Helena Saarni

POTENTIAL MARKETING PLAN FOR EF, REGARDING LANGUAGE COURSES IN CHINA

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Saarni, Helena
Satakunnan ammattikorkeakoulu, Satakunta University of Applied Sciences
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Supervisor: Pirkkanaho, Tapio
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This bachelor's thesis was conducted as a potential marketing plan for EF. The aim and purpose of the project was to create a marketing plan for a company called EF regarding their Chinese language courses in China, where they offer these courses to young adults already. These courses however are not marketed in Finland as much as the other language courses.

The theoretical part was gathered by collecting information and theories from various sources including books and e-books about marketing, articles and from many websites that were proven useful for this thesis. The essential components consist of market analysis, marketing strategy, marketing mix and information about social media and its importance in Finland. For social media Facebook, Instagram, Twitter, YouTube and blogs were selected for this thesis; since they are the most popular social media tools in Finland and also they all came up when doing the structured interview with three students.

In the empirical part, qualitative method was used to make the potential marketing plan for EF regarding language courses in China. Also, face to face interviews were carried out to obtain a better understanding about the current situation of whether there is an interest in language courses that are organized in China and what social media the interested people use mostly.

When marketing Chinese language courses in China, EF should be very clear that they target to the right audience and the right way. The target audience in this case is young people looking for an adventure and a chance to learn new language and get to know Chinese culture. When the target audience is mostly younger people EF should focus mainly in their social media marketing. EF should constantly post pictures, articles, videos etc. in Facebook, Instagram, YouTube, Twitter and in Blogs. These channels are an easy way to get to the younger audience.
1 INTRODUCTION

The idea for this thesis came when the author started wondering about where to work in the future. The author has always been interested in travelling and everything related to the field, so naturally it seemed like a great career opportunity. The author thought about the fact that when writing a thesis related to travelling, it could help the author in the future to get job opportunities in the travelling field.

EF is well known company, and many younger students purchase their services to go to England or United States. The author realized that EF offers language courses to other countries too, and at the same time realized that they are not marketed much in Finland. Since the author has studied and is interested in marketing, the idea of marketing plan came to be the angle for this thesis.

The mission for marketing plan was to help EF possibly to gain new information about how to market their language courses which are organized in China to potential customers in Finland, and possibly realize that they should market them more compared to how much they market them now. This is crucial since there may be a huge possible target audience, because Asian countries are very popular nowadays in Finland.

2 PRESENTATION OF CASE COMPANY EF

EF (education first) was founded in 1965 in Sweden, when Bertil Hult founded a small business called Europeiska Ferieskolan, shortened EF. Bertil Hult had the idea for the company when he travelled to England and noticed there that he could learn the language easier when staying in the country rather than sitting in the classroom. The new company’s idea was to combine the education to travelling.

(Website of EF 2016)
Soon after Bertil Hult founded the company, the word about the company started to spread out all over Sweden, and in 1967 EF expanded and started to offer language courses in Germany and in France. Soon after the first expansion EF expanded also to USA. Nowadays EF offers 7 different languages in different countries and in 45 cities. EF offers these courses mostly for the ages 10-25, but there are also possibilities for older people. The possibilities range from two-week excursion to staying a year abroad. Nowadays EF is the world leader in international education. (Website of EF 2016)

3 PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE

3.1 Purpose of the thesis

Purpose of this thesis is to create a marketing plan for a company called EF regarding their Chinese language courses in China. EF already arranges language courses in China, but these courses however are not marketed in Finland as much as the other language courses. There could be possibility for a larger target market because Asia has become more intriguing towards the younger audiences in Finland. Therefore, this thesis could hopefully help the company to gain more customers, and also grow their target market.

Research questions

The research questions used for this thesis were:
How to make a marketing plan and what theory is necessary for this case?
How can the case company reach more potential customers in Finland?
What social media tools there are that the company could use?
What advantages or disadvantages those social media tools may gain?

Objectives
The objectives for this thesis are to first find information about marketing plan, how to make one, and then select what is needed for this case. Also, information has to be collected about the company and its business environment. Theory about social media will be gathered and linked to the company, and how they could make better use of it. Social media is one of the tools how companies can nowadays attract more customers, especially younger customers in Finland that are EF’s target group.

3.2 Conceptual framework

![Diagram]

Figure 1. Conceptual framework for thesis concerning potential marketing plan for EF, regarding language courses in China. (Author)

The figure above is the conceptual framework for this thesis. The first step is to analyze the market; SWOT is one of the tools that is used to analyze the market. Analyzing the market strategy will cover segmentation and targeting. Social media is a strong tool to be used when marketing services or products, so theory will be gathered to see how companies should use it to market their products and services. Lastly all the theory gathered will be implemented for EF and suggestions are being made.
4 MARKET ANALYSIS

4.1 Competition analysis

Philip Kotler has defined steps to identify competition as can be seen in figure 2. Companies must follow these steps, since they need to find out everything there is to know about their competition to remain in the competition. Companies must also constantly compare its products, prices, channels and promotion with other companies, so they can find where their own competitive advantage lays. (Kotler, Armstrong, Saunders & Wong 1999, 507; McLeish 2010, 140)

![Diagram of steps in analyzing competitors]

Figure 2. Steps in analyzing competitors. (Kotler, Armstrong, Saunders & Wong 1999, 507)

First step is to identify the competition; basically, what companies are the company’s rivals and who are not. Normally this step is very simple, since for example Coca-Cola can easily say that Pepsi is their main competitor, but sometimes it is more difficult since companies can identify some companies offering the same product to be their competition, and that some are not. For example Volvo can think that Toyota is their competition but Ferrari is not, even though Ferrari sells cars but probably their customer targets are different. Therefore, companies can face wide range of competition, or they can pick their competition based on who are trying to satisfy the same
customers, or satisfy the same customer need. (Kotler, Armstrong, Saunders & Wong 1999, 507-508)

The second step is to determine competitors’ objectives, what does the competitor seek in the marketplace and what drives their behavior. The main idea is that the companies must look beyond competitors’ profit goals, since not everyone seek to increase their profits, but rather try to make their best to satisfy their customers’ needs. Knowing the competitors’ objectives, the company can understand better how the competition is going to respond to competitive actions. (Kotler, Armstrong, Saunders & Wong 1999, 508-509)

Third step is to identify competitor’s strategies. This means that the companies must know each of their competitions product quality, customer services, pricing policy, advertising and sales promotion programs. Companies also must study the competitors manufacturing, buying, financial and other strategies they use. The main reason for finding about all the information is that the more the competitor’s strategy resembles the company’s own, the more they must compete. (Kotler, Armstrong, Saunders & Wong 1999, 509-510)

The next step is to assess competitor’s strengths and weaknesses, which are done to find out can the competitors, reach their strategies and goals. This depends on their resources and capabilities. First step is to gather data about competitor’s business. Some of this information will be hard to find and companies normally hear the competitor’s strengths and weaknesses from secondary data, personal experience or hearsay. This may not be the best source and can’t be trusted completely. One way to find information is also to conduct a marketing research with customers, suppliers and dealers. (Kotler, Armstrong, Saunders & Wong 1999, 510)

The fifth step is to estimate competitor’s reaction patterns. When the company has done all the previous steps, they can probably see how the company reacts for example to price cuts, promotion increases or a new product introduction. Each competitor reacts differently, some react slowly, some react only to certain types of assaults, some react strongly and some competitors don’t react at all. Knowing how the competitor will react gives the benefit of knowing how to best attack and how to best de-
fend the company’s current position. (Kotler, Armstrong, Saunders & Wong 1999, 510-511)

The last step is to select the competitors who to attack and who to avoid. There are two choices on how to attack. First one is to attack strong or weak competitors. When choosing to attack weak competitors, it requires fewer resources and time but the company will also gain less from attacking them. Alternatively, the company can choose to attack the strong competitor, which will sharpen the company’s abilities. The other choice to attack is to attack to close or distant competitors. Some companies may choose to compete with companies who resemble them most or they may want to try to avoid on destroying close competitor and focus on more distant competitors. (Kotler, Armstrong, Saunders & Wong 1999, 511)

4.2 Customer analysis

Whether the customer buys the product is depending on several factors: cultural, social, personal and psychological. Companies may have hard time analyzing all these factors about their customers, therefore it is important to carefully analyze consumers’ buying behavior. In figure 3 can be seen four types of buying behavior based on the degree of involvement for the buyer and degree of differences between the brands. (Hof 2012, 12-14 ; Proctor 2002, 309-311)

Figure 3. Four types of buying behavior by Kotler. (Hof 2012, 12-14)
Complex buying behavior is when the buyer has high involvement in the process of buying and there are significant differences between brands. Usually these kinds of products are expensive, purchased rarely and the buyer must do research before buying the product. Companies must understand the high involvement of the customers during the buying process and help them on the way by offering them information what they need. (Hof 2012, 12-14)

Dissonance reducing buying behavior means that there are few differences between brands but still high involvement from the buyer. These products tend to be also expensive and something that the customer purchases rarely, but the actual purchase can be done rather quickly. After the purchase the customer may experience discomfort after the sale if they happen to notice some disadvantages or hear bad things about the brand. To avoid this company should offer after-sale communication between the customer and the company that helps the customer to feel good about the purchase before and after choosing their brand. (Hof 2012, 12-14)

Habitual buying behavior occurs when there are few differences between brands and low involvement from the customers end. Customers don’t normally find any information about these products and usually go to the store and can pick any of the other brands available. If the customer picks always the same brand it is more about habit than strong brand loyalty. Therefore, it is important for the companies to use price and sales promotions. (Hof 2012, 12-14)

Variety seeking buying behavior occurs when there is low involvement from the customer in the purchase decision and when there are significant differences between brands. In this case customers normally tend to switch the brand often; reason for this is because the customer seeks more variety. Companies offering products that go into variety seeking buying behavior usually try to encourage customers to buy their products by dominating shelf space, avoiding out of stock situation and running frequently advertisings. Companies can also try to offer their customers for example lower prices, coupons, free samples etc. (Hof 2012, 12-14)
4.3 SWOT analysis

SWOT is a tool used for analyzing company’s strengths, weaknesses, opportunities and threats. Strength and weaknesses mean internal factors for the company and opportunities and threats being external factors. SWOT is a powerful tool to be used when planning company’s strategy. (Kotler, Armstrong, Saunders & Wong 1999, 94)

*Strengths and weaknesses*

Strengths are something that makes the company better than the others. What makes the company better than others? Therefore, weaknesses mean what the company does not have but the other companies have, what are the disadvantages of the company. The companies should not list all the features of the company but only those factors that are critical for them to be able to succeed. (Kotler, Armstrong, Saunders & Wong 1999, 95)

*Opportunities and threats*

It is important for companies to acknowledge their threats and opportunities. Opportunities are elements that the company can take advantage of, if it is potentially attractive and could mean possible success for the company. Companies rarely find opportunities that face them to be exactly what they are looking for; therefore companies should carefully estimate the risks involved when taking the opportunity and decide is it worth it. Threats are elements in the environment that the company could face and potentially harm the company. It is important to evaluate these threats to estimate is it necessary to take actions against them and what kind of actions. (Kotler, Armstrong, Saunders & Wong 1999, 94-95)

4.4 Marketing objectives

When companies have done their SWOT analysis they can begin setting marketing objectives. The marketing objectives can be concerned with which services/products are provided for which markets. One method of finding how to market ser-
services/products is called Ansoff matrix. The combination is shown in figure 4 and is called the Ansoff matrix. (Frow, Payne & McDonald 2011, 59)

Ansoff’s matrix can be easily shown with only two dimensions – services and markets, which basically means what is sold and who it is sold to. There are four different ways for the company to act. First one is that the company can sell existing services to existing markets, but start to expand sales in different ways: Market penetration. Second option is to extend existing services to new markets. This can be used for example if company finds new use for their services: Market extension. Third option for the company is to develop new services for existing markets; this option is little bit riskier. The last option is to develop new services for new markets: diversification. This option is the riskiest option since the market and the service are both new, so company may face complications that they don’t see coming. (McDonald & Wilson 2011, 211)
5 MARKETING STRATEGY

5.1 Segmentation

Customers have nowadays widely varying needs and wants when it comes to products/services. Customers tend to want more from what they buy. Companies can try to design and market their products/services to have a more general appeal to most members of a market, but they could achieve greater competitive advantage if companies produce different offerings to meet the needs of specific segments. Companies have to choose these segments carefully that they can grow their competitive advantage and satisfy their customers. (Proctor 2002, 189)

Companies can segment consumer markets with these variables: Geographic, demographic, geodemographic, psychographic and behavior patterns. Geographic segments mean location where to market, for example should the company focus on cities or countries. Demographic means dividing markets into groups based on age, sex, family, life cycle etc. Geodemographic is the mixture of both geographic and demographic. Psychographic means segmenting based on psychological profiles of people and what kind of life-styles, attitudes and personalities they possess. Behavior patterns mean how the consumer behaves with the product/service, does the consumer use it heavily almost every day or rarely. Basically, it means the benefit enjoyed. (Proctor 2002, 191)

5.2 Target market segments

When companies have decided how to segment they have to decide about how many and which customer groups to target their products/services. One of the options is mass marketing. Mass marketing means that the company offers one product/service to most of the markets available to many segments. When choosing mass marketing, there is always the possibility that customer may feel unsatisfied after the purchase, since mass marketing concept is based on the fact that all the customers have similar needs and wants. (Kotler & Armstrong 2004, 252)
The second option is differentiated marketing or also called segmented marketing strategy, where the company decides to target to several segments and design separate offers for each segment. By choosing this strategy companies hope for higher sales and a strong position in each segment chosen to be targeted. When creating strong position in many segments it creates more sales than choosing mass marketing. This is because companies are more focused on their customers when there are fewer segments to be targeted. (Kotler & Armstrong 2004, 252)

The third option is concentrated marketing, which is commonly used in companies where resources are limited. In these cases, the companies go after large share one or a few segments or niches. Niches are compared to segments much smaller and usually attract only one or few competitors, so it is an easy opportunity for company with fewer resources. (Kotler & Armstrong 2004, 253)

The last option is micromarketing. In micromarketing, the companies start to modify their products/services to the needs of specific individuals and local customer groups. Micromarketing includes local marketing and individual marketing. Local marketing means that the companies modify their offerings to the needs of local customer groups for example cities or neighborhoods. Individual marketing means that the company makes their products/services to fit individual customers, for example tailoring suits for customer is individual marketing. (Kotler & Armstrong 2004, 254)

6 MARKETING MIX

6.1 Product

Product is the first of the seven P’s used in marketing mix for services. Product can be tangible or intangible. A tangible product means everything that can be touched, for example cars, clothes or food. Intangible means services offered by some compa-
ny, for example lawyers, doctors or in this case language courses offered by EF. (Kermally 2004, 14)

Product consists of three different layers that help to understand the products features, potentials and benefits. Model is called the Levitt construct, and it was proposed by Theodore Levitt in his HBR paper, The Differentiation of Almost Anything. In the figure below is demonstrated the Levitt construct and how the products future depends on all the layers. (Ruskin-Brown 2006, 106)

![Figure 5. The Levitt construct. (Ruskin-Brown 2006, 106)](image)

Generic product is the first layer of the Levitt construct. It is the heart of the product and basically everything that makes the product a product. When a product or service is done well, the consumer can’t even recognize the generic part. Therefore, it is vital that the quality is excellent. If the quality is not good enough, the consumer will notice it immediately and can change the perspective of the product for worse.

Expected product layer means what the consumer thinks that he or she will gain from using the product or service. It is important that the company tries to match the quality as close to what is expected as possible.

Augmented layer is the layer that makes the customer to purchase the special product or service from the company in question instead from a competitor. Augmented layer should always include the benefits that will satisfy the consumer, and will make them
want to use the service or product provided by the company again. On the other hand using too many benefits will make the consumer harder to identify, that which of the benefits is pertinent to them.

Lastly there is potential product layer, which means that the company should always try to find new ideas about improving their product or services. This is the key how to compete with other companies offering the same product or service.
(Ruskin-Brown 2006, 107-112)

6.2 Price

Pricing is one of the most important parts of marketing mix when done right both the company and the customer will feel satisfied at the end of the day. However effective pricing can never compensate if either one of the other seven P’s is done poorly, but ineffective pricing can prevent any results from gaining financial benefit.

Many companies fail to price their products/services properly, because companies do not adopt marketing perspective in their final pricing strategy. When thinking about the final price to offer to the customer it is always important to analyze the customers buying behavior and choose the pricing strategy properly.
(Kermally 2004, 128; Ruskin-Brown 2006, 189)

*Marketing pricing strategies*

Premium pricing means, when a company wants to place their product at the top of the market place they give a high price for their product/service. This strategy is used usually when high price means high quality, for example mobile phones. After premium pricing there may come other strategy called price skimming. Price skimming means that the price starts at high, but it is designed to come down over time when the product/service comes older. Skimming is used for the companies to anticipate or react to competition. (Ruskin-Brown 2006, 189-190)

Promotional pricing means that the company designs their prices based on what marketing ideas they have for the future, this could mean for example special deals. Line
pricing is designed to be affected by the supplier’s offers. This means that the prices can vary from premium prices to lowest price possible. (Ruskin-Brown 2006, 190)

Bait pricing has the idea that the customer can get the product very cheap, but then the companies add so called upgrades or extras for the customer to buy. The companies encourage their customers to buy these extras, but still it is optional for them. Dual or multiple pricing means that the product is sold in many different markets. The price then varies depending on the market and the situation. Dual or multiple pricing can only be successful if it is almost impossible for the customer to compare the product offering in different markets. (Ruskin-Brown 2006, 190-191)

Barrier pricing strategy is a way for the companies to make the market look like unattractive for competitors by making the price unprofitable. Partnership pricing is a partnership between two or more companies; this is a way to grow long term business relations. By using partnership pricing there must be service level agreement done by the parties involved and the partied have to share their book accounts. This is used when partied want to make it harder for other companies to entry the market. Price as a shepherd means that companies can use price fluctuation as a method of ensuring business all year around or if companies want to channel customers from other segments. This way the companies get different kind of people to use their product/services. (Ruskin-Brown 2006, 192-194)

6.3 Promotion

Promotion means marketing communication process that involves information, persuasion and influence. By promoting the companies can communicate their marketing information to consumers, resellers and users and persuade the buyer into purchasing the company’s product/service. There are four different ingredients in promotion mix: advertising, publicity, personal selling and sales promotion. Advertising means any kind of paid non-personal promotion, for example advertising in magazines where large group of people can see the advertising. Advertising is one way of mass communication. Publicity means placing company’s product or service in a place where possible customers can see it by a third party, for example in presenta-
tion done in television. Personal selling is a way of promoting face to face with the customer. This is a form of a presentation with one or number of prospects and a purpose of always making sales. Sales promotion covers every other aspect of marketing activities than advertising, publicity and personal selling. Sales promotion is usually handled by shows, demonstrations, displays etc. Sales promotion is a way of completing the other promotion mix used. Promotion will be discussed more in chapter 7, which focuses on social media. (Hundekar, Appannaiah & Reddy 2010, 102-103)

6.4 Place

There are three different options for service companies how to locate their business. Location will be determined by what kind of service does the company operates. The first option is that the customer goes to the service provider. This is usually used for companies where the main reason for the company’s success is based on their location, for example hotels. The second option is that the service provider goes to the customer. For companies using this strategy it is not so important where the actual company is located, since they contact the customer, however it is important that they can still reach the customers easily. These kinds of businesses could be for example plumbing or gardening. The third option is that the companies and customers operate in arm’s length, where the location is not important at all. These companies usually decide the location based on price and the companies should have an effective way to communicate with customers. Usually companies offering their services online are using this strategy. In this case, it is more important how the company’s website looks like and how accessible it is. (Frow, Payne & McDonald 2011, 279-280)

6.5 People

People are very important for every company especially in service businesses, since people are the ones who are providing those services to the customers. People element in marketing mix for services consists also the customers of the service. Based
on the quality of the service the people provide is the key whether the company will
survive. To ensure high quality, company must provide effective training for their
new and current employees. (Richardson & Gosnay 2010, 130.)

People element of the marketing mix is the specific element that differentiates ser-
vices marketing from product marketing. When marketing services it is highly im-
portant to ensure that the customers receive same high quality every time they use
services. By having rigorous selection standards and good training is provided for
employees, the quality shouldn’t be a problem. Problems may still arrive if the em-
ployees have low education and if the variability of the employees is high in the
company. (Frow, Payne & McDonald 2011, 287.)

6.6 Processes

Process is a method of series of actions that involve steps that will happen in a se-
quence. These processes are made of direct and indirect activities. Indirect activities
are the most common activities. (Lovelock & Wirtz 2011, 219.)

The processes of the company affect the execution of the service. If the process of
the company runs smoothly it will lead to satisfied customers and lower costs. For
example, if a customer goes to a fast food restaurant, the customer will automatically
assume that the food is delivered and prepared within minutes. If this isn’t done the
customer will leave the restaurant unsatisfied. When thinking about companies offer-
ing language courses, processes part of the marketing mix is important, since the cus-
tomer will go many steps during the experience. Simple way to put it is that process
means that everyone in the company know what to do and how to do it. This can be
assured by training the staff well. (Website of Marketingmix 2016)

6.7 Physical evidence

Meaning of physical evidence in marketing mix is how the customer has evaluated
the experience while visiting the company. For example, when customer enters gro-
cery store the customer may look about the decoration, employee’s uniforms or are
the products packed properly. Based on whether the customer leaves satisfied for the tangible goods of the company the customer will decide whether to return to the company or not. Customers often use physical evidence to estimate the quality of the company. Therefore, it is important for companies to ensure good quality for their tangible goods. Physical evidence may even help the company to reposition their brand to meet the changes of the market. (Jobber & Fahy 2009, 176-177)

7 SOCIAL MEDIA

Social media is a part of promotion in the marketing mix discussed in the chapter 6. Social media is important nowadays for every company when thinking about promotion, since social media grows popularity every day.

Social media is about sharing posts, videos, pictures etc. to the internet for friends/followers to see them. For companies this means getting in touch their customer basis easily by sharing information about their products or services. Companies cannot avoid the fact that how important social media is for reaching the customers anymore. By using social media, companies can be in contact with their regular customers, but also obtain new customers. (Agresta, Bough & Miletsky 2010, 2-3)

The figure 6 shows how social media is used and channels are used in Finland. The data was collected from 1000 random people living in Finland. More than half of the ones who answered were using Facebook and also WhatsApp was quite popular. Twitter seemed to get only 10%, which was surprising since Twitter has become quite popular in United States, but most probably this means that in Finnish people haven’t adopted using Twitter properly yet. (Website of Yle 2015)
7.1 Facebook

Facebook is a social media channel where the idea is to create a profile page and where other people called friends can follow or like. Many companies use Facebook as a tool to interact with their customers and as a way to gain new customers. In Facebook one can add posts, pictures, videos etc. for the followers and friends to see. For companies the aim is to get active followers, since the more active followers the company has the more comments and shares the company gets, and therefore they can be seen by people who are not following them in Facebook. This is a great way of gaining new customers. (Website of Facebook 2016)

The figure 7 shows the usage of Facebook in Finland, and its usage between different age groups. The figure clearly shows that 90% of the ages of 15-24 are using Facebook, and that the ages of 25-34 the percentage is 82%. This is a high percentage, and especially the companies whose targets are these ages of groups, they should start using Facebook as one of their market tools. The percentage is still quite high with older age groups, for example ages of 35-49 the percentage is 63%. (Website of Yle 2015)
7.2 Instagram

Instagram has become more popular in recent years, and it is growing every day. In Finland, Instagram has almost doubled their users during years 2014 and 2015. This site is popular amongst younger people, and in Finland 40% of ages 15-24 said they are using Instagram. (Website of Talouselämä 2015)

Instagram is a social media channel where users can download pictures and videos for friends and followers to see. When a person posts something to Instagram the post will be shown in the person’s profile but also in others feed who are following this person. Also, the person can see other pictures or videos downloaded by other users in his or her own feed. Person can interact with other users by following them, liking their pictures, commenting them or the person can even send a private message via Instagram. Instagram account can also be linked to Facebook and Twitter accounts, therefore when posting something in Instagram it will also be shown in the persons Facebook and Twitter page. Instagram uses hashtags that help people find more pictures/videos that interest them and also brings more attention to the picture/video the user is posting. (Website of Instagram 2016)
7.3 Twitter

Twitter is based on short “tweets”, which are basically short messages/posts the user wants to send. These tweets are written in the hopes of that someone else finds them to be interesting. Tweets can be maximum 140 characters long, which will ensure that the tweets will remain short and efficient. These tweets are normally about something that is happening recently, about current affairs. Tweets can also have replies to other user’s tweets which will create a conversation about the topic. Person can follow other users in Twitter if the person finds them to be interesting and likewise other users can start to follow the person. Companies can use also Twitter to market their products/services. Images can be also posted on Twitter and in Twitter hashtags are also used. By using hashtags companies may gain more attention for them. (Website of Twitter 2016; Coles, L 2014, 82)

7.4 YouTube

YouTube is based on videos and for sharing videos, liking other videos and making own videos for the world to see. YouTube is the most popular page for where people can share, watch and post these videos. Video files can be too large, which makes it harder to send videos to friends, by posting the video instead to YouTube people can just get the link to the video and send the link to their friends. Companies can use YouTube by making a video or commercial about their product/service and posting it to YouTube. This way companies may gain also new customers. The key however is to make the video to be interesting and for successful video, the video must bring out some kind of emotion while watching it. For example, the video can be funny, sad, loving etc. This way the viewer will most likely recommend the video to his/her friends also. (Website of YouTube 2016; Coles, L 2014, 129)

7.5 Blogs

Blog is a page where the user can write longer texts/posts, basically blog is a journal of the writer. Users can upload text, photos, videos etc. The idea is that the writer can control whatever he or she wants to post about, the blog can be lifestyle blog, travel
blog, fashion blog etc. Blogs usually include also a comment box, where other users/readers can comment what they think of the blog or the specific post. The comment box helps the writer to interact better to the writer’s readers. There are available blog communities that the writer can join that will help the blog become more popular and to receive more readers, but mostly blog readers find other blogs through other social media. (Website of Bloglovin 2016; Website of Tumblr 2016)

8 METHODOLOGY

8.1 Research method

For this thesis, mostly qualitative research was used to collect information, because this thesis is only potential marketing plan for EF and making a large structured questionnaire would have been quite difficult. The information was gathered mostly from books, but also reliable Internet sources were used. Also, small structured interview was made for three SAMK students to be able to determine the interest towards these language courses. Qualitative research means that multiple different sources are used to gain information for example interview, discussion done in-groups, or data collected from books. (Saunders, Lewis & Tornhill 2009, 151-152)

The difference between qualitative research and quantitate research is that the qualitative research is a data gathered by no statistical techniques. Quantitative research however is data gathered by statistical techniques. The purpose of using qualitative research is to create understanding for subjective interpretation and analysis. Therefore, qualitative research should be used for studies where the purpose is to understand the phenomena but not the statistical part of the study. (McNabb 2010, 234)
8.2 Data collection and analysis

When doing marketing research, there are two types of data that can be used: Primary and secondary data. Between the two, primary data is more valuable and accurate. Primary data is collected by the one doing the research. It is collected by various kinds of methods, for example by doing interview, survey etc. Secondary data is data collected by other researchers. (Cohen, Manion & Morrison 2007, 193-194)

The data for this thesis was gathered mostly from books, online articles, magazines etc. Also, small face to face structured interview was held for three SAMK students. Even though primary data is more accurate than secondary data, it still plays important role when doing marketing research. In this thesis, secondary data is mostly used, but also primary data was used as an structured interview for three SAMK students. (Cohen, Manion & Morrison 2007, 193-194)

A structured interview was held during the writing process of this thesis for 3 students who study in SAMK to determine whether there is interest to study Chinese language, and to attend these kinds of language courses. Also, questions about social media were asked during the interview to find out what social media tools these three students use in their free time. These questions were to assist this thesis to know what social media tools EF should use. The questions can be seen in the appendix 1. These three SAMK students were chosen randomly and they all were second year students and facing the question whether to go abroad or not.

The data of the interviews were analyzed by the author and the author went by every question separately and compared the answers whether there were any similarities with the answers between the three students. Every student were more or less interested in Chinese language courses that would be held in China so the answers were quite similar, this helped the author to analyze the questions.
8.3 Validity and reliability

Whether the chosen data is reliable or not, is determined by the chosen techniques being factual or not. In other words, are the references used based on reliable sources. It is important that the references used are really about what they are supposed to be. Validity ensures this. In this thesis in order to ensure the validity and reliability of the references, data was collected from books and professional websites that could be trusted. (Saunders, Lewis & Thornhill 2009, 156-157)

Even though the structured interview doesn’t give much information or reliability based on the fact that only three student were interviewed one can still get an idea that are these Chinese language courses held in China worth marketing and where and how they should be marketed.

9 MARKETING PLAN FOR EF

9.1 Marketing analysis

9.1.1 Competition for EF

There are other companies who offer language courses and operate in Finland. Some of these companies offer Chinese language courses in China too. STS for example is one of the companies that offer language courses for ages 10-19, however STS doesn’t offer language courses in China. (Website of STS education, 2017)

Kilroy is one of the major travel companies that operate in Nordic market. Kilroy’s main business is done by offering adventure trips for all ages, but they also offer language courses. Kilroy is one of major competitions for EF, but they don’t offer language courses in China. (Website of Kilroy Travels, 2017)
In Finland, there is also one other major company operating in same area than EF, TR Kielimatkat. TR Kielimatkat offers language courses for all ages. They offer language courses in China also, but only for adults. (Website of Kielimatkat, 2017) Therefore there could be a wide market for EF, if they decided to expand their offering so that also younger ones could go and study Chinese language and culture in China. Since no other company operating in Finland offers these language courses, EF would be one of the first in market.

All of these companies are threats to EF, and especially if the other companies start to offer language courses in China. For example, Kilroy is a large company, which could easily start these kinds of courses. TR Kielimatkat however is the biggest competition, since they already offer language courses in China.

9.1.2 Customer analysis

The target customers for EF are young people who are interested in going abroad for a while to learn a Chinese language, or strengthen their current knowledge of a Chinese language. They are usually looking for an adventure and a chance to easily go and live abroad for a while, and at the same time get the chance to learn about other countries’ culture. Customers of EF usually purchase their products only once in their life, since the products are quite expensive and usually these customers only get one opportunity to go abroad. Therefore, in four types of buying behavior these customers have dissonance reducing buying behavior. These customers always have high involvement and since the only difference is that what language to learn the destinations is going to be based on that decision. Customers who have dissonance reducing buying behavior have to have communication going on with the company. In the case of EF, they should always keep in contact after the purchase to give the customers the feeling that it is not so hard to go and live abroad for a while. These young customers can easily change their mind about their purchase and cancel their order. To avoid this, EF should keep in contact all the time to avoid any cancellations and help the customer if feeling unsatisfied or scared about their buying decision.
Everyone who answered to the interview seemed to think that Chinese language could be beneficial to learn, since it is the most spoken language in the world. They also thought that if there was an opportunity, they most probably would take it in their curriculum in school, or go to China and study it. They all seemed to think that the important aspect in these language courses would in learning the basics for Chinese language, and focusing more in the Chinese culture. One student answered that Chinese language is quite hard, but with basics you can already manage with everyday life situations. Other said that it would be beneficial if there would be a ratio of 40% of language learning and 60% of getting to know the culture.

9.1.3 SWOT analysis

Strengths and weaknesses

The strengths for EF in this case is the fact that only one other company offers these specific language courses in China. So, the offer is unique and if the market is big enough the company could make a huge profit based on the fact that they are the only company offering these language courses. EF is also highly regarded company with a good reputation, which is a good base for when starting to launch some new ideas.

Weaknesses in this case is the fact also that since no one else is offering Chinese language courses in China, the set up could be quite difficult. For example, legislation and regulations are very different in China than in Finland. Also, to organize Chinese language courses the price would most probably be much higher than for example organizing language courses in United Kingdom, which are very popular.

Opportunities and threats

The opportunity for this idea is that it would take advantages of new trends, since Asia has become more popular destination in Finland over the years and the popu-
larity is still growing. EF could also make a strategic alliance with another firm to make this happen in order to reduce costs.

Threats are that since the target customers are quite young do they have the courage to go to China for few weeks on their own and study a new language. One threat is also that even though Asia is now a popular destination and younger people are more acknowledged about Asian culture and are interested to learn new languages, that the interest could be fading in time. This kind of idea doesn’t get launched in a day, so when it gets launched, some other destination might be in trend then.

9.1.4 Marketing objectives

When thinking about marketing objectives and the Ansoff matrix EF should use service development, since they can market their services for existing markets, younger people, but their service is new. The market doesn’t have to change even though the service is quite different from the other services that EF has. Only difference is the destination and the language that is to be learned. Still same people who consider maybe going to for example in UK can be interested in going to China instead.

9.2 Marketing strategy

*Segmentation and targeting the markets*

EF should use demographic and psychographic segmentation when starting to market Chinese language courses in China. Demographic, because EF is already using demographic segmentation in their other language courses. In EF website there is clearly shown that they use age as a part of segmenting their customers. EF could also use psychographic segmentation, since normally customers who purchase these kinds of language courses and attend to them are people who have same kind of psychological profiles. Usually the future customers have already traveled and love to travel and probably are looking for different kind of adventures.
EF should use in this case differentiated marketing strategy. Since EF should use more than one segment, but not so much that they could use mass marketing strategy. By using differentiated marketing strategy EF can increase their potential customer base which will lead to higher sales and profits. EF should be still careful not to choose too many segments to market since it can also confuse the customers.

9.3 Marketing mix

9.3.1 Product

In this case the product is a service, and the service being the Chinese language courses held in China. The generic product could mean everything that needs to be done in order that the customers can actually go to China. Booking flight seats and getting a place to stay for the customers. Training the employees is also part of the generic product. When training is done well, the customer won’t even notice if the employees have been doing their jobs for months or years.

The expected layer is what the costumers expect to learn and how much during their stay in China. EF should explain clearly that how much a person can learn Chinese language during their stay in China, so that the expectations are not so high. If the customer believes to be able to speak fluently Chinese only after being a month in China, the customer might feel that the trip was disappointing.

Augmented layer could be for example that EF offers excursion to visit the Chinese wall or another sight for free, and would completely arrange the trip for the students. This could help the students to have a change to learn about the Chinese culture in a different and fun way. Also providing textbooks and other materials during the stay in China is one part of augmented layer.

The final layer of the Levitt construct is what the service can potentially be in the future. For EF this means that they should always aim higher and try to improve their language courses continuously, by gaining more ideas how to teach the language for their students. Also making a questionnaire to be held for the ones that have already
been on the Chinese language course is a good way to gain knowledge of what the company has done right and what still need to be improved. The company can even gain new ideas from their previous customers.

9.3.2 Price

The price for language courses is quite high, since they are expensive to organize. The price is determined by the length of customers stay and what is the target country. Therefore EF is using premium pricing strategy. This strategy is a good option for EF, since they obviously want to place their services at the top of the market. Since EF is known for high quality this strategy can also work in a long run. EF should also use this strategy with Chinese language courses held in China. EF could also use price skimming for this particular language course when people have been more familiar with the service and EF has enough customers. Then after a while EF can lower the price in time when the service has come older. This price skimming strategy should be done if competition arises. By lowering prices EF remains in the competition even if many companies start to organize language courses in China.

9.3.3 Promotion

From the promotion mix EF should use advertising, sales promotion and social media, which is detailed in chapter 10.4. EF should advertise chinese language courses for example in travel magazines. Therefore, people who are interested about going abroad can find the information in travel magazines, and since most of EF’s customers are about 15-20 years old and probably read magazines that are designed for them. Making advertising in TV could also be a solution. This advertising could air in TV, starting from for example January, when everyone is starting to figure out what to do in the summer. Or during summer when students graduating from high school are thinking about what their next step is. Sales promotion is could be done by attending travel fair that is held every year in Finland in January. There are people coming to get new ideas about where to go next and how. More about promotion in the social media plan chapter.
9.3.4 Place

EF has only one office in Finland and it is located in Helsinki. This is a good option for EF since the number of locations is not so important for EF. EF mostly operates via online and phone. Therefore it is more important how their websites are looking and are they easy to use. Also EF should pay attention that all the necessary facts available. Companies that operate mostly online this is very important, since if the information is not found easily the customer may lose interest and decide to buy the service from somewhere else. EF websites are easy to use and they give enough information. Below is a picture of the EF’s main page.

Picture 1. EF website. (Website of EF 2017)

When thinking about the marketing mix and the place element and this specific case, China is also a place. The future customers will go to China to study Chinese language and EF has to make sure that the place is well thought, safe and there is easy access to see and get to know the Chinese culture. EF offers Chinese language courses in China’s capital city Beijing. Beijing is an excellent choice, since there are many China’s popular sights available and the students can get to know the Chinese culture better.

9.3.5 People

People element is really important for EF, since in service business it is very important to make sure the staff works according to the company’s standards. Since EF also is in contact for their customers mostly via phone or online, EF should make
sure the training is in up to date. Therefore EF should make always sure that their employees are trained properly and can help their customers in every problem they may face. In this case EF could also train their employees to market Chinese language courses in China if a customer calls and asks generally about language courses.

People element in marketing mix in this case also covers the other students who will be joining in the Chinese language courses in China. The other students can affect by whether they build a good or bad image for the Chinese language courses. EF should make sure that they make a commitment to make sure that everyone gets along and that they have a change to get to know each other, since it can also be a place where one can find similar kind of people.

9.3.6 Processes

EF should make sure that their process is functioning properly. In case of language courses the process can be quite long after the purchase has done. These are not services people buy without thinking, they are purchased after a consideration and customers normally need help and advice between the purchase and actually going to the language course. In the process EF should always make sure that the customers gain all the knowledge they require before leaving to the destination. Also EF could make sure that after the language course EF will gather evaluation from their customers about how they did and what is to improve. This will help the company to avoid any possible future problems or misunderstandings.

The process actually can start already before the actual purchase by a customer contact asking questions about the Chinese language courses. This is important that EF will always make sure that these questions are properly answered and as fast as they can. Then the process will continue by that the customer buys the service. After the purchase EF should start making arrangements for the language course and provide information package for the customer that contains every detail. During the arrangement process EF should again be close with the customer if needed in order to prevent the customer having second thoughts. When it is time for the actual language
course EF should make sure that all the students will be able to come to the arranged place safely and that the language course will be done in a way that is needed. After the language course EF should always ask for feedback from the customers in order to learn and make the Chinese language courses better.

9.3.7 Physical evidence

In EF case physical evidence means the area that is surrounded during the service. For example the aircraft that carries the customer to the destination and the accommodation that the customer has during the time spent in China. Even China can be the physical evidence in this case, since for example the city where the students will be is going to affect them. Also the Chinese culture will be a big influence for the students during their stay. Also EF’s own websites are part of the physical evidence that the customer will experience. To ensure that the customer will have a positive attitude about the services provided companies should make sure that the customer has a positive attitude against the physical evidence. Especially the websites should always be clear and easy to use, since most of the communication and the payment happens via EF’s websites.

9.4 Social media plan for EF

The three students who answered to the structured interview use Facebook, Instagram or Twitter every day. One of the students only uses Facebook, and two others mentioned also Instagram and Twitter. Two who answered to this questionnaire said that they would start finding information to these kinds of language courses from the Internet by Google search and from the Facebook too. Therefore it is important for EF that they market their language courses in Facebook. Also none of the ones who answered the questionnaire knew that EF actually offers language courses in China. Two of them had been in language courses that EF had offered, one in the Channel Islands of UK, and one in Malta. One of the responders also said that if she would have gotten information that there were language courses in China, she would have gone there instead. This clearly shows that these language courses in China should be better marketed.
9.4.1 Facebook

In Facebook EF should market more language courses in China. EF could easily implement their ways to market other language courses to how they would market Chinese language courses in China. In Facebook it is important that all other social media tools are linked to the Facebook page. In EF’s case they have already linked Instagram to their Facebook page. EF should post pictures, videos and articles about language courses in China. EF could also post pictures and videos of people who have been in the language course. When writing a post it is important that they remain in a way that the reader wants to read it when he/she sees it. This means that the post can’t be too long. Picture 2 is a good example how Facebook posts should be done.

![EF International Language Centers - Study Abroad](image)

Dreaming of studying smack-bang in the middle of Shibuya, Tokyo anyone?

**EF ♥ Tokyo**

Study Japanese at EF Tokyo: [http://www.ef.com/ef-tokyo/?source=007970](http://www.ef.com/ef-tokyo/?source=007970) EF International Language Center Tokyo 27F Shibuya Cross Tower 2-15-1 Shibuya Shibuya...

![YouTube.com](image)

Picture 2. Example of EF’s Facebook post. (Website of EF, 2017)

One way for EF to reach Finnish target market easily is to make own separate Facebook page for EF operating in Finland. Now the Facebook page is international. Facebook is important social media marketing tool in Finland since it is most used between all ages. This way EF can find customers between all ages.
There is also other idea how EF can get more visibility through Facebook for their Chinese language courses in China. Companies can advert their product/services via Facebook. This can be done easily through Facebook’s own website. When doing the advert the advert will be shown to Facebook users on the right site of their page. This will get good visibility to the company and they can reach easily to new customers.

9.4.2 Instagram

Instagram is also a good place to get more visibility to Chinese language courses that are held in China. EF can post pictures from China or about people who are going to go to China for language course or that who have been there already. It is important that these pictures are also linked to Facebook so that people who don’t use Instagram can also see these pictures.

One popular idea for Instagram around travel sites is that for one week they post pictures from one country/destination. This will help the followers to have ideas and maybe get an inspiration better than if the companies will post every day from different country/destination. EF should also use this technique. Therefore they could for one week post pictures from China and everyone who is interested to go to China could easily follow and get new ideas from them.
Hashtags are a type of label that is popular in Instagram. Hashtags make it easier for users to find something specific that they are looking for. Hashtags are popularly used by everyone in Instagram and they can also bring more visibility for a company’s services/products. EF should use these hashtags as an advantage and research what hashtags they could use when posting pictures from China or about info from Chinese language courses. EF could also create their own hashtags that customers who are or have been in China in their language courses could use them. Therefore EF would get even more visibility for their language courses and especially for those that are held in China.
9.4.3 Twitter

Twitter has lists where EF can go and find people who are interested in certain subjects, like for example they can search “china” or “visitchina” and find people who are interested about China and tweet about it. Then EF can start to follow these people or organizations. By adding more to follow is also a great way to get more followers in Twitter also.

EF should also mention other users in their tweets as often as possible, this will give EF the extra visibility. These users EF could use could be for example users who have tweeted about their language courses or they could mention an article or a blog who has written about language courses in China.

In Twitter EF can also use these same hashtags that they use in Instagram. These hashtags are also great way to gain more visibility through Twitter. Also one key to use Twitter successfully is to tweet often. If companies tweet once a month the followers lose interest and stop following. EF should keep this in mind and tweet about
Chinese language courses in China regularly. Also every time EF tweets about something related to language courses in China they should add a link to EF’s own website where people can find more information about it.

9.4.4 Youtube

Youtube is also one social media tool that EF can link to their Facebook page and Twitter. By linking Youtube content, it will create more visibility and EF will get more viewings for their Youtube videos. Vlogs are also growing to be more popular every day, therefore EF should find one who could say something about their Chinese language course experiences in China. They could share their experience and recommend activities in China and places to see.

On the go with EF – Melcian vloggl


Companies can also post advertisements to Youtube. These will air before any video is shown in Youtube and they will last between 10-30 seconds. This way by advertising Chinese language courses in China, EF could easily reach more people who could be interested about going to China. One way EF could also easily gain more visibility and knowledge about language courses in China is to make a Q&A video. In the video EF could answer all questions the viewers have had about language courses in China. This could also help the ones who are in the future interested about going to this kind of language course but want more information.
9.4.5 Blogs

EF already has their own blog where they write stories related to language courses. EF should use their blog and write about language courses in China so that people would get more information about these courses from their blogs. EF could write about other people’s experiences and tell about where the language courses are held in China and what different activities there are for future students.

One way to get more visibility through blogs is to make cooperation with other blog writers. The blog writer could be one of famous Finnish travel bloggers. The idea is that the blogger would go to China to the Chinese language course and at the same time blog about her/his experiences. Of course, it can be also quite risky to make this kind of deal with another blogger, since there is no guarantee he/she will actually enjoy the stay in China and whether the blogger actually feels the language course is useful for someone.
10 SUMMARY AND CONCLUSIONS

When companies are planning to make a marketing plan for their product or service it is important to always first determine the company’s competition. What kind of competition the company is facing and do the other companies already offer same kind of product or service, if so the company must find out how to compete in the market. After analyzing the competition, it is also important to analyze their possible future customers, if there even is a possible market. This is especially important if the product/service is new and it doesn’t even exist in the market. Companies can use SWOT-analysis to determine what are the products/services strengths, opportunities, weaknesses and threats.

When doing marketing plan for a service, companies should use 7P marketing mix, these are product, place, promotion, people, physical evidence, processes and price. These 7P will help the company to determine how to market their service. Especially promotion part of the 7P’s is highly important for the companies. Promotion has become more important nowadays when social media keeps on growing its popularity, therefore it is important for companies to also make an own social media marketing plan in order to attract the potential customers.

When EF is planning to start marketing their language courses in China they should also first determine the competition. Basically, all of the companies offering language courses somewhere in the world don’t offer language courses in China, so EF has an advantage in this part. EF should definitely take this opportunity and start to market language courses in China more before other companies see the potential. EF should also make a customer analysis and determine if there is an interest to go to China and study Chinese language. Usually the ones who go to some kind of language course are younger people who are looking for an adventure and an easy way to go and live abroad for a while.

While EF is making the marketing mix for the Chinese language courses in China, EF should make sure that they can easily reach for their potential future customers and that EF’s staff is trained properly so they can help the potential customers who
may have questions about Chinese language courses in China. EF should also make sure and calculate properly that the price for Chinese language courses isn’t too high but also that the price isn’t too low, if the price is too high then potential customers who may be interested may back off as soon as they see the price.

Of all of these 7P’s what is the most important for EF is the promotion part. EF should make a proper promotion plan for Chinese language courses that are held in China. This promotion plan will cover the social media which is especially important for EF since their target audience is younger people who probably use social media every day. EF should use effectively Facebook, Instagram, Twitter, YouTube and blogs to reach for their target customers, since these target potential future customers most probably would start to find information from one of these sources. EF should also make sure that every social media tool is linked to each other so in order for potential customers who for example don’t use Instagram but use Facebook can also see the pictures posted on Instagram in Facebook.

11 FINAL WORDS

The idea for this thesis came when the author was starting to think about what to do after graduation, where could be the perfect place to work and what is the author’s passion. Travelling has always been close to the author and therefore the idea to write the thesis about something related to traveling and international business came. The author was wondering how beneficial learning fluent Chinese language would be, since many businesses are nowadays in China, and because China is one of the largest and fastest growing economic areas. The author started to find information on how to study Chinese language, and finally found some information from EF’s website. The author realized that she hadn’t heard of EF also offering language courses in China, and realized that these could be marketed better. So the idea about making a thesis about potential marketing plan for EF, regarding language courses in China was born.
During the actual writing the author learned quite a lot regarding theory on how to make a marketing plan, and what information is needed in the process. Information for marketing plan was mostly found from books, and especially from e-books. Also three SAMK students were interviewed to find out is there an interest towards Chinese language and if there is what kinds of social media these people are following.

One of the aims for this thesis was to get people to know that these language courses are held and they are a possibility how one can learn Chinese language. Also the aim was that companies could see that these language courses should be marketed better, since there is an actual interest for these language courses in china.
REFERENCES


1. How important do you consider knowing Chinese language?

2. Would you be interested in learning Chinese language? Why?

3. Would you be interested in taking language courses in China? Why?

4. Are you otherwise interested in travelling to China?

5. How much do following reasons effect on your interest in taking part in a language course in China?
   a. learning new language
   b. getting to know a new culture
   c. Something else? What?

6. What kind of content do you wish a language course like this would have? What would be the appropriate balance between language and culture?

7. What social medias are you using/following and how often?

8. Where would you go to find information about such language courses held in China?