlays of their time and effort. Therefore, it is important for marketers not only to set the prices customers are able and willing to pay, but also strive to minimize other costs, both additional monetary and nonmonetary.

- Promotion and Education

Providing needed information and advice, persuading target customers of the merits of a specific brand or service product, and encouraging them to take action at specific times. Service suppliers need to teach customers, new ones in particular, about all possible benefits of the service, where and when to obtain it, and how to participate in the service processes to get the best possible outcome. Communication could be delivered by the front-line personnel, through web sites and display screens on self-service equipment, and, finally, through a wide variety of advertising media. Moreover, different promotional activities are usually designed to stimulate immediate trial purchases or to encourage consumption at the times of low demand. (Lovelock et al. 2010,23-25)

A company's total promotion mix—also called its marketing communications mix— consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct-marketing tools that

the company uses to persuasively communicate customer value and build customer relationships. (Kotler & Armstrong 2011,408)

- Process

The way company does things, how it does them- the underlying processes- is often as important as what it does. Consequently, it is vital to design and implement effective processes to create and deliver service product elements, especially concerning the fact that customers are often involved in those processes.

- Physical Environment

The appearance of buildings, landscaping, vehicles, interior furnishing, equipment, staff members' uniforms, signs, printed materials, and other visible cues all provide tangible evidence of a firm's service quality, facilitate service delivery, and guide customers through the service process.

- People

Despite technological advances, most services would always require direct interaction between customers and contact personnel, and those interactions strongly influence how customer perceive service quality. Knowing that (dis)satisfaction with service quality often reflects customer's assessments of front-line employees, successful service companies devote significant effort to recruiting, training and motivating employees. Recognizing that customers may contribute to how others experience service performance; marketers try to shape customers' roles and manage their behavior. (Lovelock et al. 2010,23-25)

According to Lovelock and Wirtz, (2007) the 8th P could also be added to the extended Marketing mix – Productivity and Quality. Even though that element is usually not included in the traditional extended marketing mix, it is still worth mentioning.

Productivity and quality should be seen as two sides of the same coin. No service organization can afford to address one in isolation from the other. Improving productivity is essential to any strategy for reducing costs, but managers must beware of making inappropriate cuts in service that will be resented by customers. Improving quality, which should be defined from a customer perspective, is essential for product differentiation and for building customer satisfaction and loyalty. However, it is unwise to invest in service quality improvements without understanding the trade-off between the incremental costs involved and the incremental revenues anticipated from offering better quality on specific dimensions. If customers are not willing to pay extra for more quality, then the firm will lose money. The strategies with the biggest potential payoffs may be those that seek to improve productivity and quality simultaneously. Advances in technology sometimes offer promising opportunities, but innovations must be user-friendly and deliver benefits that customers will value. (Lovelock & Wirtz 2007,25)

All elements of marketing mix, listed above, should be wisely combined together in order to implement a marketing strategy and make service offered attractive to the customer. This model is one of the most commonly used in marketing a product.

2.5 Market Segmentation, Targeting and Positioning.

2.5.1 Market Segmentation

In order to understand which groups of customers offer more opportunities and address marketing activities successfully, companies have to be able to distinguish different groups of customers based on various criteria - geographic, demographic, psychographic, and behavioral. The process of dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviors, and who might require separate products or marketing programs is called market segmentation. Not all customer segments are useful for the company and offer equal opportunities. Therefore, marketers need to be able to understand the needs of each segment and do everything in order to meet those needs. (Kotler et al. 2011,190-191)

2.5.2 Market Targeting

After defining its market segments, company can enter one or many of these segments. Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. While selecting a target segment, company needs to consider profitability of that segment, evaluate the competition inside of segment, the power of suppliers and buyers and, finally, the resources and objectives of the company. (Kotler et al. 2011,200-201)

2.5.3 Market Differentiation and Positioning

After deciding which market segments to enter, company must decide how it will differentiate its market offering for each targeted segment and what positions it wants to occupy in those segments. Positioning is arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. Unique position would guarantee that customers would be interested in buying it, since it differs from all over similar products on the market. In order to build a distinctive position, companies need to differentiate their products. Differentiation could be done by offering to customers outstanding product attributes and benefits that no other competitor offers. Marketers need to understand company's competitive advantages, choose those of them that would fit the needs of the target segment and communicate them to the customers through various channels. (Kotler et al. 2011,207-210)

2.6 Digital Marketing: Web-page as the Main Marketing Tool

With the introduction of World Wide Web, marketing had become more accessible and much cheaper. At the same time, as the number of companies using internet marketing grows, it is getting more and more difficult for particular organization to keep its individuality on the international internet arena. Web-page could either be a competitive advantage or a drawback. For a university, which, inter alia, is oriented at foreign students, it is necessary to have straightforward official site with required data in English language.

According to Ryan and Jones (2009), company's web-page is "the single most valuable piece of digital real estate you'll ever own". The authors mention an article of Jakob Nielsen with 10 worst mistakes of web design:

1. Bad search

Searching service should be displayed so that users can find it easily. Moreover, it should be as precise as possible, since that is the first thing people tend to look for and utilize when they could not navigate around the site.

2. PDF files for online reading

PDF files could be easily printed and usually contain more detailed information, however, in order to attract the user's attention and keep it as long as possible it is advised to put necessary data on the screen so it could be scrolled through.

3. Not changing the color of visited links

Links that change color after visiting serve to indicate if they have already been opened or not and, therefore, save user's time and make it possible to go back to web-pages user has already been to.

4. Non-scannable text

Subheadings, highlighted keywords, shorter paragraphs, etc. make the text more understandable.

5. Fixed font size

Users may need to change the font size so it would be suitable for their eyes to read.

6. Page titles with low search engine visibility

Home page title should start with the company name, and then followed by a brief description of the site; other pages -with most informative and notable words that shortly describe the content.

7. Anything that looks like an advertisement

Experienced users learned how to ignore anything that looks like advertisement, including anything with similar shape and position on the screen, animation and so-called pop-up windows.

8. Violating design conventions

Websites with unusual design and navigation system scare users and make them feel less control.

9. Opening new browser windows

That may disorientate users when they want to click “Back” button without noticing that new window has been opened. Usually people open them by themselves when needed.

10. Not answering users’ questions

“The ultimate failure of a website is to fail to provide the information users are looking for.” (Ryan & Jones 2009, 56-60)

2.6.1 Website Design Summary

Ryan and Jones (2009) have summarized all important points that should be taken into account in designing company’s web-page.

- Establishing clear business goals for the website right from the start: what this web site is for?
- Knowing target audience: characteristics of the main potential customers
- Knowing competition: analyzing competitors’ web pages to avoid their mistakes and think of differentiation methods.
- Using a professional web designer: Professionals have more experience, skills and knowledge in the field
- Professional look and feel: Professional look and functional in use
- Following standards: Site should be designed to comply with accepted web standards.
- Keeping it simple: Web-site that could efficiently give users what they want leaves the best effect.
- Design to be found: Site should be search engine friendly as well as user friendly.
- Content written for the web: Clear and easy to scan through text with necessary information included and aimed at target customers in the first place.
- Testing everything: Web-site should work correctly.
- Holding the initial marketing blitz: For those companies, which are launching their new web-site for the first time, it is important not to do in a rush and re-check everything a couple of times. (Ryan et al. 2009, 60-62)

3 RESEARCH AND ANALYSIS

In order to find out, which characteristics of the universities and which of their offers are considered as the most significant and have the major influence on the final decision of the students, the research was conducted among the representatives of the target segment of the education service (school graduates, bachelor degree students and graduates). As a tool to collect necessary information questionnaire was created. Content of the questionnaire is given below.

3.1 Questionnaire

First question was aimed at learning the country of origin of the respondent. This aspect was considered important by the writer of this Thesis for the development of the work since the main segment of interest are students, coming from non-EU/EEA area. The next three questions were aimed at learning the country of studying, name of the Higher Institution and Educational Program of studying. In terms of the program, it is reasonable to concentrate mainly on International Business program or similar, however, other programs could be useful concerning aspects which are not connected only to the content of studies, such as possibility of integration into the foreign society. Moreover, the writer of this thesis assumes that it could contribute to the research If respondents would mention If they have chosen free education or If not, how much they have to pay per one year of studying in their university. That is the main subject of the fifth question. Next question gave respondents a wide choice of answers and was included to the questionnaire to find out what are the reasons lying behind their university decision. It asked for the three main aspects that had the major influence on that decision. Respondents had the following options for the answer and, as it is said above, could have chosen three:

High chance of immediate employment after graduation (according to the statistics);

Possibility to receive grants;

Widely recognized high quality of education (country level);

Widely recognized high quality of education (University level- according to different rankings);

International Orientation;

Professional reviews;

Opinions from people You know;

Additional University offers: e.g. exchange options, various trips and events, etc.;

Special practices and methods of teaching used in University;

Other (Please Specify)

Finally, questionnaire included a question, where respondents could have given any additional comments or suggestions on what higher institutions should concentrate more in order to attract foreign students.

Those options were chosen as characteristics, which define quality of education service in accordance with the opinion of the writer of the thesis.

3.1.1 Results

In the questionnaire took part 104 respondents. The questionnaire was distributed among the target segment of education service mainly using such social media as Facebook and Vkontakte. Only 5 respondents were coming originally from the EU area, what means that 95 % of the respondents are coming from non-EU/EEA area, therefore, their opinion is necessary for the development of this thesis.

67 out of 104 respondents (64%) have admitted that they do not have to pay for education at all, around 3 % have given vague comments like “Secret” or “50\50”. The rest 34 of all the respondents (33 %) claimed that they have to pay for education, and only 5 (around 5%) respondents mentioned tuition fee higher than in HAMK. It is important to notice that since amounts in some cases were given in other currencies than euro, the conversion made by the author of this thesis could not be considered ad precise.

The main idea of the questionnaire was to find out which aspects have the biggest impact on student’s decision about the university. Two Figures, 1&2, showing the results of the last two questions, and a separate part with respondents’ own ideas and suggestions could be found below; for easier navigation in the diagrams aspects are shown as numbers from 1 to 9, and the meaning of each number is the following:

- 1) High chance of immediate employment after graduation (according to the statistics);
- 2) Possibility to receive grants;
- 3) Widely recognized high quality of education (country level);
- 4) Widely recognized high quality of education (University level- according to different rankings);
- 5) International Orientation;
- 6) Professional reviews;
- 7) Opinions from people You know;
- 8) Additional University offers: e.g. exchange options, various trips and events, etc.;
- 9) Special practices and methods of teaching used in University

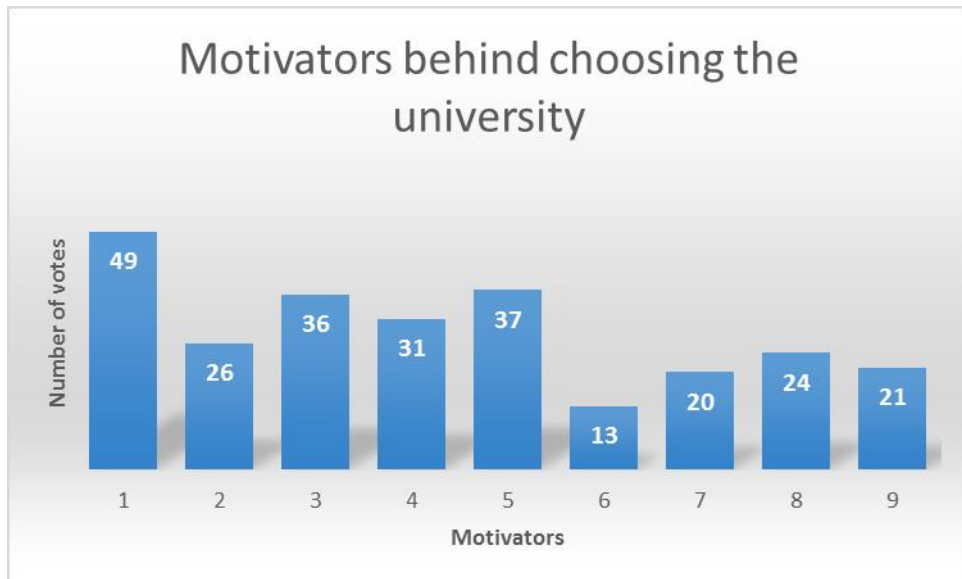


Figure 1: Diagram with the results of the questionnaire concerning the main motivators behind choosing the university. Results are given in number of votes.

As it was mentioned, each respondent could have chosen three motivators out of ten (the 10th option though is “Other”, which is not represented in the diagram, and included a number of interesting ideas as well. They would be introduced under the heading “Additional comments or suggestions”).

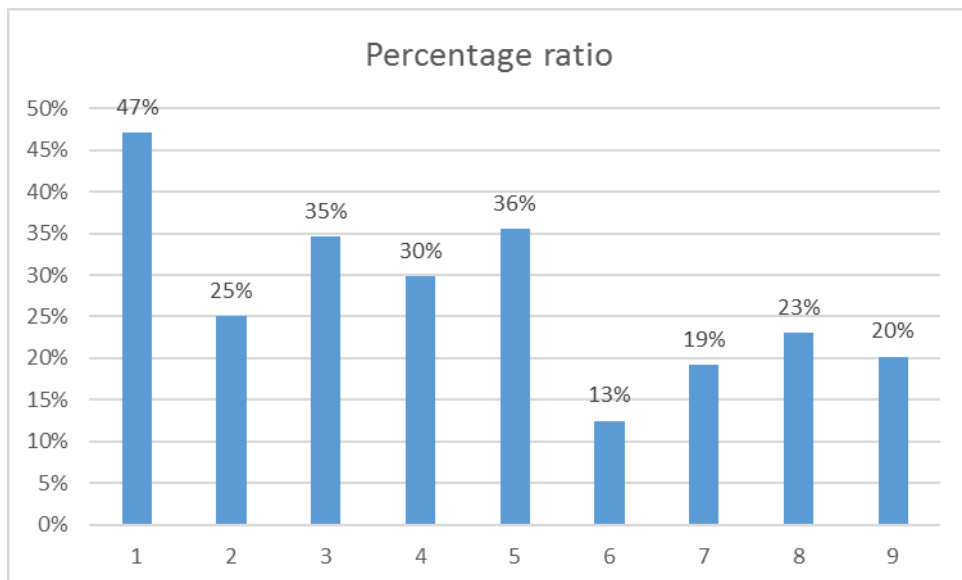


Figure 2: Diagram with the results of the questionnaire concerning the main motivators behind choosing the university. Results are calculated and given in percent.

In the Figure 2, percentage ratio of answers is presented: the total number of the respondents (104) is taken as 100%, and as each respondent should have chosen more than one answer, the sum of all percentage ratios is not equal to 100%.

According to the Figure 2, almost 50% of all the respondents consider that high possibility to find a job after graduation had the major influence on their choice of university. Almost equally- 36% and 35% - of the respondents, or more than one third, have decided that international orientation (programs in English language, ability to work with foreign students and so on) and commonly recognized high level of education on the country level accordingly also helped them to determine the main university in their options. Finally, almost one third of the respondents claimed that for them the quality of education on the level of university (according to different rankings) was important for them.

Consequently, for the respondents of the questionnaire conducted, the main determinant when choosing high education institution and program are the chances to be employed after graduation. HAMK already offers a number of opportunities to help students get involved into the working life easier : Work Placement is a part of university curriculum; HAMK is in partnership with different companies, including start-ups, which are highly interested in hiring interns; annually HAMK conducts fairs, where organizations present themselves, what business they are in and which contacts interested students may take. Nevertheless, there is a number of suggestions with possible changes and additions from the writer of this thesis, that would be described in the Recommendations part. In terms of international orientation HAMK keeps its positions as being highly welcoming institution for foreign applicants, and also it allows students to take part in exchange programs. In case of a drop in a number of foreign applicants during the next years there is a risk of losing that international orientation. In addition, introduction of tuition fees, even though it does not depend anyhow on the HAMK administration itself, already changes the policy that all students, regardless their nationality and country of origin, have equal chances of getting free high-quality education. That may have a serious impact on the image of internationally friendly university. Therefore, what Häme University of Applied Sciences needs is a program of actions for newcomers that would assist them during the whole period of their studying, would help them with integration into the life of new country and would higher their chances of staying in Finland after graduation. Such program also would be introduced in details by the writer of this thesis later in the part Recommendations. Finally, the quality of education on the country level and on the university level have certain influence on the decisions of applicants, according to the responses. Since the country level is not something that could be controlled by the HAMK Administration, the quality of education in HAMK itself, and, consequently, places it takes in various rankings, that is what attention should be paid to. That topic also would be discussed in the Recommendations section.

3.1.2 Additional Comments or Suggestions.

By approbation of respondents, some of the comments are given below on how to attract more foreign students to the university.

There should be more support for international students, and by that I mean financial support. With no family or friends in a new country it is hard to cope with the studies and maintaining routine life and paying all the fees and checks at the same time.

Figure 3. Suggestion from one of the respondents on what higher institutions should concentrate on in order to attract foreign students.

As for me, higher institutions should concentrate on grants/scholarships for international students, as not every student is able to cover study expenses, even some of the best. (I am lucky to have a scholarship at the moment)

Figure 4. Suggestion from one of the respondents on what higher institutions should concentrate on in order to attract foreign students.

It is noticeable that for most of students, financial aid, scholarships and grants are of high importance, as well as certain career guidance.

In case of tuition fees, to have a high possibility to get a grant or scholarship; to provide study trips to other cities and countries

Figure 5. Suggestion from one of the respondents on what higher institutions should concentrate on in order to attract foreign students.

Good Career Service, Student Societies

Figure 6. Suggestion from one of the respondents on what higher institutions should concentrate on in order to attract foreign students.

Some other suggestions were also made :

- «Creation of international student's organizations»;
- «Attract teachers from different countries»;
- «International lecturers and high level of students admitted and interesting educational (not leisure) events.

3.2 SWOT Analysis

SWOT Analysis is a necessary tool to understand what are the internal strengths and weaknesses of HAMK as a high education institute and what are the external threats and opportunities university is going to face during the next years. SWOT Analysis would contribute a lot to the development of general image or identity of the university, would help in giving future recommendations taking into account the combination of all four factors and, therefore, is indispensable.

SWOT Analysis is designed to look at the strong and weak points of the organization from two perspectives- internal and external- and then gives easy access to the actions that could be taken in order to become a successful company. In case of Häme University of Applied Sciences, external factors, affecting the organization, would mainly be connected with the latest introduction of tuition fees.

3.2.1 Opportunities.

1. Money generated from fees could be used for future development of the university and quality of the education by purchasing, for example, new equipment and educational materials.

The earnings accruing from the fees would remain with the schools as additional funding for the development of educational quality and support services. The total earnings obtained from the fees would depend on both the number of students coming from outside the EU/ETA area as well as the size of the fees charged and the quantity of scholarship funds granted by the higher educational establishment in question. (Ministry of Education and Culture of Finland. 22.10.2015)

2. Students with higher welfare

Apart from paying tuition fees, anyone willing to study in Finland would have to pay living costs, which could be, according to the official HAMK web-site, approximately 600-800€ per month, including accommodation. In addition, according to the official web-site of Finnish Immigration Service, in order to get a residence permit that allows long-term staying in Finland for studying students must have at least 560 euros per month on their bank account, or 6,720 euros in total for one year. Consequently, for studying in Finland student has to have relatively high welfare, what would guarantee money flow to campus towns, as well as all closest towns and cities. For small towns, like Valkeakoski, capital flow generated by international students is one of the most important parts of the economy. HAMK is always connected with life of the community and is an active part in the general development of the town it is located of the whole region as well.

3. Students coming from economically stable countries

3.2.2 Threats.

1. Outflow of foreign students

Drop in the number of international applicants may influence, firstly, on the rank of HAMK among other universities, and secondly, as a decline in the number of customers, could lead to the situation where supply exceeds demand, what means irrational use of resources and unprofitability of business as a whole.

2. Recession in capital flow

That threat is closely connected with the town and region of Finland campus is located.

3. Risk of losing image of an international institution

International Orientation is one of the important parts of HAMK positioning. Consequently, with the decline in number of foreign applicants, university could lose this characteristic and even Finnish students, who are currently thinking about studying in HAMK to get unforgettable international experience, may change their opinion.

3.2.3 Strengths.

1. Six English language programs that HAMK University offers. HAMK offers four Bachelor programs and two Master programs that are taught in English.
2. Various services and activities university offers that could help students with their integration into Finnish life and European life. For example, Marketing Ring, Street Team, Erasmus Program, NordPlus Program, etc.
3. As a member of FUAS - Finland's largest strategic alliance of universities of applied sciences- HAMK offers a huge variety of courses, conferences and so on students can take part in. (Federation of Universities of Applied Sciences: Official web-page)
4. High quality of education

Both on country level and on university level, quality of education could be defined as high, however, it should be taken into account that, as mentioned earlier, service quality is difficult to assess.

According to "Webometrics Ranking of World Universities" - initiative of the Cybermetrics Lab, a research group belonging to the Consejo Superior de Investigaciones Científicas (CSIC), the largest public research body in Spain, one of the first basic research organizations in Europe (Ranking Web of Universities) – Häme University of Applied Sciences takes the 20th place among Finnish universities and 5517th in the World Ranking. (Figure 3) However, it should be noticed that this ranking is trying to assess all universities, without special highlighting of universities of applied sciences, and therefore, could not be precise.

ranking	World Rank ▲	University	Det.	Presence Rank*	Impact Rank*	Openness Rank*
16	4562	of Turku Region)		9363	11319	4121
17	4787	Helsinki Metropolia University of Applied Sciences (Evekt, Stadia)		2267	2676	4121
18	4998	Tampere Polytechnic / Tampereen ammattikorkeakoulu		2593	3040	4121
19	5237	University of the Arts Helsinki / Taideyliopisto		5843	2876	4121
20	5517	HAMK University of Applied Sciences / Hämeen ammattikorkeakoulu		1872	4177	4121
21	5542	Oulu University of Applied Sciences / Oulun Seudun Ammattikorkeakoulu		1163	4466	4121

Figure 7. Ranking Web of Universities: Finland, 1.2.2016

Finnish education on the country level is generally considered as a high-quality education due to the fact that it is very practical and implies a good combination of independent work and group work.

International students rate Finland as the best place to study in Europe. This is the result of the Study Portals International Student Satisfaction Awards 2014. (Raileanu, 2014)

5. European Education in highly developed country
6. Opportunities for future employment

Fifth and sixth points are considered as the most significant by the writer of this thesis and, therefore, should be included in the list of the important characteristics of education in Finland and in HAMK. Those characteristics later would be highlighted in the final recommendations.

7. Grants and scholarships

3.2.4 Weaknesses.

1. Campuses in small towns

Except for education, applicants are also waiting for the experience and emotions. All HAMK campuses are located in relatively small towns (Hämeenlinna, Riihimäki, Valkeakoski and so on.). Consequently, in order to keep students interested, university's offering of activities has to be wide. Moreover, it could be difficult to look for a job in a closed community, therefore, university has to build strong connections with closely located companies; relations, which would be beneficial for both parties, would guarantee internships and possible future employment for graduates.

2. Web-page

In the modern society, the look and the ease of use of company's web-page plays important role. Potential students tend to pay a lot of attention to the navigation around the site and obviously, attractiveness. More detailed analysis of HAMK official web-site could be found under the point 3.3.

3. Social Media Marketing

HAMK does have some presence in most popular Social Media, however, that presence does not bring more popularity to university. There is an official Facebook page and an unofficial Facebook group, which could be used in digital marketing. In addition, there is an unofficial group on Russian social media platform Vkontakte. As it was mentioned before, Russian and Russian-speaking students are among the top three foreign students coming to study in Finland. Therefore, paying attention to that platform and that unofficial group could bring fame and interested

applicants that could exchange information, opinions and impressions with current students or graduates in mother tongue, consequently, much freely. HAMK Instagram account shows university's life and, therefore, is a useful tool in attracting students, however, it could not give enough information-applicants would not base their decision on pictures from events, they need to have their questions answered. HAMK has certain level of presence in other popular Social Media like Twitter, YouTube and Flickr, which is sufficient for the current students, nevertheless, non-free education always forces potential students to be more selective in their choices – they would concentrate much more on university offerings and between two high education institutions with same amount of tuition fee they have to pay would prefer the one, which has a significant number of graduates that found job in Europe or simply the famous one, the one, they have heard of.

4. Low level of fame

HAMK is known around Finland, however, it could not be defined as a popular or famous university. Foreign students usually choose big cities for their studies, therefore, they may be confused with HAMK locations. In addition, in most rankings HAMK is not included in the top 10 universities. Even though that does not mean low level of education, potential students tend to concentrate more on top 5-10 universities. One of the prior marketing goals is to make Häme University of Applied Sciences more visible and famous as a brand through various marketing activities, presence in Social Media and Advertising.

5. Student Organizations

6. Level of Finnish language taught to students

Due to the fact that most newcomers in HAMK have either zero or low level of Finnish language, and the groups usually include 50-60 students, it is almost impossible even with intensive courses teach them to speak Finnish at least so students can explain what they need in the store.

Combination of internal strengths of HAMK as an organization and opportunities that occurred mainly due to the introduction of tuition fees would ensure that there would be no dramatic decline in the number of students; threats could be anticipated using both certain strengths and recommendations on how to decrease the influence of weaknesses, that would be found under the point Recommendations.

3.3 HAMK Web-Page Analysis

During the last three years, official HAMK web-page had changed. In general, university had chosen more aggressive strategy in terms of digital marketing: more presence and more activity in social media, more information and more clarity on web-site. However, new design and usability of HAMK web-page would be analyzed in this part, using theoretical basis of Ryan and Jones (2009) about company web-page design. Both positive and negative sides would be discussed.

3.3.1 Positive.

To start with positive sides, more sections are now available in English language. Students do not get overwhelmed with information due to the fact that it is shown in a precise format: unnecessary facts for international students (e.g. programs taught in Finnish language only) are displayed in Finnish language accordingly. Furthermore, all information on the web-page is presented in the easy-to-read way: divided by topics, clear and understandable texts, most important data and links are highlighted. Searching service is located in the upper right corner of the page, therefore, it is easy to find, and it works properly, helping with navigation around the site and showing possible sections of the site that may help or PDF files. Presence of site map assists a lot when visiting it for the first time. Availability of soundtracks with all information from the pages is obviously a plus. Finally, the overall look of the web-page is professional and attracts attention.

3.3.2 Negative.

The first thing that disturbs from normal using HAMK official web-site is the low speed. Site is full of various pictures, videos and soundtracks with voice reading texts from the page. That may be the main reason, and it should be corrected. Most of the visitors would not wait for all files to load, they just need to have their questions answered as soon as possible. Moreover, according to Jakob Nielsen and his “10 worst mistakes of web design”, moving pictures could be associated with advertisement pop-ups, as well as usual photos with some words on them, which are located on the sides of the page – due to their location and advertisement shape could confuse users. Links on HAMK web-site do not change colour after using, which could not be considered as a huge problem, nevertheless, could be solved for the comfort of visitors of the page. In addition, even though there is a blog-page for students, and there are posts in English language, the blog itself is in Finnish, even navigation around it. Applicants read stories of students and graduates of the universities they are interested in to get acquainted with different opinions and experiences. It could be reasonable to create a separate blog page in English language. To certain extent, HAMK web-site design and navigation system violates traditionally accepted ones – unusual position of the topics to choose from on the top of the screen and huge number of separated texts and links on each page may scare users. The biggest reason for confusion is, perhaps, HAMK hashtag in the upper left corner: usually this place is reserved for the link to homepage. It could have been created as an interesting marketing move, however, it may cause misunderstanding and irritation, especially considering the fact that most of the time #HAMK is used in social media posts in Finnish language.

In conclusion, HAMK web-page is an example of well-balanced company web-site. However, navigation around it could be difficult for English-speaking visitors due to the fact that most of the parts of that site are targeted at the main segment - Finnish students. Solutions to all listed problems could be found below under the Recommendations section.

4 RECOMMENDATIONS

After the analysis of internal and external factors affecting HAMK and its digital marketing activities within the last few years and after conducting a research in order to determine the main motivations behind choosing a place to study among a wide range of students, it was concluded that in order to attract foreign applicants (from non-EU\EEA area), university administration should concentrate on the following aspects:

1. Communicate financial aid possibilities to one of the existing target segments (non-EU/EEA customers)
2. Create career guidance service and communicate it to one of the existing target segments (non-EU/EEA customers)
3. Assistance in acquaintance with new environment and in integration into the life of the society (non-EU/EEA customers)
4. Target other segments and position in them accordingly

First three aspects could be employed into practice using the three elements of Extended Marketing Mix – Product, Price and Promotion, presented further by the writer of this thesis. Those elements of Marketing Mix would include concrete actions that should be taken with detailed explanation of the final impact on the foreign customers' flow. The last aspect would be described in the section Targeting other segments.

4.1 Recommendation on Service Segmentation, Targeting and Positioning

In terms of geographic segmentation, HAMK was targeting two segments – Finnish students and foreign students. Foreign students segment could also be divided to two segments taking into account the tuition fees – students from EU\EEA area and students outside of that area. There is no need to change marketing strategy in Finnish students' segment and EU\EEA area students' segment. However, for the third segment education stopped being free, therefore, there are two options for further actions: either target the same segment, but change service positioning, or target different sub-segment inside of the existing geographic segment.

4.1.1 Targeting Same Segment: Necessary Changes in Positioning.

The writer of this thesis assumes that, first of all, HAMK university should use in positioning its location (high quality of Finnish education is widely recognized) and the fact that after successful graduation alumni gets a Bachelor Degree which is accepted by employers around all European Union and allows to continue studies and apply for a Master Degree in a significant number of universities. Marketing strategy based on those two aspects would attract foreign students even in case of tuition fees to be paid. Consequently, those aspects need to be actively communicated through various channels. However, HAMK has competitors both outside and inside of Finland, therefore, there is still a high chance that potential customers would choose another institution in Finland. As it became clear from the questionnaire, students concentrate a lot on their chances to be employed after graduation. Helsinki area offers the biggest number of op-

portunities to find a job for those graduates, who do not speak Finnish. Those HAMK campuses, which are located close to the capital of Finland (Hämeenlinna or Riihimäki), attract more student. International Business program is located in Valkeakoski campus; therefore, it may be less attractive. Moreover, the program itself is offered in almost all universities of applied sciences in Finland. As a conclusion, HAMK should position itself as a high-quality and internationally oriented institution with approach in education, which is concentrated on the practical side, nevertheless, especially concerning International Business program, there is a strong need to deliver other competitive advantages that would differentiate HAMK from all other Finnish universities of applied sciences. Recommendations on how to differentiate HAMK from other universities would be given in the next section about three elements of Marketing Mix.

4.1.2 Changes to the Existing Marketing Mix.

In this section, three elements of the Extended Marketing Mix are presented with recommended changes and additions.

- Product

As it was mentioned in the Theory section, core HAMK product is giving customers, or students, access to information, knowledge and practices in the taught field through learning materials and personal knowledge and experience of the professors. According to the research and analysis and taking into consideration personal opinion of the writer of this thesis based on the whole development of the work, there is no need to make changes to manner core product is defined. Nevertheless, supplementary services and delivery of the service package could undergo certain changes in order to anticipate the threat of losing foreign customers and image of internationally oriented university because of tuition fees.

This thesis is concentrated mainly on the International Business Bachelor program as being the most international from all programs, taught in English language, therefore, supplementary services of that program would be discussed further with additional suggestions for improvement.

Currently the main facilitating services that serve for attracting foreign students and have the biggest impact on their decision are the availability of distant studying through, for example, HAMK Moodle page; offering of alternative study programs with additional courses and conferences (not only in HAMK, but in other FUAS members); flexible curriculum. Since there is not that much information available yet on HAMK web-page about the payment system, basing on the research conducted and answers to the questionnaire new supplementary facilitating service should be created: payment of tuition fees in instalments. Students would be allowed not to pay the whole amount per one year at once, instead, price could be divided by semesters and certain amount would have to be paid till exact date. Those students who would not pay the instalment on time would not have access to the exams. That service, however, could be created only in case Finnish government allows such payment of the education.

Enhancing supplementary services that have the major influence on foreign applicants are different exchange programs HAMK offers, mainly Erasmus. According to the questionnaire results, the most important thing for students is after-graduation employment. Bachelor degrees in Häme University of Applied Sciences include work placement as a compulsory part of the curriculum. However, students are still facing the problem of unemployment after graduation. HAMK campus in Valkeakoski does not have any career guidance center, therefore, such center could be created with a professional, who would be assisting students in finding a job by introducing a list of options depending on their program, providing contacts with companies in the region that were taking former HAMK students as interns or full-time employees before, and giving Career Guides, designed as small prospects where listed all the web-sites designed for finding a job, as well as all the companies in the region that may be interested in hiring an English-speaking graduate of International Business or Automation Engineering program. In such prospect or brochure (there could be electronic version of it as well) should be a separate section for those students who do not speak Finnish language. Moreover, in order to help new students with the integration into Finnish life additional Finnish classes should be created. Due to the big size of the groups and low or zero level of Finnish language knowledge among first-year students, it may be difficult to learn Finnish even for a simple day-to-day communication. With the organizing of additional evening classes of learning Finnish language and Finnish culture, which could have informal atmosphere, and where students could be taught what they need to know first and foremost about Finland and its citizens in terms of social life and especially working life, number of graduates who managed to find a job in Finland would increase.

- Price

Price is very important when determining HAMK new marketing strategy, since before year 2017 customers did not have to pay for core product-education itself, only for some of the supplementary services, but now the situation is different. Therefore, HAMK could not position itself as a university, affordable for anyone, willing to apply to it. It could not position itself as a university for middle-class customers neither, since approximate living and studying expenses tripled. Apart from the approximate amount of tuition fees, set by the government, without the concrete number of maximum amount (5.000 to 20.000 EUR), one of the aspects affecting price is competitor's price. After analyzing other Finnish universities of applied sciences, which have close rank to HAMK University, either higher or lower, the following list of universities and ranks was created. Annual tuition fee amount for Bachelor programs was chosen as the most relevant to the topic of the thesis. All ranks are shown according to the "Webometrics Ranking of World Universities"(Ranking Web of Universities: Finland, 1.2.2016). Information is presented as stated on the official web-sites.

14th - Turku University of Applied Sciences, EUR 9000

15th - Laurea University of Applied Sciences, EUR 8000

17th - Metropolia University of Applied Sciences, EUR 10 000-12 000

18th - Tampere University of Applied Sciences, EUR 9800

20th – HAMK University of Applied Sciences, EUR 8700

22th – JAMK University of Applied Sciences, EUR 8000

23th – SAMK University of Applied Sciences, EUR 7000

It could be concluded from the comparison that out of seven universities that offer either Bachelor in Business Administration or similar programs, three universities have higher price per one year than HAMK. However, Turku University of Applied Sciences, for instance, already offers a certain scholarship which implies partial refund. Laurea University of Applied Sciences – one of the members of FUAS- which rank is higher, has set a price lower than HAMK. Therefore, relatively low price could not be used as a competitive advantage in case of HAMK.

Price (in case of Finnish higher education before introduction of tuition fees - the fact that core product is free of charge) was always used as the main competitive advantage by Finnish universities, including HAMK, amongst the quality of that education and such characteristics of the country as safe and economically stable. However, in the year 2017 the average income of families those applicants are coming from should rise accordingly. Even though scholarships were introduced in HAMK, they would not be accessible for everyone. Average foreign student does not usually know about all the possibilities to receive various grants – there is some information available on HAMK web-page, nevertheless, this topic is not considered as of high importance during the first introduction weeks. Financial aid opportunity implies own research and that often stops students from future attempts. For a person, who just has arrived to another country, there is usually a plenty of other things to consider. All available information about possible scholarships and grants should be communicated to the applicants in a coherent and straightforward manner: for instance, special lesson should be conducted during introduction week for all new students explaining opportunities of financial aid they have. Moreover, scholarship opportunities, especially in case of partial money refunds, could serve as product discounts and should be marketed to customers accordingly. In a long-run, desire to pay less would stimulate students to study harder to achieve excellent performance. Consequently, scholarships are the aspects customers' attention should be paid to and should be used in promotion decisions. Especially concerning the fact, that with the latest decision on scholarship amount, HAMK could now cover almost 50 percent of annual student's tuition fee.

- Promotion and Education

In the field of education service, the most important part of promotion decision is, probably, Public Relations.

Public relations - building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image,

and handling or heading off unfavorable rumors, stories, and events. Includes press releases, sponsorships, special events, and Web-pages (Kotler et al. 2011,408)

HAMK University of Applied Sciences has already built strong connections with the publicity of the regions campuses are operating in. The main aspect this section is going to be about is university's web-page and social media marketing. As it was stated under the point 3.3 HAMK web-page analysis in Research and Analysis part, a lot of changes were made to the HAMK official web-site, nevertheless, there is still a number of nuances that should be solved for more comfortable using of the page and suggestions on what to improve or add in order to make it appealing not only for Finnish-speaking students. First of all, a couple of small defects like links that do not change color after visiting or low speed of the site have to be corrected. One of the main recommendations is the creation of separate blog in English language, including instructions of using the blog and posts from students of other English language programs than International Business. In addition, some of the international universities web-pages have information available in other languages than mother tongue and English. It may be difficult for a non-native speaker to translate information from English to Chinese or Russian, however, there is a huge number of students who would be happy to do a creative and interesting job. Therefore, a special contest could be organized for those who speak Chinese or Vietnamese or Russian (depending on the number of students of each nationality) and who can translate the web-site. Such translation would be especially useful for those students who come for an exchange program to HAMK. Finally, for HAMK hashtag there should be found another place, for instance, at the bottom of the page.

In terms of Social Media HAMK University is generally active, however, Vkontakte - Russian social network-should be considered as a place for advertising. Moreover, most of posts in all social network are in Finnish language, and only unofficial groups on Facebook use English language. In order to attract foreign student's attention Social Media Marketing has to be done in English language partially.

There is a YouTube page called HAMK Stories, and there is also International Business video blog. Video blogs have become popular recently as one of the cheapest media. However, last video in International Business video blog was posted on the 30th of March year 2014. Since the link to that blog could be found on the main International Business program page on HAMK official web-site, potential applicants and all other visitors of the page would be attracted by the chance to see how university looks in real life, listen to other students' opinions and impressions, learn about university studying processes and activities. Therefore, video blog should be restarted, as long as there is a significant number of creative students who would be happy to become video bloggers.

4.1.3 Targeting Different Segment

Another option is a change in the targeted segment. Partly in terms of geographic aspect, basing on the average income of the potential customers, what depends a lot on the economic situation in the country. Earlier in this work three countries were mentioned-Russian Federation, China and Vietnam- that are the main origins of foreigners studying in Finland and in HAMK. After the oil price collapse in 2014 Russia went through considerable economic crisis and has not recovered from it yet. (Aleksashenko, 1.07.2016) Consequently, the average income of Russian citizen has declined. Talking about China, even though the tremendous economic growth of this country is gradually going down, it still remains to be second largest economy in the world. According to John Cassidy, there is a number of problems China is facing during this year, including one of the biggest – high level of debt, especially in corporate sector (Cassidy, 12.01.2016). That does not mean that Chinese economy is unstable or going to decline: in a short-run even the abandonment of one-child policy could mean that even tuition fees would not stop Chinese students from going to Finland, while getting into university and finding a place to work in their home country is very difficult due to high competition. However, considering differences in cultures, languages and climate, and possible economic problems, with the introduction of paid education certain drop in the number of Chinese applicants is expected. Finally, even though Vietnam economy is predicted to remain stable mainly by virtue of export manufacturing, one third of the population of the country still lives close to the poverty line. (The World Bank: Vietnam Overview. 26.09.2016) Considering the fact that average student would have to pay around 13 000 euro per one year, number of Vietnamese applicants would most likely decline as much as number of Russian applicants. All those factors could suggest that perhaps marketing activities should be focused on countries with more stable economies and higher average income, for instance, United Arabian Emirates or Malaysia (studying in Finland as a way to investigate exotic country).

Finally, another segment could be targeted, based on demographic differences, precisely age. HAMK University attracts mostly young students of the age 18-25. However, there is a big segment of adult learners, aged 25-35 or even older. People of that age usually do have permanent work; therefore, they do have constant income, but they may need an education for future career growth. This segment should be carefully studied in order to understand the needs of the segment and make conclusions either this segment is profitable and If the demand is high enough or it would not bring necessary profits.

5 CONCLUSION

In the beginning of that work the author assumed that introduction of new tuition fees for applicants from non-EU\EEA would lead to the drop in a number of customers from that segment. Therefore, the writer of this the-

sis suggested that certain changes have to be made to the HAMK marketing strategy in order not to lose the segment at all. During theoretical and practical research a number of interesting investigations were made. First of all, after analyzing the questionnaire conducted among students of target group, the main determinants of quality of the service HAMK offers in line with other Higher Education Institutions were calculated. Those determinants are high probability of after-graduation employment, widely recognized high quality of education on the country level and international orientation. Those determinants were expected; therefore, they did not change the direction of the thesis. Research objectives were reached, but certain challenges were met considering the recommendations, based on the findings. The only determinant out of three that could be changed by real actions is the level of after-graduation employment, since there are possibilities to offer students assistance in looking for a job and in integration into new culture. Other two determinants could not be easily controlled by the HAMK administration. Consequently, those two aspects could not be changed, but they could be actively communicated to necessary segment as long as Finnish education is still considered as of high quality and HAMK university is still very internationally oriented. The most unexpected conclusion is connected with the target segment: in the beginning author of this thesis did not take into consideration the option that HAMK marketing strategy, instead of being concentrated on the same segment it used to, could choose only one of the sub-segments of the non-EU\EEA geographical segment and then target it. Nevertheless, after theoretical research and after the analysis of the results of the questionnaire, taking into account the general economic situation in Europe and Asia, it became clear that customers of the education service pay a lot of attention to the prices; consequently, expenses on studying and living in Finland could appear to be too high for middle-class customers from Russia, Vietnam and China - countries of origin of most of the foreign students in HAMK.

There are recommendations concerning both targeting the same segment and only one of the sub-segments, however, the final conclusion of the author of this thesis is the following: Even though there are going to be students coming from non-EU/EEA area, the number of those students is not going to be as high as it used to be. Hence, HAMK University of Applied Sciences and International Business program in particular should concentrate on the control and optimization of all the processes going on inside of the organization, on the teacher trainings and motivation programs, look for opportunities to improve course contents and keep concentrating on Finnish students' segment and EU\EEA area students' segment as the most important ones. High quality of the service, derived from those actions, would be the main reason for foreigners to choose HAMK.

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