

Saimaa University of Applied Sciences  
Business Administration, Lappeenranta  
Degree Programme in International Business  
Specialisation in International Business

Daria Koval

## **Analysis of Demand for International Interns in South Karelia. Case AIESEC.**

Thesis 2014

## **Abstract**

Daria Koval

Analysis of Demand for International Interns in South Karelia. Case AIESEC.,  
60 pages, 2 appendices

Saimaa University of Applied Sciences

Business Administration, Lappeenranta

Degree Programme in International Business

Specialisation in International Business

Thesis 2014

Instructor: Principal Lecturer Minna Ikävalko, Saimaa University of Applied Sciences

The objective of the study was to examine the demand for international interns in South Karelian companies. The work was commissioned by AIESEC Saimaa, a student-run organization providing university students with an opportunity to complete a placement period abroad. The commissioned study required performing market research, as well as demand analysis. The main goal of the research was to determine, which local companies and organizations AIESEC Saimaa could contact in the future.

The necessary information was gathered from different literature sources, the Internet, statistical data, the case company's sales database and by interviewing companies in Lappeenranta. The market research was performed by analyzing the research setting with the help of available statistics and other data. The study also includes quantitative analysis of AIESEC's sales history and qualitative survey research.

As a result, this thesis presents both the analysis of the sales database and the demand analysis, which includes opinions and needs of the local companies in regard to employing international interns. The outcomes of the research form solid recommendations for the client company. AIESEC is advised to apply the results in the future while forming a sales strategy and determining target customers.

Keywords: demand analysis, international, interns, South Karelia

## Table of Contents

1	Introduction .....	5
1.1	Background information .....	5
1.2	Objectives and delimitations.....	6
1.3	Research question .....	7
1.4	Theoretical framework.....	8
1.5	Research method .....	8
1.6	Structure of the thesis .....	9
2	Case company .....	9
2.1	AIESEC: History and figures .....	10
2.2	Values .....	10
2.3	AIESEC Saimaa .....	10
3	Internationalization of higher education and training .....	12
3.1	Internships.....	14
3.2	Market orientation in higher education .....	15
4	Analysis of research setting.....	17
4.1	Region of South Karelia .....	17
4.2	National and regional statistics on labor.....	19
4.3	National and regional statistics on industrial trends .....	20
4.3.1	Tourism.....	20
4.3.2	Industries .....	22
4.3.3	Service sector .....	23
5	Market research as a tool .....	24
5.1	The role of research .....	25
5.2	Research plan .....	26
5.3	Types of data.....	27
5.4	Marketing information system (MIS).....	27
5.5	Surveys .....	28
5.6	Measurement and sampling techniques.....	29
5.7	Data analysis.....	30
5.8	Interpretation and communication of results .....	31
6	Quantitative analysis: Client database.....	31
6.1	Overview of the data .....	32
6.2	Testing the hypotheses .....	36
6.3	Summary of the research outcomes .....	39
7	Qualitative analysis: Company surveys .....	40
7.1	Conducting the interviews .....	40
7.2	Analyzing data from surveys .....	42
7.2.1	IT.....	42
7.2.2	Service industry .....	42
7.2.3	Tourism.....	43
7.2.4	Marketing, advertizing and consulting .....	44
7.2.5	Forest trade .....	45
7.3	Summary of the research outcomes .....	46
8	Conclusions and recommendations.....	47
8.1	Discussion of findings.....	49
8.2	Recommendations to the case company .....	51
8.3	Suggestions for future research .....	53
	Figures.....	54

List of references .....55

Appendices

Appendix 1

Questionnaire form for the interview with AIESEC

Appendix 2

Cover letter and questionnaire form for the company surveys

# **1 Introduction**

## **1.1 Background information**

The phenomenon, on which the study is based, is related to internationalization in education and student mobility, especially in vocational training and trainee placements. This is an important issue for young people nowadays, since obtaining work experience abroad as a part of internship or training is almost a compulsory step for a successful career path. Finland is a popular educational destination for foreign students, and the country also attracts a significant number of young people coming for a placement period every year. Therefore, the research does not only provide recommendations for the case company, but also presents the phenomenon of international internships in detail.

The topic for this thesis work comes from a research request made by AIESEC Saimaa – a local committee of the international AIESEC network. AIESEC Saimaa faced difficulties in contacting and selling its services to local companies in the region of South Karelia. Representatives of the local committee recognized the need of cooperation with an external researcher in order to identify potential industries and new client companies.

At the moment, there is a lack of research done on internship sales in South Karelia. Even though there already is a thesis work on international student employment by Liikanen and Korkeila (2010), it is more focused on international students with a Finnish Bachelor's degree and, moreover, is rather outdated.

The research is focused on analyzing those industries, which have the biggest number of potential clients for AIESEC. Therefore, the thesis does not only provide the case company with recommendations regarding the demand situation in South Karelia, but also contributes to other users by presenting an overview of the regional trends and key industries.

The theoretical part of the thesis is related to internationalization and international trainee exchange. Nowadays, with a rapidly developing international environment, this is an important phenomenon. An insight of international internships in the thesis work covers the main aspects and key concepts.

Analyzing demand for international internships allows researching and bringing up a concept of knowledge-based service sales. AIESEC is a unique organization regarding its services and operations. As a rule, the majority of internships are performed and organized by two parties - a student employee and a company. In the case of AIESEC, they act as a connecting element, providing an intern with a matching workplace and offering a company the right candidate. The main goal is enhancing international competences of both parties.

Applying market research and demand analysis allows a non-profit organization like AIESEC to make its activities more market orientated. It often happens so that an organization like that devotes time and attention to aligning its actions with the main values – providing students with an opportunity to practice their leadership skills and academic knowledge in a safe environment. Obviously, the importance of these values should not be underestimated and left out from AIESEC's organizational strategy. However, it is necessary to keep the sales process focused and profit-oriented. Therefore, AIESEC's sales managers can make their offering more customer-oriented by following the guidelines presented in the final chapter of the thesis.

## **1.2 Objectives and delimitations**

The main objective of the Bachelor's thesis is to provide the local committee of AIESEC with a comprehensive solution for choosing potential client companies. The thesis includes a list of key industries, which are the most promising for AIESEC Saimaa and its service offering. In addition to this, the research is aimed at analyzing those companies and industries, which have already been contacted by AIESEC. This allows making valuable recommendations concerning the existing clients and simplifies decision-making process for choosing companies for further interviewing. As for the theoretical part, the main objective is to study a phenomenon of internationalization in a modern student employment environment, as well as to form a concise summary of international internships and their role in today's society. Finally, the thesis presents an interpretation of a current market situation in South Karelia regarding the most rapidly developing industries and student employment.

AIESEC Saimaa is situated in Lappeenranta; however, its operations are focused on the region of South Karelia, mainly on the cities of Lappeenranta, Joutseno and Imatra. The thesis includes the market analysis of South Karelia. Nevertheless, only the companies in Lappeenranta were contacted and interviewed. Choosing the organizations solely from Lappeenranta helped in narrowing down the scope of the research and avoiding possible travel costs. The study is focused on providing the client company and outside readers with a demand analysis for knowledge-based services in the region, to be specific – analysis of need for employing international interns. Recommendations are included as well. However, the thesis is not aimed at providing specific guidelines, internship sales strategies or any precise research of a customer database. In addition, the study is restricted to the external market analysis; hence, the internal analysis of the case company and knowledge sharing in sales process is omitted.

### **1.3 Research question**

The study is based on the following research question:

*What is the demand for the international interns in Lappeenranta?*

The thesis investigates the market of Lappeenranta and South Karelia in general in order to evaluate how AIESEC can improve and focus its internship sales. The following sub-questions were formed in order to support and further explain the main research question:

- Which industries are the most promising regarding the demand for international student talent?
- What is the current situation with the international internships in the region?
- Has the current sales strategy of AIESEC been focused on the potential industries and companies, which are willing to cooperate?
- What are the key requirements of the local companies for the international interns?

## **1.4 Theoretical framework**

The main goal of the theoretical part is to provide the reader with an insight of the researched phenomenon. Since the aim of the study is to determine the demand for the knowledge-based services in South Karelia, the theoretical framework focuses on international internships, internationalization and market orientation in higher education.

Universities in Europe are making significant investments into internationalization and development of student talent exchange. Nowadays, universities are facing the need to modify their strategy concerning internationalization. They are encouraged to become more market-oriented and therefore position themselves as providers of creativity and innovation, forming partnerships and clusters with industries. (Vauterin 2012.)

Based on this assumption, the study provides the case company and other readers with understanding of the internationalization and market orientation in the educational sector.

## **1.5 Research method**

The empirical part is divided into three chapters: research of the South Karelian market, quantitative research and qualitative research.

The study of the South Karelian market mainly serves as a detailed introduction to the research setting. It includes information about the main industries of the region, market trends and industrial statistics. Databases, articles and knowledge produced by Finnish research institutions are used in order to draw conclusions.

Quantitative research contains the analysis of market intelligence, or sales data, provided by the case company. The database of the case company includes information about those businesses, which have been contacted already. The contacted companies are grouped according to the industry they operate in. The case company received the statistics with the company names and comments on the database flaws. However, the official thesis version does not con-



tain this information, because the client company wished it would stay confidential.

Finally, the sampling method for the qualitative research was chosen based on the market research and quantitative research results. The acquired qualitative data helps in recognizing potential target groups and industries. The qualitative part includes survey research of the local companies and analysis of the outcomes.

## **1.6 Structure of the thesis**

The thesis begins with an introductory chapter, which explains the background of the topic, objectives and delimitations, research questions, theoretical and empirical parts. The second chapter contains the case company information. It includes facts about AIESEC, as well as more specific details about the local committee in Lappeenranta and their internship offering. This part of the thesis explains how AIESEC's internships differ from other placements abroad. Theoretical framework concentrates on the research phenomenon - internationalization in universities, international internships and market orientation in higher education. It is followed by the analysis of the research setting – South Karelia. Empirical part of the thesis is presented by both quantitative and qualitative research. These parts include information about how the research was carried out, as well as objectives and outcomes of the study. Finally, information from the empirical part and the analysis of the research setting are combined in the final chapter. Recommendations and comments are given on the basis of the carried research.

## **2 Case company**

The chapter about the case company covers basic facts about AIESEC, such as background information about the organization, its history and ideology. The local committee of AIESEC in Lappeenranta is also presented, as well as the description of their internship offering. The main goal of this chapter is to get the reader acquainted with AIESEC and explain what kind of internships they sell.

## **2.1 AIESEC: History and figures**

AIESEC is an international non-profit organization, which is present in more than 124 countries and territories. It is by far the largest organization that is run and operated by students globally. The idea for this kind of youth network has appeared already in 1930s. At the time, student exchange began in Europe and university students became aware of a need for establishing an organization that could support internationalization and promote peace when the world was getting closer to war. However, these ideas turned into reality first in 1948, when AIESEC was officially established. The network has been rapidly growing since then, expanding to three other continents in 1958: Asia, Africa and North America. Nowadays, more than 2,400 universities around the globe are connected through the AIESEC network and there are 780 local representative offices worldwide. (The History of AIESEC 2014.)

## **2.2 Values**

AIESEC was created with a vision to embrace students from all over the world into one youth network. The organization provides them with an opportunity to obtain and use their leadership skills in practice, to experience multicultural environment, to work abroad and to contribute to the society's well-being in general. AIESEC offers a possibility to join a local committee and train one's leadership skills there, as well as to go abroad on a volunteer or an internship programme. By denying any kind of discrimination or racism, AIESEC supports integrity, diversity and multiculturalism. (AIESEC: Mission & Values 2014.)

## **2.3 AIESEC Saimaa**

Finland is one of countries that laid the foundation of AIESEC in 1948, together with Belgium, Denmark, France, The Netherlands, Norway and Sweden. At the present moment, six university cities in Finland are AIESEC members. In addition, there are nine local offices, which are situated in Helsinki, Jyväskylä, Oulu, Turku, Lappeenranta and Tampere. AIESEC has ten network partners in Finland and provides trainees from abroad with more than 60 international internships every year. (About AIESEC 2014.)

Based on the information, obtained from interviewing a representative from AIESEC Saimaa, the local committee in Lappeenranta University of Technology was established about 20 years ago, in 1990s. There are 30 functional members in AIESEC Saimaa at the moment, seven of which are responsible for the incoming interns. AIESEC Saimaa focuses mainly on the city of Lappeenranta and the local companies.

AIESEC offers two different kinds of internship programmes – the Global Community Development Programme and the Expert Programme. The Global Community Development Programme assumes volunteering work and focuses on contribution to the society. Usually, this kind of programme lasts from six to eight weeks and does not include any salary. The Expert Programme is more business-oriented and allows an intern to work abroad in a company. This internship can be performed in one of the following fields – human resources, information technology, teaching and cultural education, business administration, marketing, finance and engineering. As a rule, an applicant is eligible to apply for one of the programmes if he or she is under 30 years old and is enrolled to a university in a country that has a local AIESEC office. The Expert Programme also requires that an intern has completed a certain amount of studies. For instance, interns from Finland need at least 120 ECTS credits in their study record transcript. Moreover, the Expert Programme assumes that a candidate has at least six months of relevant work experience. (International Internships AIESEC Finland 2014.)

AIESEC's internship programmes provide an employer with the following benefits:

- A company's working environment becomes more international and staff receives a new global mindset.
- AIESEC provides companies with matching profiles, taking their specific wishes and requirements into account.
- Companies have a chance to employ an intern for a specific amount of time in order to satisfy their need in a certain season.
- AIESEC is responsible for visa arrangements, accommodation and intern's cultural integration in a new country.

- Expenses paid by a client company are minimal and include only traineeship salary and AIESEC's administration fee. (AIESEC Global Internship Programme 2014.)

Internship programmes in Finland were also discussed with the local AIESEC representative. Both the Global Community Development Programme and the Expert Programme are offered, however, there have been only two AIESEC volunteers in Finland so far. In order to come to Finland, an intern has to contact a local office in his or her home country, send a CV and an application to a local committee, pay the fee and get access to AIESEC's database, apply for an internship place and go through the selection process. AIESEC's regulations changed ten years ago so that non-members can also apply for an internship. An intern is responsible for applying for a visa, if he or she is not coming from Europe. An average duration for an internship, which is conducted in English language, is three months. There is a minimum required salary for an incoming intern. Accommodation in Lappeenranta is provided by the local student accommodation organization LOAS. Usually, the outgoing exchange team in the intern's home university assists with finding a matching internship place. The team provides guidance and support, but is not solely responsible for finding a suitable company for an intern. The local committee in Lappeenranta organizes a reception, which includes meeting an intern at the airport or the train station, arranges accommodation, provides information and organizes cultural evenings. The incoming exchange team in Lappeenranta is responsible for contacting local companies and arranging internship sales.

### **3 Internationalization of higher education and training**

The main aim of the theoretical framework is to investigate a phenomenon of higher education and vocational training becoming international, which is caused by a significant number of students traveling abroad for a placement period. In this chapter different views on the term "internationalization" are presented. Moreover, statistics on the student mobility in Finland give a concrete picture of how incoming exchange students are distributed in the different regions. Finally, the phenomenon of higher education becoming more customer-

driven is also given attention to in this chapter. Market orientation is an important peculiarity of the modern higher education and is also a key success factor for AIESEC in regard to the internship sales.

To begin with, it is rather difficult to clearly define the concept of internationalization, since it is closely related to several similar terms like globalization, internationalism and even Europeanization. Moreover, different authors' perspectives differ dramatically, depending on how they actually explain the features of internationalization in higher education. For instance, Johansson (1997) highlighted an international study curriculum as the main prerequisite for the internationalized higher education. On the other hand, Smith (1993) pointed out several study-related elements, which affect internationalism: educational inputs (personnel, resources, educational facilities and other capital), processes (teaching methods, administration, study activities) and outputs (views and opinions of related parties and markets). (Söderqvist 2001.)

Still, there are available definitions of internationalization in the literature. According to Knight (1994), internationalization of education is:

*“The process of integrating an international dimension into the research, teaching and services functions of higher education”* (Söderqvist 2001, p. 50).

Findings by OECD (2011) show that young people have been actively pursuing higher education abroad, moving to foreign countries for the study purposes, which is proved by a total number of 3.7 million students that studied abroad in 2009. Bhandari and Laughlin (2009) claim, that this phenomenon can be explained by several developments in higher education. To begin with, governments implement policies, which allow establishing a mutually beneficial relationship between educational institutions and employers. Secondly, educational capacity in some developing countries is simply not able to fulfill the needs of young citizens. Therefore, students from these countries are forced to move abroad for getting qualification they need. (Vauterin 2012, p. 16 - 17.)

It is difficult to point out any specific time or transition that pushed higher education towards becoming globalized, since educational institutions and individuals within them have always been connected through their own academic networks.

Nevertheless, it is impossible to overestimate an impact of modern information technologies on higher education. After entering the world of academia, information technology has changed and speeded up knowledge flow between educational institutions, making them more global than national. (Välimaa, Aittola, Honkimäki, Jalkanen, Kallio, Määttä, Piesanen 2001.)

### **3.1 Internships**

The Oxford Dictionary explains the term “intern” in the following way:

*“A student or trainee who works, sometimes without pay, in order to gain work experience or satisfy requirements for a qualification”* (Oxford University Press 2014).

Hence, an international internship is a training, which is performed by a student in a foreign country for a limited amount of time, with an aim to obtain work experience and use academic knowledge in practice. In this thesis work attention is mainly focused on professional trainings performed abroad for at least three months. An internship, which is related to an intern’s study field and is aimed at developing both educational and professional competences, is assumed under professional training.

Statistics about training periods performed by foreign students in Finland can be acquired through CIMO’s database. CIMO is an organization, which studies international mobility of students coming both to Finland and going abroad for an exchange period or placement. International mobility is divided into vocational training mobility and higher education mobility. The last one also includes practical trainings lasting for at least three months. (CIMO in brief 2014.)

The number of students coming to Finland for an exchange period (including internships) or vocational training has remained on the same level, showing, however, a slow increase in international mobility of higher education. Figure 1 below presents how many exchange students came to Finland in the period from 2003 to 2012. (CIMO 2013a.)

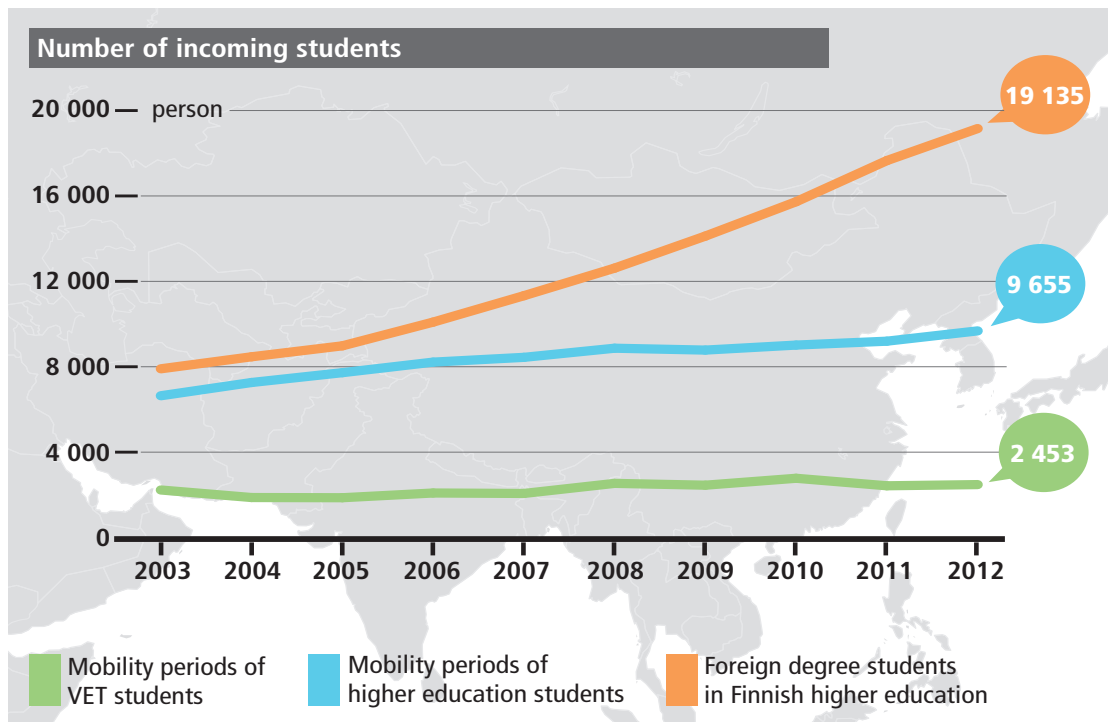


Figure 1. Student mobility in Finland keeps increasing. Number of incoming students (CIMO 2013a).

As for different regions in Finland, CIMO’s research shows that the region of South Karelia has the highest percent of incoming students – 4.6%. Therefore, South Karelia is the most active region in terms of international student mobility. (CIMO 2013b.)

### 3.2 Market orientation in higher education

Educational institutions are often recognized as knowledge providers, serving as a connection between students and companies and fulfilling the need for skilled labor. Nowadays, it is rather a rule than exception that a study curriculum includes a compulsory placement. Moreover, educational institutions establish contacts with companies and cooperate with them as service providers, in other words – offer educated students, who are willing to gain work experience in a relevant field. Also, thesis works and dissertations are often written in cooperation with businesses. (Aittola 2001.)

Relationship between universities, international students and industries can be viewed as a frame, where all these actors are connected. Universities are service providers for both students and industries. Therefore, international mobility

has developed as a result of interaction between universities, students and industries. Anctil (2008), as well as Ng and Forbes (2009), suggest that universities should see themselves as service providers and, therefore, comprehend the meaning of customer relationship management and market orientation. (Vauterin, Linnanen, Marttila 2011a.)

In Finland, universities have a strategic approach towards planning and administration. Aligning actions with a specific strategy helps universities in adapting to a rapidly changing environment and making administrative decisions, which bring a long-term benefit. (Välimaa & Jalkanen 2001.)

A list created by CIMO (1995) presents different educational aspects, which can be strategically planned in order to reach the best results in higher education internationalization:

- strategy and policy,
- organizational structure,
- university's external contacts,
- staff's international relations,
- students,
- academic curriculum and teaching resources (Söderqvist 2001, p. 111).

In order to be a successful service provider, an educational institution has to adjust its service offering according to the supply and demand situation. Knight (2004) suggests that a customer-oriented approach to strategic management in higher education does not only balance supply with demand, but also supports internationalization as a part of strategy. Moreover, findings by Stören (2004) and Brown and Ahmed (2009) prove that cooperation between universities and industries supports student employment and international mobility in general. (Vauterin, Linnanen, Marttila 2011b.)

As a concept, adjusting an offering to an independent demand means forecasting how much product or service is needed by an end-user. In case of market-oriented educational institutions or other service providers (e.g. AIESEC), sales forecasting is necessary. For instance, setting a sales goal for internship service



offering requires definition of geographical, industrial and consumer delimitations. (Mentzer & Moon 2005.)

## 4 Analysis of research setting

In this part of the thesis the research setting is presented. The chapter contains information about the main industries in South Karelia, Lappeenranta city mayor's comments and opinions about the economic development of the city, as well as a summary of national and regional statistics grouped by industries. The aim of this chapter is to analyze the economic situation in South Karelia by taking industrial statistics and development trends into consideration. The results of the analysis were used in determining a sample for the qualitative research.

### 4.1 Region of South Karelia

South Karelia presents a municipality consisting of nine communities: Lappeenranta, Imatra, Lemi, Luumäki, Parikkala, Rautjärvi, Ruokolahti, Savitaipale and Taipalsaari. This region is located in South-East Finland and has a common border with Russia. (The Regional Council of South Karelia 2014.)



Figure 2. Location – South Karelia, Finland (Etelä-Karjalan maakuntaesite a).

Tourism is claimed to be one of the driving factors for the region's development, which is easily explained by the geographical location of South Karelia, as well as its natural resources and a wide range of recreational attractions. Scandinavia's largest entertainment spa Holiday Club Saimaa in Rauha receives about 200,000 visitors every year. In addition to the hotel with various types of accommodations there is an ice-skating rink, a bowling alley, restaurants and adventure services. Apart from spa and other tourism-related services, South Karelia also benefits from a developed forest industry, retail business sector and an outstanding international university environment. (Jarva 2013; The Regional Council of South Karelia 2014.)

A distinctive feature of South Karelia is the semi-precious Ylämaa spectrolite granite, which serves as an important export material for the local stone industry. In addition, the fact that around 70% of land in South Karelia is covered with forests explains a large amount of wood export. A well-developed forest industry results in a big number of companies working in metal industry, including machinery and manufacturing. (Etelä-Karjalan maakuntaesite b; Etelä-Karjalan maakuntaesite c.)

The location of the city of Lappeenranta at the border of the EU and Russia has created an excellent basis for increasing the Russia-oriented business sector. Lappeenranta is the second favorite destination for foreign tourists, immediately after Helsinki. Over the past few years, a total of about €400 million was invested into trade and tourism in Lappeenranta. The service area and tourism industry have significantly grown in the region. Around 1,500 new jobs appeared in the tourism sector in the last couple of years. (Jarva 2013.)

An IKEA store will be opened in December 2015 in Mustola, which is a district in Lappeenranta. In the provincial plan of South Karelia from 2012, the Mustola interchange area has been allocated as an area for a large retail unit. In the following couple of years the city center will totally change with an expansion of the IsoKristiina shopping mall. In addition, there is a Huhtiniemi hotel project nearby Lappeenranta city center under development. As for the future trends, tourism, tourism-related services and trade will continue to grow. There is a focus on enlarging the green energy sector and expanding into tourism health

services. This potential forecast is supported by an estimation that every year 120,000 Russians travel abroad for medical care. (Jarva 2013.)

## 4.2 National and regional statistics on labor

Finnish national labor statistics show that a total of 2,457,000 people were employed in 2013. The unemployment rate was 8.2% and has increased by 0.5% since 2012. In the whole country, the human health and social work sector was the main employer, followed by manufacturing, wholesale trade, retail trade and professional activities, such as administration, services, technical support and so on. (Official Statistics of Finland 2014.)

As for the region of South Karelia, the largest number of jobs in 2010 was in the manufacturing industry (8,748 people employed), as well as in healthcare and social services (8,317 workers). Figure 3 below presents a distribution of jobs in the region in 2010 and 2009 organized by the number of jobs. (The Regional Council of South Karelia 2012a.)

organized by the number of jobs		The number of jobs		
Industry	2010	2009	Change 2009-2010	Change -%
C Manufacturing	8 748	8 588	160	2 %
Q Healthcare and social services	8 317	8 447	-130	-2 %
G Wholesale and retail; repair of motor vehicles and motorcycles	5 796	5 713	83	1 %
P Education	3 725	3 675	50	1 %
F Construction	3 588	3 420	168	5 %
H Transportation and warehousing	3 427	3 545	-118	-3 %
N Administrative and support service activities	3 012	2 424	588	24 %
O Public administration and national defence; mandatory social insurance	2 729	2 817	-88	-3 %
A Agriculture, forestry and fishery	2 279	2 282	-3	0 %
M Professional, scientific and technological industry	2 215	2 171	44	2 %
I Accommodation and food industry	2 077	2 152	-75	-3 %
S Other service activities	1 482	1 499	-17	-1 %
J Information and communication	1 140	1 109	31	3 %
R Arts, entertainment and recreation	787	763	24	3 %
X Unknown industry	620	549	71	13 %
K Financing and insurance	587	630	-43	-7 %
L Real estate	410	422	-12	-3 %
D Electricity, gas and heat maintenance, cooling business	272	279	-7	-3 %
E Water supply, drain and sewage maintenance; refuse disposal & other environmen	216	220	-4	-2 %
B Mining and quarrying	163	160	3	2 %
T Households as employers	1	0	1	
U International organizations and organs	0	0	0	
<b>Industries in total</b>	<b>51 591</b>	<b>50 865</b>	<b>726</b>	<b>1,4 %</b>

Source: Statistics Finland/ Economic structure and employment  
Last updated: 11.10.2012

Figure 3. Jobs in South Karelia by industries in 2009 and 2010 (The Regional Council of South Karelia 2012a).

### 4.3 National and regional statistics on industrial trends

Chapter 4.3 presents a summary of national and regional economic statistics, including figures about development of tourism, service sector and several other industries.

#### 4.3.1 Tourism

The number of overnight stays of foreign tourists visiting Finland in December 2013 was 5.5% more than in December 2012 and accounted in a total of 554,000 stays. However, the total number of overnight hotel stays in 2013 was almost the same as the year before – 1.3 million. The vast majority of foreign visitors in December 2013 were Russians (158,000 overnight stays), followed by British visitors (130,000 overnight stays), Germans (27,000), Swedish and French tourists (20,000 stays each). While the research claims that the resident tourists' hotel stays have decreased by 5.1% in 2013, it also suggests that the tourists from abroad stayed in the hotels overnight 5% more times than in 2012. Figure 4 shows that both regions of South Karelia and Kymenlaakso are the most popular destinations with an 8% yearly increase of overnight stays. (OSF 2013a.)

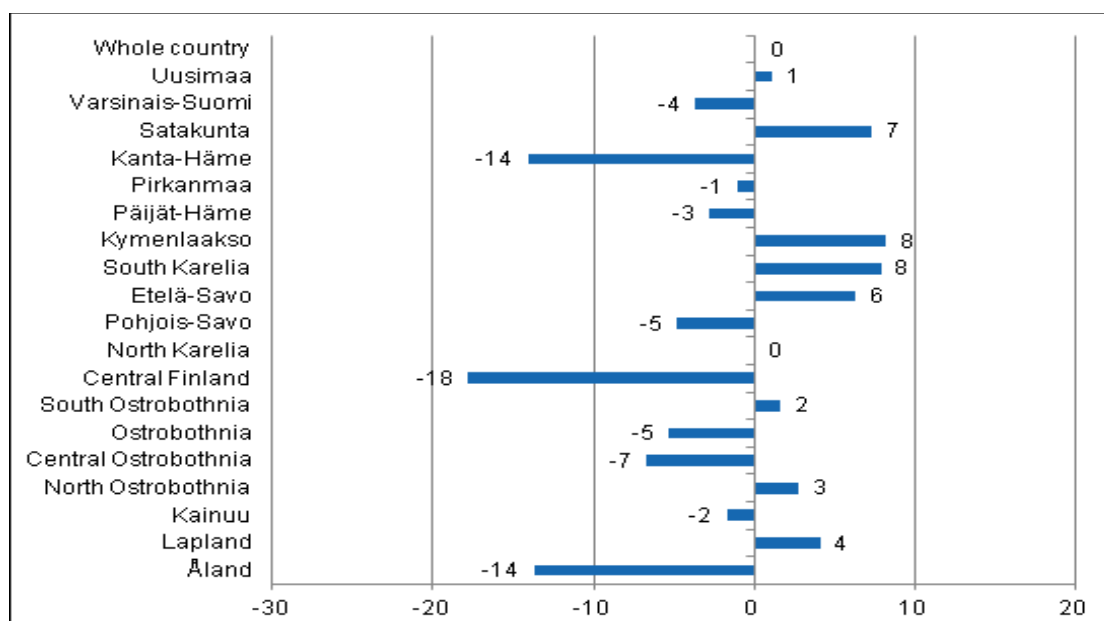


Figure 4. Change in overnight stays in December by region 2013/2012, % (OSF 2013a).

South Karelia’s location makes it a popular place for Russians in terms of tourism and shopping. Tax-free sales indexes are the highest in Lappeenranta out of the whole country. Since 2009, there has been a dramatic increase in tax-free sales in Lappeenranta – in just three years sales per capita have doubled. Trends for tax-free sales in Lappeenranta, Imatra and Helsinki are presented in Figure 5 below. (The Regional Council of South Karelia 2012b.)



Figure 5. Three leading cities in tax-free sales in Finland 2009 – 2012 (€ per capita) (The Regional Council of South Karelia 2012b).

In addition, there is a trend for a steady increase in border crossing in South Karelia. 9,592,917 passengers crossed border crossing points in South-East Finland in 2012, including posts in Vaalimaa, Nuijamaa, Imatra, Parikkala and Vainikkala. Figure 6 presents a growth summary for border crossings and estimates how a visa-free regime could affect border traffic in the future. (The Regional Council of South Karelia 2012c.)

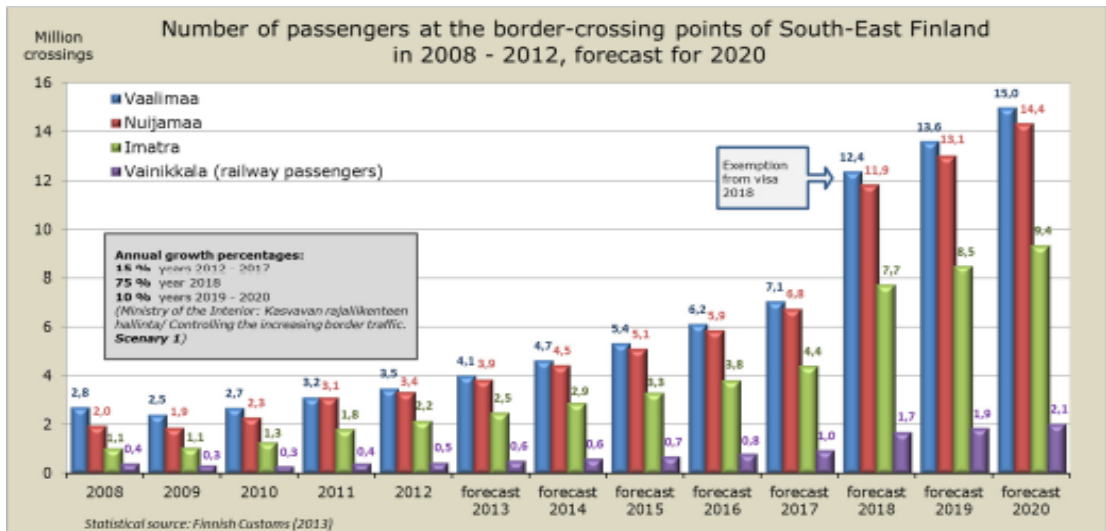


Figure 6. Number of passengers at the border-crossing point of South-East Finland in 2008 – 2012, forecast for 2020 (The Regional Council of South Karelia 2012d).

#### 4.3.2 Industries

National industry output statistics for December 2013 show that the total industrial output decreased by 5.2% compared to December 2012. This is caused by a dramatic decline of output in the following industries: mining and quarrying (-23.1%), electrical industry (-20.1%), electricity and gas (-11.5%). Figure 7 presents how industrial output has changed within a year, according to the industry. It is possible to notice that there has been an output increase of 6.2% in the forest industry. (OSF 2013b.)

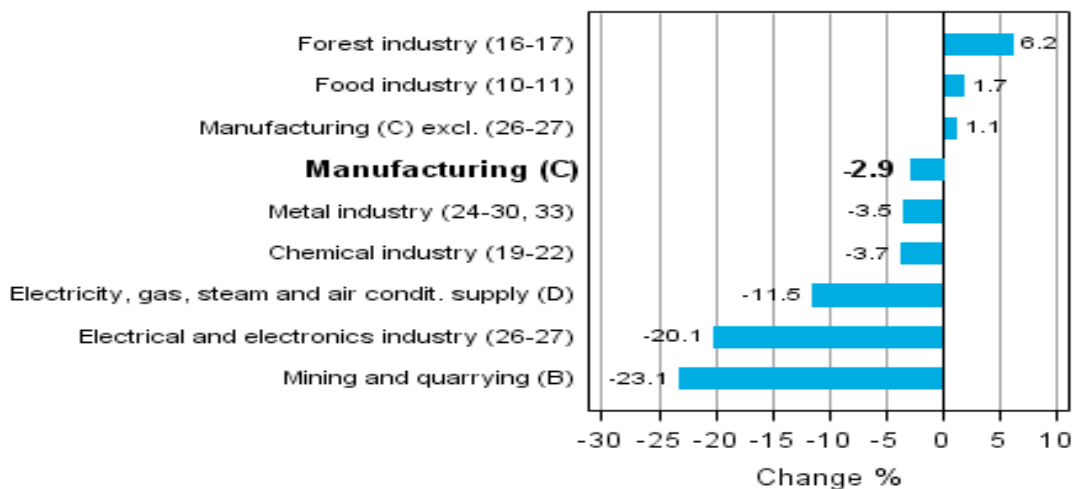


Figure 7. Working day adjusted change in industrial output by industry 12/2012 – 12/2013, %, TOL 2008 (OSF 2013b).

### 4.3.3 Service sector

Service industry turnover assessment shows a slow, but a steady increase of 0.3% for a period of September – November 2013. Previously, however, the same period in 2012 resulted in a 3.1% rise. In November 2013, the highest increase rates were recognized in arts, entertainment and recreation areas (6.9%). Figure 8 below shows changes in sales turnover for several service areas. (OSF 2013c.)

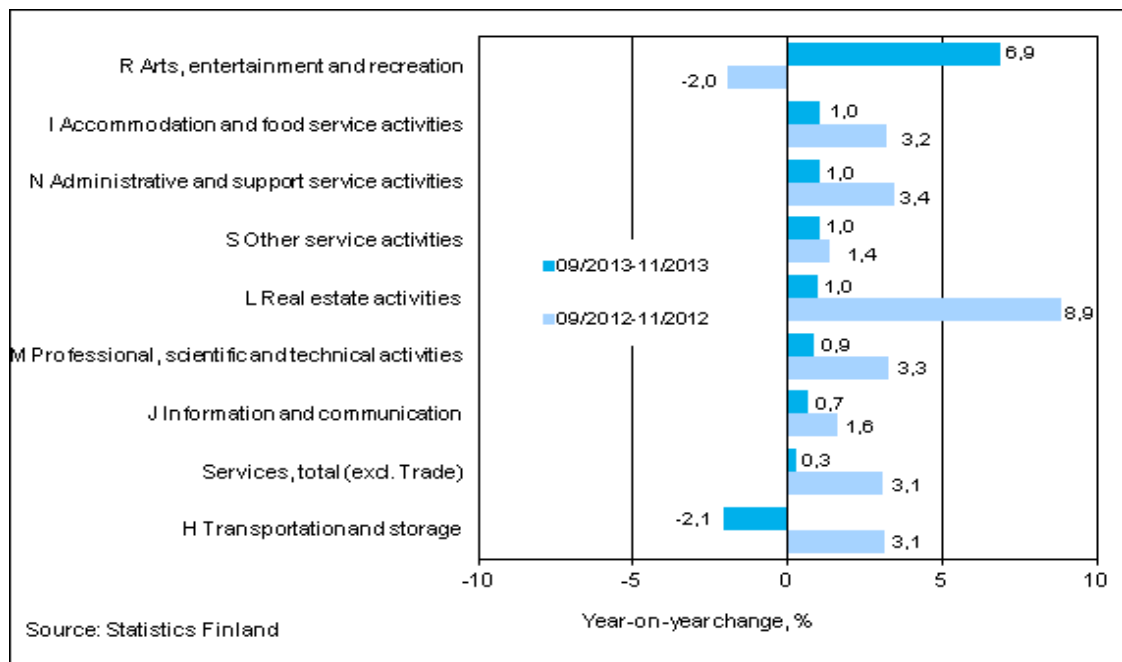


Figure 8. Three months' year-on-year change in turnover in services (TOL 2008) (OSF 2013c).

As for mass media in Finland, trend indexes remained the same in 2012: decline in publishing and rise in electronic media, especially in Internet advertising (10%) (OSF 2012). Figure 9 presents the mass media trends in Finland for the period from 2000 to 2012.

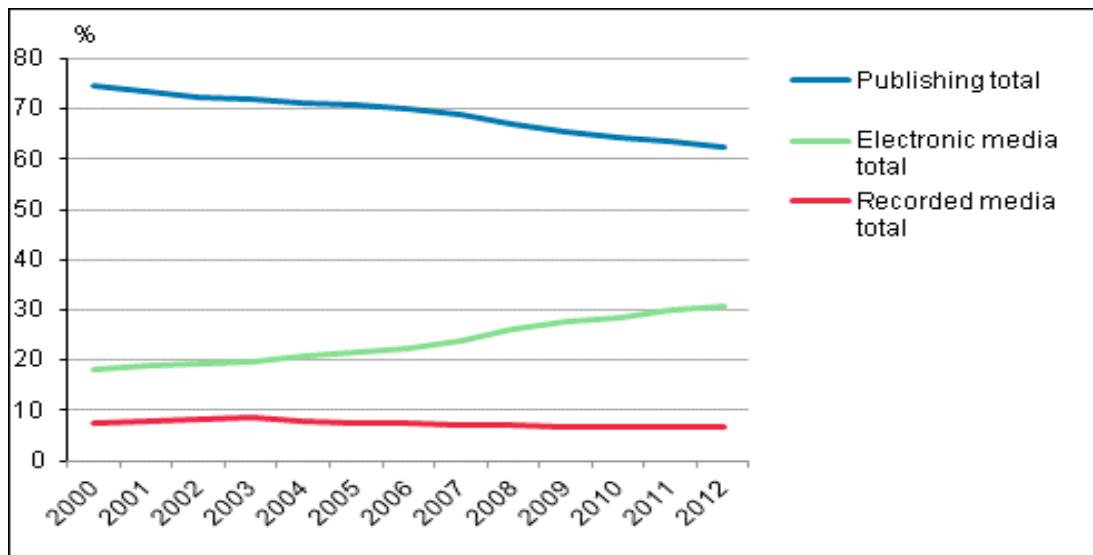


Figure 9. Sector shares of the mass media market in Finland in 2000 to 2012, per cent (OSF 2012).

## 5 Market research as a tool

The main tool for producing assumptions about AIESEC's sales potential in the South Karelian region is market research. This chapter gives an insight into the market research theory and techniques, which were used for the study. It explains the importance of proper research planning, secondary and primary data types and their gathering, as well as methods used for measuring and analyzing data.

One of many definitions of the term "marketing research" was given by The American Marketing Organization. They explain this concept the following way:

*"Marketing research is the function that link the consumer, customer and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process". (AMA 1987.)*

Research can be classified into several groups: primary and secondary or qualitative and quantitative. Primary research assumes that the data is collected for a specific and unique purpose, whereas secondary research includes existing data. In addition to this, research can also be qualitative and quantitative, providing either numbers and figures or reasoning and attitudes, respectively. Moreover, market research can be divided into three wider categories, regard-



ing the stage of its implementation. For instance, preliminary research is usually done before a concrete research problem and plan are available. This way, it is possible to make research more specific and succinct. Usually, the research itself is based on some hypothesis – it either proves it or rejects it. Therefore, conclusive research provides data that supports a hypothesis. Finally, performance research is carried out in order to evaluate how guidelines were followed and if objectives were met. (Proctor 2005.)

### **5.1 The role of research**

Since 1960s, when market segmentation has first appeared as a marketing approach, marketing and decision-making have significantly changed. Nowadays, companies have strong relationships with customers. Moreover, consumers have become more sophisticated due to huge differences in their lifestyles, needs and customer experiences. In order to understand customer expectations and market trends better, businesses have to implement market research and be able to collect necessary data, interpret it, analyze and use for decision-making purposes. Obtaining comprehensive information about the market positively affects sales, market knowledge, marketing expenditures and customer satisfaction. Significant amount of resources and human capital can be saved by using market intelligence for the purpose of decreasing uncertainty and narrowing down the scope of potential options. (Birn 2004.)

Overall, three main roles of the market research can be defined – descriptive, diagnostic and predictive. They include collecting information, revealing a cause-effect relationship and making assumptions about the future, respectively. (McDaniel & Gates 2006.)

Customer market research serves by offering information used in order to define target segments and their sizes, market trends, needs and wants of customers and the level of competition. Advertising and promotion research is helpful in choosing a promotion mode and media channels. Product research investigates possibilities for product development, product design and packaging. Distribution research is used for defining transportation methods and distribution channels. Whenever a company requires data on sales methods, training or

improving sales results, sales research is performed. Research on market environment is essential for measuring external forces, such as changes in political, social, economic, technological, ecological and legal environments. (Proctor 2005.)

## 5.2 Research plan

A key to successful research is identifying a problem and research objectives. Often there might be new opportunities available for the company, which can also serve as a basis or reason for conducting research. Companies frequently fail to devote enough time and resources to produce a precise plan for data gathering and analysis. Hence, management faces the need to align a company's market intelligence with a clear strategy and research plan. When planning a basis for the market research strategy, it is essential to evaluate a gap between existing knowledge about customers or markets and desired information about them. Moreover, data have to be classified regarding effect on sales success, competition and customer satisfaction. (Birn 2004; McDaniel & Gates 2006.)

A model for the market research framework development may be presented in the following way:

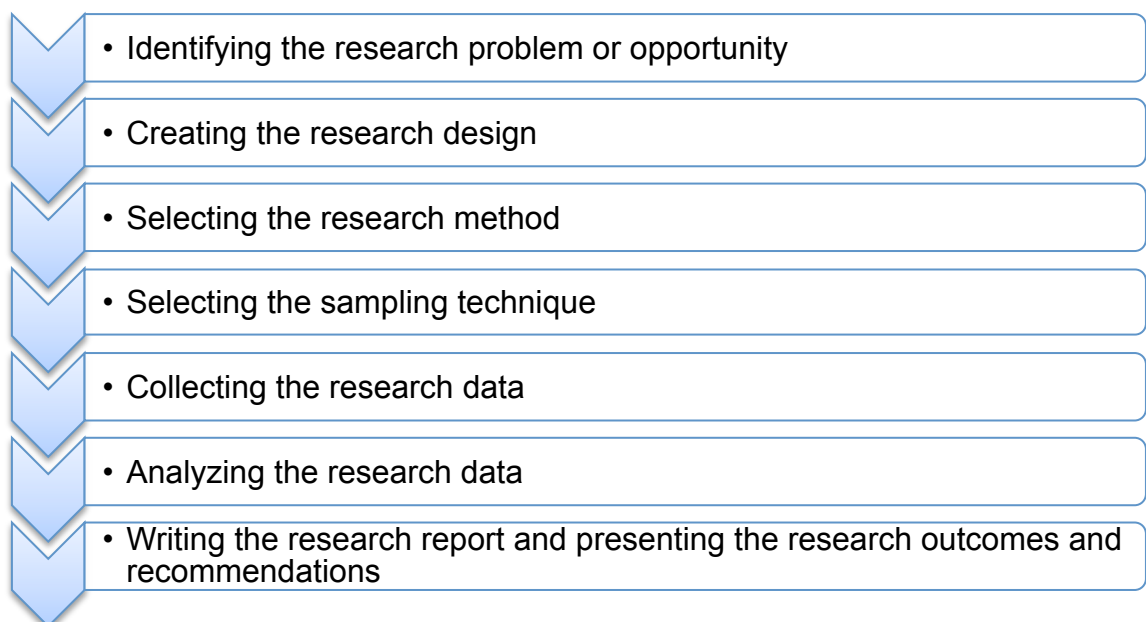


Figure 10. Market research process (McDaniel & Gates 2006).

During different research stages, special attention has to be paid to discussions with other parties. Communicating the research plan and carefully following it is equally important in all research stages: planning, questionnaire form development, implementation and communication. (Birn 2004.)

### **5.3 Types of data**

When secondary data is collected, it is assumed that a research is based on already existing knowledge. If someone else has previously gathered the information needed, it is senseless not to use it. On the other hand, it is sometimes difficult to find relevant secondary data, which is also accurate enough and can serve as a reliable basis for decision-making. In this case, primary data is gathered for a specific research purpose. While internal data presents information about a company's operations, a source of external data is located outside. (Proctor 2005; McDaniel & Gates 2006.)

Secondary data can be collected through the following sources:

- governmental statistics,
- libraries,
- trade associations,
- universities and colleges,
- professional associations,
- the Internet (including telephone directories, newsgroups, mailing lists and different commercial services) (Birn 2004).

### **5.4 Marketing information system (MIS)**

Whenever a company is willing to systematically store market research information, it uses a marketing information system (MIS) for this purpose. This system, which needs computer software, supports decision-making by setting up clear criteria for storing data that management really needs. In addition to this, one advantage of MIS is its availability that allows users to benefit from it whenever and wherever needed. In order to avoid negative experiences with the system, such as flooding it with useless data and facing management's lack of involvement, it is necessary to establish guidelines for the data input and under-

stand staff's communication patterns within a company. Traditionally, a marketing information system comprises of internal and external data. Managers are responsible for collecting sales data, pricing decisions, product availability and inventory information, marketing activities' description and an overview of competitors' activity. On the other hand, external information presents a company's position in the market and provides facts about the market's size, share, trends and competition within it. (Birn 2004.)

## **5.5 Surveys**

Upon completing a collection process of internal and external data for MIS, companies usually start working on a survey research plan. Even though quantitative information in a system presents necessary facts about the market, it is impossible to reveal a cause-effect relationship behind them. A survey method, however, is more focused on analyzing attitudes and opinions. (Birn 2004.)

Overall, there are six types of surveys:

1. postal surveys,
2. telephone surveys,
3. personal interviews,
4. self-administered surveys,
5. panels,
6. omnibus studies (Proctor 2005).

During the survey project, information is collected by conducting questionnaires. Carefully designed questions, which are presented to a right surveyee in a certain order, are a key success factor for obtaining the required data. As a rule, every questionnaire consists of the introduction, the main content or questions and the basic data, which presents information about a surveyee.(Proctor 2005.)

It is important to consider every step of designing a questionnaire:

- Definition of objectives – forming clear requirements for the desired data.
- How will the data be collected? The questionnaire can be self-administrative, sent by post or e-mail, as well as conducted by phone.

- Question format. For example, open-ended questions allow receiving informative answers, but also require a thorough interpretation of the replies. Close-ended questions, on the other hand, are easier to analyze, but they provide a limited amount of answering options. Finally, scaled-response questions include several answering options, which differ from each other in terms of response sensitivity and intentions of an interviewee.
- The use of words and questions' sequence should be as clear as possible. Ambiguous phrasing has to be avoided. As for the question order, it is a good decision to begin with some general questions, which also bring up an interviewee's interest. More difficult questions can be placed in the middle and in the end.
- Finished questionnaire should be checked and evaluated in terms of the questions' importance and length.
- Every party, which is related to the research process, has to be informed about the questionnaire, should evaluate it and give permission for the questionnaire to be used.
- Before the actual survey is carried out, the researcher should pretest the questionnaire to ensure that there are no misunderstood questions or other flaws. (McDaniel & Gates 2006.)

Nowadays, a significant amount of surveys is conducted online, since using Internet for this purpose saves time and money, helps to achieve higher response rates and allows contacting respondents that are located far away. However, conducting a survey online can sometimes result in choosing a non-representative population sample or losing confidentiality due to a poor security control. (McDaniel & Gates 2006.)

## **5.6 Measurement and sampling techniques**

The process of measurement requires that values are given to individuals or objects. For example, a person's height is an individual measurement, and is also ratio-scaled, because it includes a distance measurement and a true zero point. Other types of scales are: nominal scale with unique cases that are not ranked in any way, ordinal scale that has ranked objects in a certain sequence

and, finally, interval scale, which includes a distance measurement but does not have a true zero point. (Proctor 2005.)

Sampling is used in order to draw a conclusion about a representative part of the whole population, in order to avoid examining every single population member. Sample plan design assumes considering the following: target population chosen for research, number of members in a sample and the way respondents are chosen. A sampling frame assists in selecting a target population by providing characteristics identifying it. There are two main sampling techniques: probability sampling, which has a certain probability of selecting a sample (random sampling), and non-probability sampling, which includes a specific purpose for choosing a sample. For example, non-probability sampling includes quota sampling (when population is divided in a certain way), convenience sampling (when no design is implemented at all) and judgement sampling (based on sense and competence). (Proctor 2005.)

## **5.7 Data analysis**

Qualitative data analysis assumes a study of non-numeric data, which has to be gathered beforehand with the help of interviews, surveys, focus groups and background information collection. Unlike data in quantitative research, qualitative research findings are not used in a quantitative or numeric analysis of any kind. Next, some portions of information are extracted from the total amount of data and categorized in order to provide conclusions and ideas. As a rule, qualitative research consists of the following operations: searching for keywords and their frequency, forming indexes for them and using keywords for referring to text sections. Therefore, the processed data forms a comprehensive picture, on which a theory and assumptions can be based. (Proctor 2005; McDaniel & Gates 2006.)

Upon completion of quantitative research, it is essential to introduce an approach for data analysis. Usually, this is a plan that outlines variables and methods used for analysis and measurement. There are two ways of processing the gathered data – performing tabulation and performing statistical analysis. Tabulation is used for presenting a summary in form of different ta-

bles, graphs and frequency distributions. Statistical analysis, on the other hand, reveals connections, patterns and effects of the variables on one another. Statistical methods allow calculating averages and central tendencies, dispersion of the variables, significances and correlations. Whenever significance of some statement is tested, two hypotheses are created - a null hypothesis rejects a claim and an alternative hypothesis, on contrary, supports a claim. Then, probability is tested in order to support either the null or the alternative hypothesis: the lower the probability is, the stronger the null hypothesis is. In order to reveal differences between the data, which has several characteristics, the chi-square crosstabulation test is used. However, when the goal is to find out resemblance between the variables and the way they affect each other, crosstabulation tests are used. Moreover, analysis of variance shows how a dependent variable has changed throughout a specific time period. (Proctor 2005.)

### **5.8 Interpretation and communication of results**

One of the challenges that researchers often face in the final stage of a project is interpreting and communicating their findings with relevant parties. Research results have to be generalized and presented in the executive summary or findings chapter. Use of graphs, charts, bullet points and various text formats helps in summarizing findings and recommendations efficiently. Recommendations usually provide a client with ideas and means of reaching a specific advantage. (McDaniel & Gates 2006.)

## **6 Quantitative analysis: Client database**

This chapter is a part of the empirical research, which was conducted for the thesis. Overall, two types of market research were performed – quantitative and qualitative. The quantitative research section below presents the results of the secondary data analysis and explanations of how it was carried out. The combined results of both researches were used in order to produce the final recommendations and conclusions for the case company.

## 6.1 Overview of the data

The local AIESEC committee provided the sales data from their client database for research purposes. It includes all the companies that have been contacted since 2004 with an aim of internship selling. In addition to this, there is information about the contact history and dates, notes on phone calls and visits, details about the companies: contact person, industry, address, webpage, turnover, estimation of potential and so on.

Provided data was analyzed in IBM SPSS (Statistical Package for Social Sciences), which allows forming quantitative conclusions about data and manage it, as well as to perform statistical analysis and estimate probabilities. SPSS is popular due to its availability and access to a wide range of statistical tests. (Churchill 1995.)

AIESEC's market intelligence was divided into five variables, or characteristics:

1. Company - the contacted company's name.
2. Contact – year of the last contact with the company.
3. Industry – business area, in which the contacted company operates.
4. City – location of the contacted company or department.
5. Potential – probability of reaching a successful sales outcome and forming a strong business relationship.

All in all, the total number of 342 companies contacted during 2004 – 2014 were included in the analysis. The year of contact includes the year, when a specific company was contacted last time. The earliest contacts occurred in 2004 and the latest in 2014. Some of the companies were planned to be contacted again in 2014 after the research was conducted; therefore, the last year of contact with them is listed as 2014. Figure 11 shows AIESEC Saimaa's contact activity for the last ten years. 2013 was the year with the most active contact history.



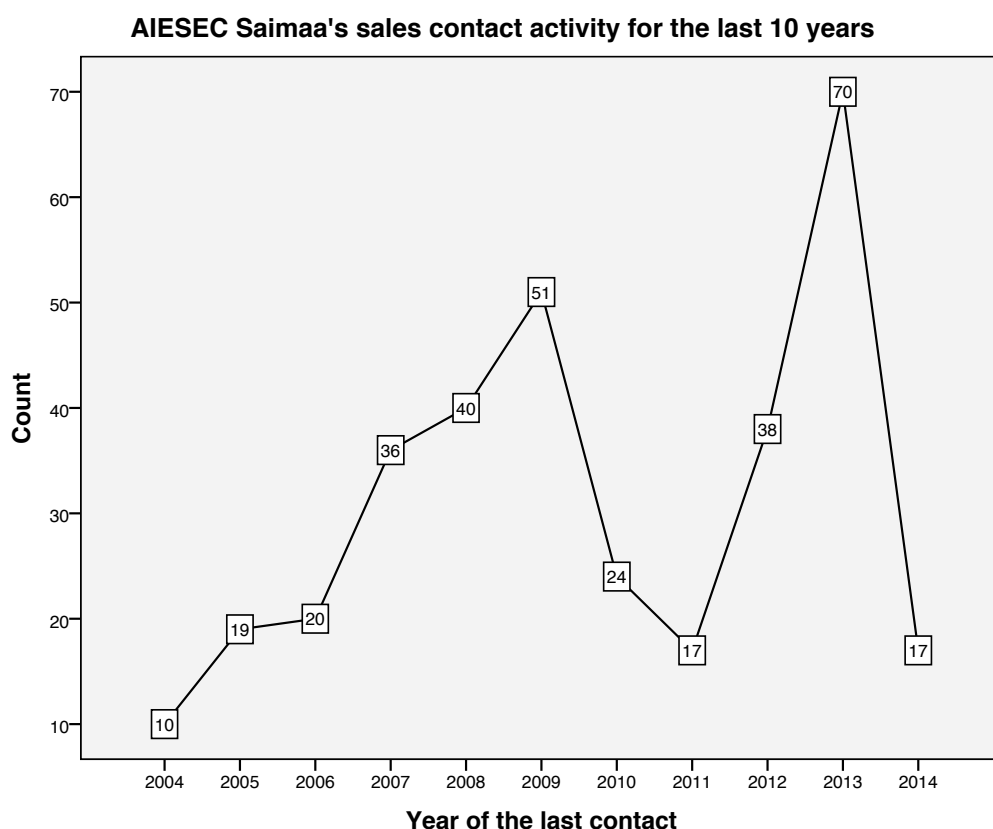


Figure 11. AIESEC Saimaa's sales contact activity for the last 10 years.

As a result, 31 industries were recognized in the client database. They represent businesses in advertizing and marketing, agriculture, biotechnology, chemical production, construction and building, consulting services, education, electronics, energy, engineering, financial services, forest industry, governmental organizations, healthcare, insurance services, IT, machinery, manufacturing, media and entertainment, non-profit organizations, nutrition, other services, paper production, pharmaceuticals, research and innovations, retail and customer services, stone production, telecommunications, tourism and transportation. Some of the companies where missing the industry description in the client database. Unfortunately, it was also impossible to obtain information about their area of business operations through the Internet. Those companies, which are missing the industry description, are listed under the following name in the industry variable: "no info". Apart from different banks and consulting agencies, there were businesses selling other kinds of services. Due to their various service offering, these businesses were combined under one category: "other ser-

services". They include housing services, security, recruitment, optimization, warehousing, directory services, business development, translation services, printing, post distribution, real estate services, social work and company cluster organizations. Figure 12 presents a count and percentage distribution of the contacted companies in each industry. The most contacted industries are IT (37 contacted companies), education (32 contacted companies) and transportation (31 contacted companies).

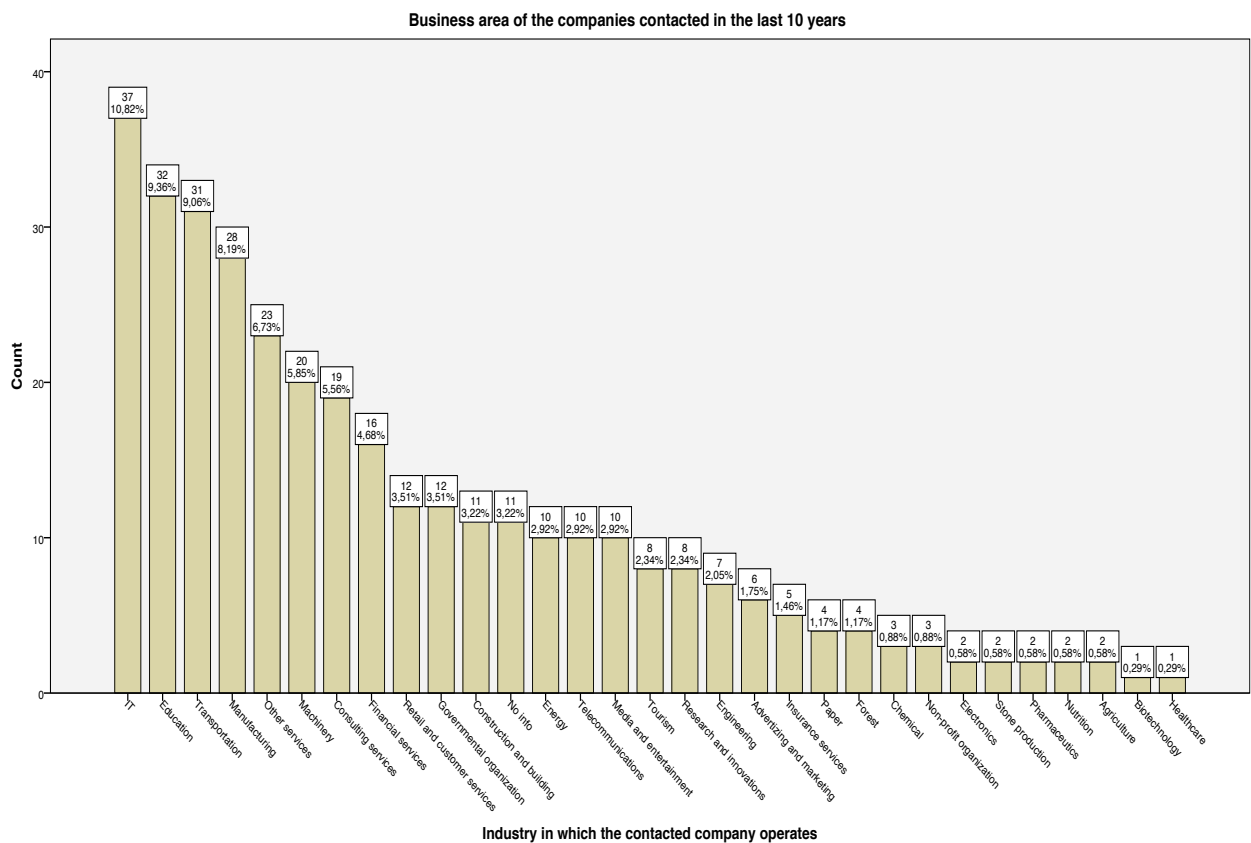


Figure 12. Business area of the companies contacted in the last 10 years.

The total of number of cities where the contacted companies are located is 17. Figure 13 below shows the geographical distribution of the contacted companies in the region of South Karelia and other parts of Finland. However, it is clear that the majority of the contacted companies are located in Lappeenranta (246 companies) and Imatra (44 companies).

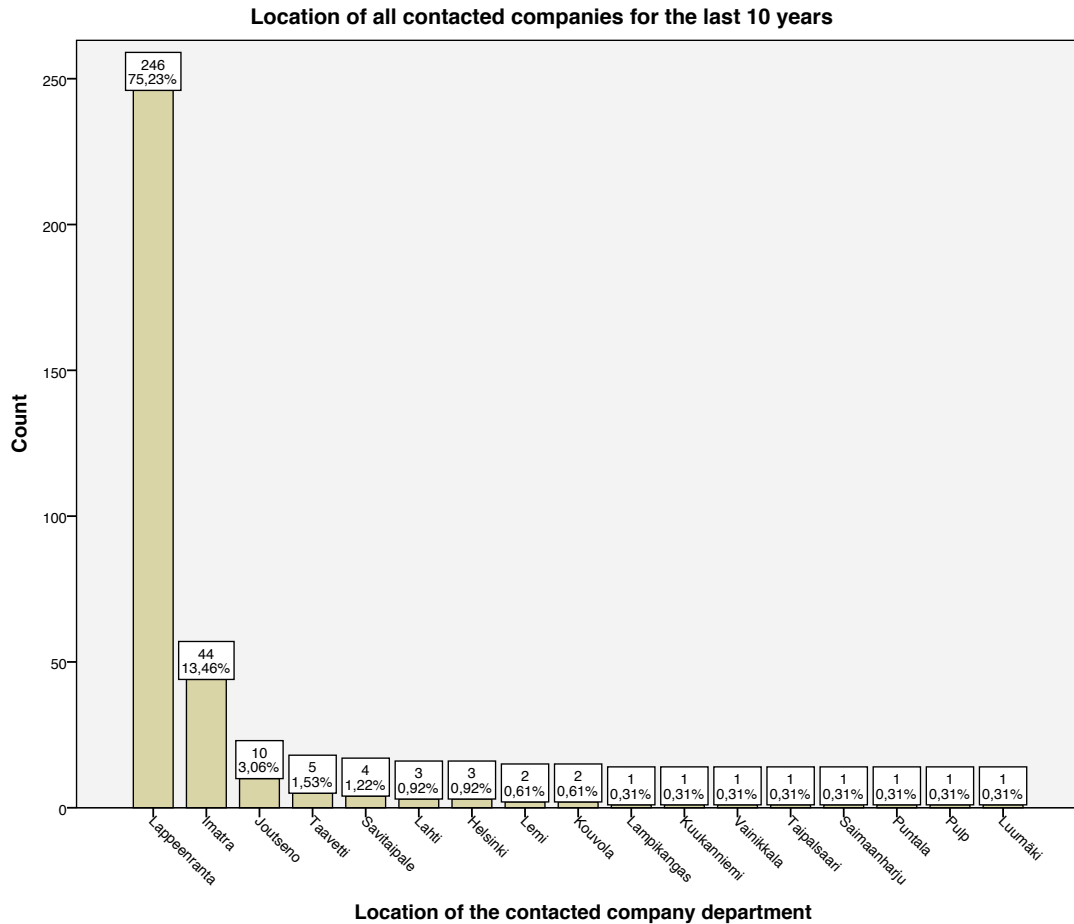


Figure 13. Location of the contacted companies for the last 10 years.

In this research, sales potential denotes the probability of selling the internship programme to the contacted company. The sales potential is measured with the numbers from one to three, one assuming low potential, two assuming medium and three assuming high. This scale was introduced by the thesis author and potential scores were inserted according to the comments in the client database and the researcher's own estimations. Explanations to the classifications are presented below:

- Low potential – little or no chance to sell an internship at all.
- Medium potential – good communication history with a company, established contacts, clearly expressed interest from a company's side. So far it was impossible to sell internships due a difficult financial situation in a company or lack of jobs offered.
- High potential – a company is an active or a past client or is willing to take an intern in the nearest future. Usually, there is a demand for an in-

ternational trainee due to a company's client base or a trainee's language or professional skills.

Figure 14 below shows an overall distribution of sales potential for the contacts, performed by AIESEC Saimaa.

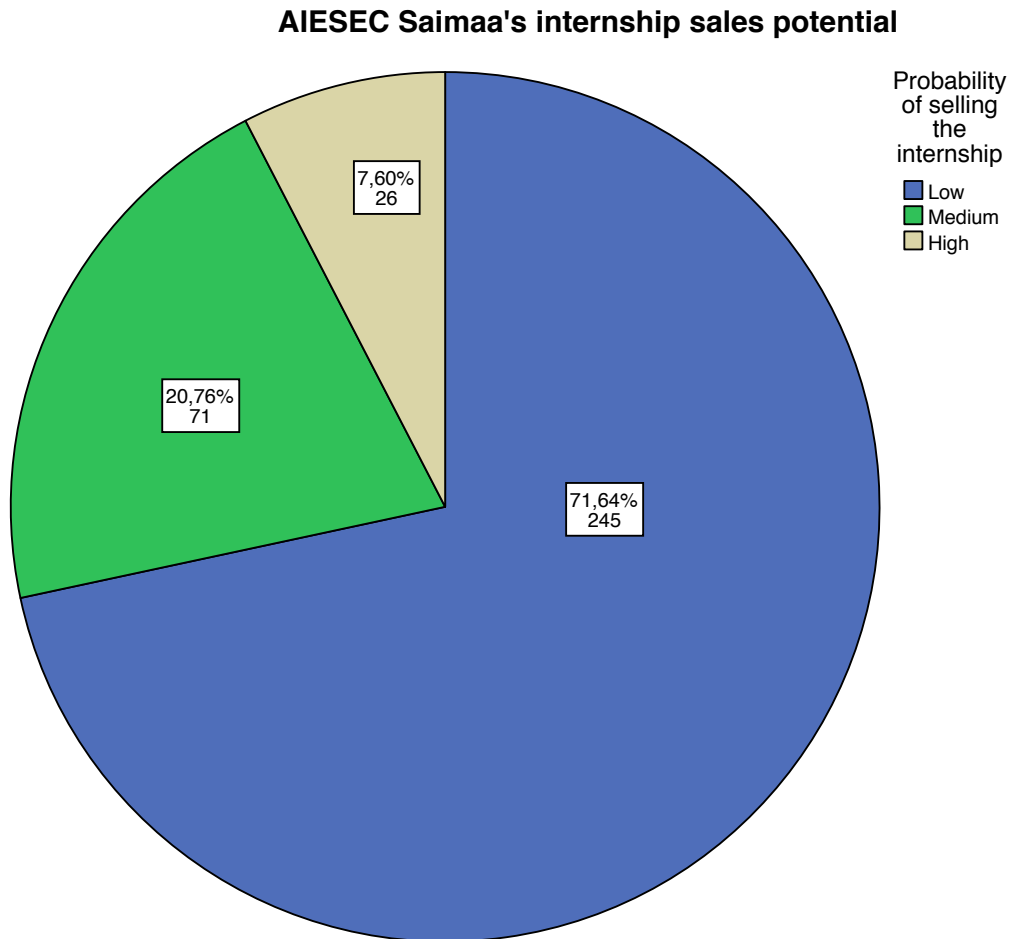


Figure 14. AIESEC Saimaa's internship sales potential.

## 6.2 Testing the hypotheses

Three hypotheses were formed in order to find out cause-effect relationships between the variables "contact", "city", "industry" and "potential".

Hypothesis 1 was aimed at finding out if the year of the last contact with a company affects sales potential. Null hypothesis (H0) would have proved that sales potential is equal throughout the whole sales activity of AIESEC Saimaa. Alternative hypothesis (H1) assumed that sales potential differs according to the

year of contact. Hypothesis 2 was developed to investigate if an industry, in which a contacted company operates, affects probability of selling an internship. It means that companies, which operate in certain business areas, are more inclined towards recruiting a trainee from AIESEC. H0 assumed that sales potential is equal for every single industry, while H1 supported a claim that there is a correlation between an industry and sales results. Finally, hypothesis 3 stated that the city, where any contacted company is situated, affects sales potential. H0 supposed that sales potential is not affected by the location, whereas H1 supported the existence of correlation between these variables.

Unfortunately, due to the lack of data and cases in the database, it was impossible to perform crosstabulation analysis to test the hypotheses mentioned above. Not all of the industries were contacted enough times to include information on all three levels of sales potential. Therefore, the significance results of Pearson Chi-Square test were not reliable due to the fact that more than 20% of cells had an expected count less than five. Nonetheless, it still was possible to test correlations for the three most contacted industries (education, transportation and IT), since they had enough contact data. Figures 15 and 16 present the results of crosstabulation and Chi-Square tests for the business sectors mentioned above. The colored cell in Figure 16 shows that significance of the performed test equals to 0.030. According to the p-value (probability of proving the null hypothesis to be true), the closer it is to zero, the more likely it is that the alternative hypothesis is correct. Taking the critical p-value of 0.05 in mind, it is possible to state that the alternative hypothesis is incorrect only on a 3% probability. Therefore, the results of Chi-Square test prove that there is correlation between the three most contacted industries and sales potential. On practice these findings mean that the sales managers of AIESEC Saimaa have more chances to reach a positive sales result when contacting a company from one the following industries: education, IT and transportation. Figure 15 also presents the internship sales probability percentages. For example, it is possible to notice that AIESEC has a high sales probability in the educational sector in 28.1% of cases and a low probability in 43.8% of cases. Previous sales contacts with IT and transportation industries resulted in a high sales probability in 16.2% and 3.2% of cases, respectively. Transportation industry is still much

less potential than IT and education, since a low sales potential occurs in 80.6% of conducted contacts.

**Industry in which the contacted company operates \* Probability of selling the internship Crosstabulation**

			Probability of selling the internship			Total
			Low	Medium	High	
Industry in which the contacted company operates	Education	Count	14	9	9	32
		% within Industry in which the contacted company operates	43,8%	28,1%	28,1%	100,0%
		% within Probability of selling the internship	22,2%	42,9%	56,3%	32,0%
		% of Total	14,0%	9,0%	9,0%	32,0%
	IT	Count	24	7	6	37
		% within Industry in which the contacted company operates	64,9%	18,9%	16,2%	100,0%
		% within Probability of selling the internship	38,1%	33,3%	37,5%	37,0%
		% of Total	24,0%	7,0%	6,0%	37,0%
	Transportation	Count	25	5	1	31
		% within Industry in which the contacted company operates	80,6%	16,1%	3,2%	100,0%
		% within Probability of selling the internship	39,7%	23,8%	6,3%	31,0%
		% of Total	25,0%	5,0%	1,0%	31,0%
Total	Count	63	21	16	100	
	% within Industry in which the contacted company operates	63,0%	21,0%	16,0%	100,0%	
	% within Probability of selling the internship	100,0%	100,0%	100,0%	100,0%	
	% of Total	63,0%	21,0%	16,0%	100,0%	

Figure 15. Industry and Probability of selling the internship - Crosstabulation.

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10,738 <sup>a</sup>	4	,030
Likelihood Ratio	11,806	4	,019
Linear-by-Linear Association	10,102	1	,001
N of Valid Cases	100		

a. 1 cells (11,1%) have expected count less than 5. The minimum expected count is 4,96.

Figure 16. Industry and Probability of selling the internship – Chi-Square Test.

Even though it was not possible to find out any correlation between all of the industries and sales potential scores (from one to three), average values could still be calculated. Therefore, average potential of the industries contacted by AIESEC is presented in Figure 17. Based on these results, no particular reason for high or low potential of a certain industry can be stated. However, Figure 17 is still useful in reaching overall conclusions about AIESEC's average sales results.

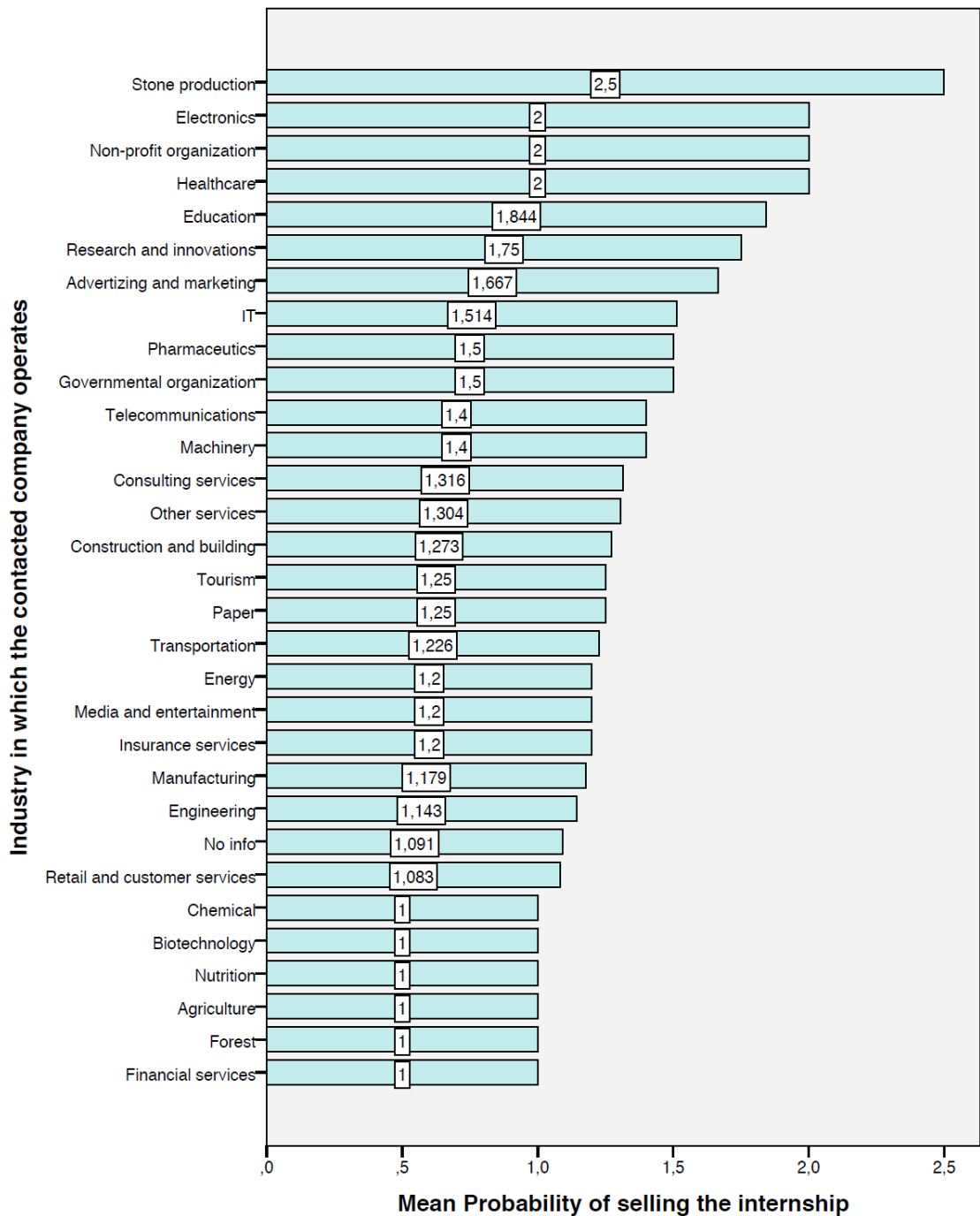


Figure 17. Mean of the sales potential for the contacted industries.

### 6.3 Summary of the research outcomes

All in all, two main conclusions were made after analyzing the SPSS research data. First of all, the three most contacted industries are also potential in terms of internship sales, since it was possible to reveal the correlation between the variables “industry” (education, IT and transportation) and “potential”. Education, IT and transportation have the following average potential scores: 1.8, 1.5

and 1.2, respectively. Secondly, calculating the mean potential showed that the industries with the highest average sales potential (from low-medium to medium-high) are: stone production (2.5), electronics (2), non-profit organizations (2), healthcare (2), education (1.8), research and innovations (1.7), advertizing and marketing (1.7), IT (1.5), pharmaceuticals (1.5) and governmental organizations (1.5). This information, together with the South Karelian regional statistics and trends, was used in order to choose companies for the surveys.

## **7 Qualitative analysis: Company surveys**

Analysis of qualitative data allows interpreting opinions and views. This chapter explains how the primary data was acquired with the help of questionnaires. The summary of the answers is presented according to the industries. Opinions of the interviewed companies altogether serve as a basis for forming assumptions about demand for international interns in the region and potential target industries, which AIESEC can contact in the future.

### **7.1 Conducting the interviews**

The companies were selected according to the results of the quantitative research and the research setting analysis. Based on the analysis of South Karelia, the most promising industries in the region are: tourism and other tourism-related services, stone production, forest trade, machinery and manufacturing. As for the client database analysis, the results show that the following industries have the highest potential in terms of international trainee employment: IT, education, transportation, stone production, electronics, healthcare, advertizing and marketing. However, it was impossible to base any judgement solely on these results. It can be explained by that fact that correlations for every industry could not be tested and that the potential scores were obtained by calculating the averages. IT is the only exception, since there was enough available data for revealing correlation between this industry and sales potential. Therefore, the industries were picked on the basis of discussions with AIESEC, regional development trends and subjective judgement. Unfortunately, even though several companies from the stone industry were initially planned to be interviewed, none of them agreed to take part in the survey. Hence, this business sector is



not included in the qualitative research; however, it is one of the predominant industries in Lappeenranta and South Karelia in general. Also, healthcare, transportation and manufacturing sectors were excluded from the survey research, since companies operating in these sectors usually require their interns to be fluent in Finnish. This can be explained by the fact that working in these business areas includes customer service in Finnish. AIESEC has well-established contacts with several educational institutions in Lappeenranta; hence, including educational sector to the research would not have added any value to it.

All in all, companies from the following industries were interviewed:

- IT
- Service industry
- Tourism
- Marketing and advertizing
- Forest trade

After that, seven companies were chosen from the above-mentioned industries. The interviewed companies are located in Lappeenranta and had to meet some of these criteria: international clients and operations, different languages spoken by the personnel, staff members of several nationalities, subsidiaries abroad and no or little previous contact history with AIESEC. Basically, these criteria served as a sampling method, together with the outcomes of the research setting analysis and the quantitative research. Companies were contacted by phone and politely asked to take part in the questionnaire. After that, the questionnaire was sent to the companies' representatives by email. This type of communication was chosen because it allowed saving time and resources. Moreover, some of the companies were reluctant to take part in face-to-face interviews. However, one company visit took place and the interview was recorded.

The questionnaire included eight open-ended questions concerning the company's operations, internship possibilities, previous experience in employing an intern, knowledge about AIESEC and opinions on the region's economic trends.

## **7.2 Analyzing data from surveys**

The questionnaire results are presented in this part of the thesis. The survey analysis does not include names of the interviewed companies due to confidentiality considerations. Results are presented according to the industry.

### **7.2.1 IT**

Many IT companies in South Karelia are small, so-called one-man businesses. However, interview results with one local IT and marketing communications company suggest that companies of this kind are open-minded in terms of employing an intern and might have interest in operating internationally. In this industry, understanding sales, marketing and business processes is essential. The contacted person was aware about AIESEC. In his opinion, cooperation advantages with this organization include developing new ideas, foreign language skills and even possibility of expanding the business:

*“New ideas to my business, lingual skills, possibility to expand business abroad”.*

As for the trends in IT and marketing communications, it looks like sales processes are affected by outsourcing and process orientation significantly. The interviewed company pays lots of attention to social marketing, too.

### **7.2.2 Service industry**

Companies operating in the service industry often require a very specific knowledge from their employees and interns. One of the local organizations, which offers patent-related services, was interviewed in order to find out if international interns can fulfill their employee requirements or not.

Since the interviewed company operates with different international patent procedures, English language is used at work daily. However, it is rather difficult to employ interns in this kind of industry – working with patents requires special skills, competences and a solid knowledge of Finnish language.

*“We are an organization of experts. Duties at work are very special. Therefore, it is difficult to employ interns. Further, all of our employees shall understand and preferably speak Finnish.”*

Unfortunately, selling international interns for the companies that work with a very specific service offering seems to be rather difficult.

### **7.2.3 Tourism**

Two different tourism-related organizations, both profit and non-profit were interviewed for the research.

One of them is responsible for tourist services and different business services, such as consulting for newly established companies. Working languages include Finnish, English, German, Russian and Swedish. The company employed interns in the past, mainly for a time-limited work on specific projects including, for example, tourism-related projects, start-up and green technology development. The intern's background and knowledge in a particular area is perceived to be a major advantage:

*“Employing an intern from abroad offers a better insight into the circumstances in the area where he or she comes from”.*

AIESEC is known to the company representative because of his own experience and knowledge about this organization from his study time.

Another interviewed tourism-related business is a local hotel, which is a part of a large hotel chain. Their international operations include marketing, leisure sales and cooperation and are mainly performed in the head office. Together with Finnish, daily working languages include English, Swedish, German and Russian. Russian skills are essential, since the share of Russian guests in Lappeenranta is higher than in other parts of Finland. Therefore, the Russian language skills in the hotel department may have a strong influence on the Russian tourist's choices. The hotel usually employs interns through a cooperation channel with a local educational institution. Even though employing a student from abroad is perceived as beneficial in terms of cultural perspectives and language skills, the hotel is not planning to have international trainees. The main reason is that there are many students studying hotel and restaurant business in the local educational school with mandatory training sessions in hotels and restaurants. Moreover, the organization has not been contacted by AIESEC before and has no knowledge about the advantages of their services.

*“I think that we are not able to take many interns from abroad. There are so many students studying hotel and restaurant professions in a local educational school with mandatory training session in hotels and restaurants. There are not so many hotels in the area. Therefore, we are going to favor local educational school about this matter as before.”*

#### **7.2.4 Marketing, advertizing and consulting**

Two companies operating in the marketing and advertizing industry agreed to take part in the questionnaire and answered to it by email.

One of the marketing agencies pointed out cooperation with foreign clients and their own marketing activities aimed at attracting new customers as their international operations. Moreover, the company’s working environment is international – there are four Russian employees and the official corporate language is English. The agency had previous experience with student interns from local universities. Two students were also employed as thesis workers. Any potential intern needs to have a deep knowledge of some national market and its cultural dimensions, as well as skills in marketing and excellent academic background. South Karelia’s location makes Russian language skills and knowledge of Russia-oriented online marketing a valuable asset for the interviewed company. The agency has already been contacted by AIESEC, however, the representative emphasized that cooperation with this kind of organization brings only a short-term human resource benefit. On the other hand, employing local students is both cost saving and allows investing money and training resources into a student, who is willing to work full-time in the agency after graduation.

*“AIESEC interns’ downside is that we have to pay and after that the person will leave. We get international students from Saimaa UAS and LUT “for free or very little money” and they are willing to stay longer (work as an employee). Also, we can interview several candidates and ask students’ backgrounds from their teacher.”*

As for the future trends in the marketing industry, the company highlighted the development of online marketing and sales between Russia and Europe, as well as digital communication channels to Russia.

Another company that was selected for the questionnaire works in the field of international consulting. Their network includes team members and sales agents in Finland, Russia, Estonia, Italy, Belgium, Germany and Switzerland.

The organization has business partners in Spain, too. Multicultural work environment requires the team to use several languages at work – English, Russian and German. The company has experience in employing international personnel; however, hiring an intern is still seen as a future possibility. So far, the human resources strategy has been focused on employing internationally minded people in order to make work environment culturally diverse. It is particularly beneficial in the region of South Karelia, and the company's representative pointed out that their international expertise in different markets and diverse language skills make them competitive. Also, knowledge of the Russian market is essential, especially in the current political situation. The company is familiar with AIESEC and was introduced to their service offering. AIESEC is perceived as an organization with positive and active members.

*“Our strategy has been to hire internationally minded persons – he or she can be Finnish or some other nationality. But hiring people from abroad makes work environment more exciting, and cultural differences are giving something different to our work and results, as well.”*

*“Yes, we are familiar with AIESEC and their target. Last year their representatives visited our office and offered their services, which were interesting, but unfortunately at that moment we couldn't proceed further.”*

### **7.2.5 Forest trade**

A face-to-face interview was made with a representative from the local forest trade company. Their main international operation is wood export from Finland to Russia. Official working languages include Russian, Finnish and English. Usually, trainees perform truck maintenance and other technical support tasks. The company has no demand for employing interns for management- and business-related placements, due to having enough permanent staff with an excellent expertise. Moreover, there are not enough resources for both traineeship salaries and training. One of the skills, necessary for staying competitive in the forest trade business in South Karelia, is the ability to forecast trends:

*“Analyzing and predicting how the market will change is a necessary requirement for the company's efficiency”.*

The industry is affected by political, social, legal and environmental external forces. This is a very complicated task to foresee how a certain decision can

affect the whole company in the future. The main peculiarity in the forest industry and wood transportation is complicated legislation and customs procedures. The company has not been contacted by AIESEC, and the interviewed person was not aware of this organization before, hence, no information on perceived collaboration benefits could be obtained.

### **7.3 Summary of the research outcomes**

A mind map for every industry was formed by creating a list of words and phrases, which represent the companies' international operations and the interviewees' opinions about employing interns. These representative words and short sentences served as a valuable foundation for summarizing the results of the qualitative research and providing recommendations for the case company.

IT companies in South Karelia can be rather small, but quite open-minded and oriented at expansion and internationalization. AIESEC is seen positively by the interviewed IT organization. The case company could fulfill the demand by providing interns with a good knowledge of social marketing, language skills and a curious, open-minded personality. However, it is essential for the IT-related company to be big enough or to be in the process on expansion.

Companies that provide tourism-related services tend to use a vast number of foreign languages daily, and their operations can include both international and domestic marketing and sales. Unfortunately, it is possible that businesses often have their own cooperation and employment channels with the local educational institutions, especially in the hotel industry. Therefore, offering interns with specific skills and knowledge (for instance - marketing, start-up development, green technologies and Russian language skills) to the companies without established employment channels could be an opportunity for AIESEC.

Marketing and consulting agencies in Lappeenranta tend to have the most internationally oriented operations, compared to the other interviewed companies. Businesses in the survey research have subsidiaries abroad, foreign clients and intercultural team members, who use several foreign languages at work. The main requirement for the interns is being internationally minded, having solid marketing skills and knowledge of some specific market and culture. Even

though AIESEC has a positive image among the interviewed marketing companies, they tend to give a priority to a long-term employment. AIESEC could benefit these businesses by offering interns with international perspectives, a good knowledge of foreign languages and willingness to stay in Finland for a possible future employment. Moreover, there is a demand for thesis workers with competences in different national markets.

All in all, it can be assumed that local companies in the service industry focus on Finnish language skills, even though many of them use English daily and perform international procedures. It is rather difficult for them to employ interns because of the demand for specific knowledge and skills.

It seems that the same problem is faced by the interviewed company, which operates in the forest trade. There is enough highly educated and skilled staff at the moment. Interns are only employed for completing technical tasks, such as truck maintenance. However, since forest trade includes international sales, AIESEC can find a potential client company by offering interns with strong analytical skills, Russian and English language skills and preferably knowledge of customs procedures.

## **8 Conclusions and recommendations**

The main aim of the research was to investigate the demand situation for international interns in South Karelia. To be more specific, the focus was on finding out which industries in Lappeenranta would be willing to cooperate with AIESEC and employ trainees, who come to Finland with the placement programme offered by AIESEC. It was assumed that companies operating in a similar industry have common attitudes towards international placements. Therefore, conclusions about internship sales potential were made for several business fields or industries, but not for specific companies. Other goals of the research were concentrated on finding out how AIESEC's previous internship sales were focused and which industries hired the biggest number of trainees. In addition to this, it was essential to investigate and explain the concept of internationalization and market orientation in higher education. Finally, analyzing the region of

South Karelia in terms of economic development and prevailing industries helped in grasping the research setting and its features.

Previous studies on international student employment in South Karelia include investigating how degree students in Finnish universities pursue their career after graduation. The research in this thesis, however, was focused on time-limited placements, offered by AIESEC for the local companies. This specific topic allowed focusing on the international student mobility, the concept of customer orientation in non-profit organizations, analyzing the current sales strategy of the client company and producing recommendations for their future actions.

The research was planned in cooperation with the client company. After several discussions with AIESEC the desired outcomes were agreed upon. First of all, the case company expressed its wish to receive the statistical analysis and conclusions regarding the existing sales history. The sales data was processed in IBM SPSS software, which enabled performing quantitative analysis and making statistical conclusions. Contacted companies were grouped according to the industry they operate in. All in all, results obtained through the quantitative data analysis were used to present general figures like averages and distribution of the variables, as well as correlations between them. For example, it was especially important to reveal a cause-effect relationship between industries and their interest towards employing an intern from AIESEC. Secondly, it was agreed with AIESEC that the research setting analysis had to be carried out. This was done shortly after the sales database research and included gathering general information about South Karelia, for instance, predominant industries, the role of tourism in the region and opinions of Lappeenranta's mayor about the city's economic development. National and regional statistics on labor and industrial trends were also gathered. Finally, the case company expressed interest in receiving opinions from the most potential industries and those companies, which might have not heard about AIESEC before. Potential industries were defined as those industries, which are the most prevailing in the region, have the highest growth rates both regionally and nationally and showed



interest in AIESEC's internship offering in the past. Altogether five different business areas were chosen for the survey analysis.

Empirical research and its focus formed a foundation for the theoretical framework. In order to get the desired results in the quantitative analysis and survey research, information about market research was studied and later on added to the thesis as a separate chapter. Moreover, understanding the phenomenon of international student mobility helped in creating questionnaires and choosing the focus group for interviewing.

As the result, recommendations concerning choosing target groups for AIESEC's internship sales were given based on the research outcomes. Findings are discussed in the second part of this chapter.

## **8.1 Discussion of findings**

To begin with, facts about student mobility in the theoretical framework prove that young people are actively traveling abroad in order to get higher education or to complete a placement period. Finland is especially popular among foreign students, who would like to study abroad full-time (CIMO 2013a). The country is also a popular destination for exchange students and trainees; however, their number has been growing very slowly in the past years. Findings by CIMO, an organization responsible for researching and measuring student mobility, show that the region of South Karelia is visited by the biggest number of incoming students and trainees in the whole country (CIMO 2013b). This evidence alone already makes current trends in international traineeships in South Karelia worth researching.

The research setting analysis points out that South Karelia's economic development is affected by tourism, stone industry, wood exports, machinery and manufacturing (Etelä-Karjalan maakuntaesite b; Etelä-Karjalan maakuntaesite c). In addition to this, national statistics show that service sector is growing rapidly, especially in the fields of media and entertainment (OSF 2013c).

In the quantitative analysis judgments about sales potential were made based on calculating average potential scores of the contacted companies and testing

correlations between the variables “potential” and “industry” whenever possible. All in all, the business sectors mentioned below yielded in better sales results for AIESEC than the others: IT, education, transportation, stone production, electronics, healthcare, education, research and innovations, advertizing and marketing and pharmaceuticals. Comments on the previous sales history and suggestions for improving the client database were given to AIESEC privately, since it was agreed that this information would remain confidential.

The qualitative analysis does not include all of the industries, which were recognized as potential, due to three main reasons:

1. AIESEC already has an established contact with an industry and survey research would therefore provide minimal value.
2. An industry is mainly interested in employing Finnish-speaking interns. However, an industry like that might still be marked as potential in AIESEC’s previous sales history. This can be explained by a relatively small amount of contacts with a business sector, which resulted in a high sales percent. Also, some of the internships sold before could have had a very specific orientation, hence, not meet general traineeship requirements (such as a native level of Finnish language).
3. Some of the companies did not agree to take part in the questionnaire.

As a result, new potential client companies were recognized in the following industries: IT, tourism, marketing and consulting. Each of these business sectors is internationally oriented and companies there tend to have a positive image of employing an intern from abroad. The main requirements, which these companies have for potential trainees, are: knowledge of social marketing, foreign language skills (especially English and Russian), internationally-oriented personality, specific knowledge and experience (for example, in a project-based placement) and various cultural competences. Making certain that their interns possess these qualities will support AIESEC in reaching successful sales results.

To sum up, combined research outcomes suggest that there is demand for international interns in Lappeenranta, especially in these industries:

- Tourism
- Education
- Marketing
- Consulting
- IT

Even though many companies fulfill their internship needs by employing students from local universities or by using their own recruitment channels, AIESEC still can satisfy the demand for trainees by following recommendations suggested below.

## **8.2 Recommendations to the case company**

AIESEC is strongly advised to keep their sales offering concentrated on the needs of those industries, with which this organization has well-established contacts – the educational sector, for example. Part of the theoretical framework dedicated to the market orientation in higher education points out the importance of educational institutions seeing themselves as service providers. In this case, AIESEC is distantly compared to an educational institution, since it is a non-profit organization acting as a service provider between a student and a company. The same way an educational institution uses a strategic approach for making administrative decisions, AIESEC could also align its actions with the demand situation and the needs of the final consumers – the local companies.

Whenever contacting new companies, AIESEC is advised to consider the following sampling criteria:

- Size of the company – so-called “one-man” companies do not have enough resources and amount of work for employing a trainee, especially one from abroad. On the other hand, large organizations usually have their own recruitment channels and specific traineeship requirements. A medium-sized company would be the best choice.
- Current situation in the company. A contacted company may not be economically stable at the moment and therefore have no clear vision of its actions in the nearest future. The qualitative research shows that some

of the interviewed companies believe that a trainee could be beneficial when a company is expanding its operations to a new market. A trainee from abroad could be especially useful for smaller IT or advertising businesses, lacking international competence and language skills.

- Language requirements. Since AIESEC offers interns from abroad to the local companies, native level of Finnish language as a requirement is the biggest obstacle for the case company. Contacted companies, which only offer traineeships in Finnish, should be left out from AIESEC's target group at first place. Nevertheless, the case company is advised to keep on communicating its offering of international talent as a major advantage, since a foreign trainee positively affects working environment in a company seeking for internationalization.
- Intern's foreign language skills and academic knowledge. These assets should be presented as strong benefit for every contacted company. Survey research outcomes show that several local companies offer traineeships, which are related to some time-limited projects. These projects require knowledge and skills in a very specific field. Therefore, AIESEC is advised to pay attention to the needs of the final customers and match interns according to them.
- Requirements for the internship length and a company's labor need. In one company's opinion, a major disadvantage of AIESEC's internships is that an intern leaves to his or her home country upon completing the placement. Local companies are more inclined towards employing young people studying in Lappeenranta, since they are willing to stay in the company and work full-time. As a result, training expenses are minimal in this case. This problem can be solved by offering longer placement periods (for example six months) and finding out what a trainee's future career plans are. It may be possible to offer trainees, who desire to stay in Finland and work full-time later on.

Following these recommendations will help AIESEC in forming a clear sales strategy and specific criteria for choosing companies for further contacting. Hopefully, the research findings will also serve as a useful guideline for international students, looking for employment possibilities in South Karelia. Finally,

this thesis could be used as an example of how a non-profit organization can concentrate its actions on consumer needs and expectations. For example, this can also be applied to educational institutions.

### **8.3 Suggestions for future research**

Since altogether seven companies were interviewed, the validity of the qualitative research results is affected by the small sample size. Even though the companies were chosen carefully with specific criteria in mind, the interviewed companies still might not fully represent the target population. However, the most important goal was to recognize potential industries in order to support AIESEC's sales strategy. In case the demand for international interns in Lappeenranta or South Karelia in general is researched any further in the future, it is recommended to focus on investigating the potential industries in detail. For instance, a researcher could obtain more information about one of the potential industries by choosing a larger sample size and interviewing more companies.

## Figures

- Figure 1. Student mobility in Finland keeps increasing. Number of incoming students, p. 15
- Figure 2. Location – South Karelia, Finland, p. 17
- Figure 3. Jobs in South Karelia by industries in 2009 and 2010, p. 19
- Figure 4. Change in overnight stays in December by region 2013/2012, %, p. 20
- Figure 5. Three leading cities in tax-free sales in Finland 2009 – 2012 (€ per capita), p. 21
- Figure 6. Number of passengers at the border-crossing point of South-East Finland in 2008 – 2012, forecast for 2020, p. 22
- Figure 7. Working day adjusted change in industrial output by industry 12/2012 – 12/2013, %, TOL 2008, p. 22
- Figure 8. Three months' year-on-year change in turnover in services (TOL 2008), p. 23
- Figure 9. Sector shares of the mass media market in Finland in 2000 to 2012, per cent, p. 24
- Figure 10. Market research process, p. 26
- Figure 11. AIESEC Saimaa's sales contact activity for the last 10 years, p. 33
- Figure 12. Business area of the companies contacted in the last 10 years, p. 34
- Figure 13. Location of the contacted companies for the last 10 years, p. 35
- Figure 14. AIESEC Saimaa's internship sales potential, p. 36
- Figure 15. Industry and Probability of selling the internship – Crosstabulation, p. 38
- Figure 16. Industry and Probability of selling the internship – Chi-Square Test, p. 38
- Figure 17. Mean of the sales potential for the contacted industries, p. 39

## List of references

About AIESEC 2014. <http://aiesec.fi/overview-2?lc=mc>. Accessed on 23 January 2014.

AIESEC Global Internship Programme 2014. Booklet provided by AIESEC Saimaa.

AIESEC: Mission & Values 2014. <https://www.aiesec.org/#!/about/mission>. Accessed on 23 January 2014.

Aittola, H. 2001. Academic Life and the Pressure of Massification. Finnish Higher Education in Transition. Perspectives on Massification and Globalisation. Institute for Educational Research, University of Jyväskylä.

AMA, 1987. New marketing research definition approved. Marketing News, 21, 6 – 8.

Birn, R. 2004. The effective use of market research: how to drive and focus better business decisions. Kogan Page Limited, London.

Churchill, G. 1995. Marketing Research Methodological Foundations. The Dryden Press. Harcourt Brace College Publishers.

CIMO 2013a. International mobility of students. Student mobility in Finland keeps increasing. [http://cimo.fi/instancedata/prime\\_product\\_julkaisu/cimo/embeds/cimowwwstructure/30179\\_Student\\_mobility\\_in\\_Finland\\_keeps\\_increasing\\_.pdf](http://cimo.fi/instancedata/prime_product_julkaisu/cimo/embeds/cimowwwstructure/30179_Student_mobility_in_Finland_keeps_increasing_.pdf). Accessed on 15 March 2014.

CIMO 2013b. International mobility of students. Big differences in mobility between Finnish regions. [http://cimo.fi/instancedata/prime\\_product\\_julkaisu/cimo/embeds/cimowwwstructure/30128\\_Big\\_differences\\_between\\_regions.pdf](http://cimo.fi/instancedata/prime_product_julkaisu/cimo/embeds/cimowwwstructure/30128_Big_differences_between_regions.pdf). Accessed on 15 March 2014.

CIMO in brief 2014. [http://cimo.fi/cimo\\_in\\_brief](http://cimo.fi/cimo_in_brief). Accessed on 15 March 2014.

Etelä-Karjalan maakuntaesite a. Location – South Karelia, Finland. [http://maakuntaesite.ekarjala.fi/en/sivut/1/3/location\\_south\\_karelia\\_finland](http://maakuntaesite.ekarjala.fi/en/sivut/1/3/location_south_karelia_finland). Accessed on 25 February 2014.

Etelä-Karjalan maakuntaesite b. A Solid Foundation. [http://maakuntaesite.ekarjala.fi/en/sivut/2/3/lue\\_lisaa/a\\_solid\\_foundation#\\_top](http://maakuntaesite.ekarjala.fi/en/sivut/2/3/lue_lisaa/a_solid_foundation#_top). Accessed on 25 February 2014.

Etelä-Karjalan maakuntaesite c. Industrial life. [http://maakuntaesite.ekarjala.fi/en/sivut/4/industrial\\_life](http://maakuntaesite.ekarjala.fi/en/sivut/4/industrial_life). Accessed on 25 February 2014.

International Internships AIESEC Finland 2014. <http://aiesec.fi/international-internships?lc=mc>. Accessed on 23 January 2014.

Jarva, K. 2013. Interview article in Eurotour Magazine in Russian language: "Туризм развивает город" (Tourism develops the city). <http://eurotourmagazine.ru/statji/595-туризм-развивает-город.html>. Accessed on 26 February 2014.

Liikanen, A., Korkeila, A. 2010. Employment of International Students in the South Karelia Region. Saimaa University of Applied Sciences, Business Administration, Lappeenranta.

McDaniel, C., Gates, R. 2006. Marketing Research Essentials. John Wiley & Sons, Inc.

Mentzer, J.T., Moon, M. A., 2005. Sales forecasting management: a demand management approach. Sage Publications, Inc.

Official Statistics of Finland (OSF) 2012: Mass media statistics [e-publication]. ISSN=2323-6345. 2012. Helsinki: Statistics Finland [referred: 25.2.2014]. Access method: [http://www.stat.fi/til/jvie/2012/jvie\\_2012\\_2013-11-27\\_tie\\_001\\_en.html](http://www.stat.fi/til/jvie/2012/jvie_2012_2013-11-27_tie_001_en.html). Accessed on 25 February 2014.

Official Statistics of Finland (OSF) 2013a: Accommodation statistics [e-publication]. ISSN=1799-6325. December 2013. Helsinki: Statistics Finland [referred: 24.2.2014]. Access method: [http://www.stat.fi/til/matk/2013/12/matk\\_2013\\_12\\_2014-02-20\\_tie\\_001\\_en.html](http://www.stat.fi/til/matk/2013/12/matk_2013_12_2014-02-20_tie_001_en.html). Accessed on 24 February 2014.

Official Statistics of Finland (OSF) 2013b: Volume index of industrial output [e-publication]. ISSN=1798-9272. December 2013. Helsinki: Statistics Finland [referred: 25.2.2014]. Access method: [http://www.stat.fi/til/ttvi/2013/12/ttvi\\_2013\\_12\\_2014-02-10\\_tie\\_001\\_en.html](http://www.stat.fi/til/ttvi/2013/12/ttvi_2013_12_2014-02-10_tie_001_en.html). Accessed on 25 February 2014.

Official Statistics of Finland (OSF) 2013c: Turnover of service industries [e-publication]. ISSN=1799-0998. November 2013. Helsinki: Statistics Finland [referred: 25.2.2014]. Access method: [http://www.stat.fi/til/plv/2013/11/plv\\_2013\\_11\\_2014-02-13\\_tie\\_001\\_en.html](http://www.stat.fi/til/plv/2013/11/plv_2013_11_2014-02-13_tie_001_en.html). Accessed on 25 February 2014.

Official Statistics of Finland (OSF) 2014. Labour market. [http://www.stat.fi/tup/suoluk/suoluk\\_tyolama\\_en.html](http://www.stat.fi/tup/suoluk/suoluk_tyolama_en.html). Accessed on 26 February 2014.

Oxford University Press 2014. [http://www.oxforddictionaries.com/definition/english/intern?q=internship#intern\\_32](http://www.oxforddictionaries.com/definition/english/intern?q=internship#intern_32). Accessed on 14 March 2014.

Proctor, T. 2005. Essentials of marketing research. Pearson Education Limited.

Söderqvist, M. 2001. The Internationalization and Strategic Planning of Higher-Education Institutions. An Analysis of Finnish EPS Strategies. Helsinki School of Economics and Business Administration.



The History of AIESEC 2014. <https://www.aiesec.org>. Accessed on 23 January 2014.

The Regional Council of South Karelia 2012a. Jobs in South Karelia by industries in 2009 and 2010. <http://www.ekliitto.fi/wp-content/uploads/2014/01/Jobs-in-South-Karelia-by-industries-in-2009-and-2010.pdf>. Accessed on 26 February 2014.

The Regional Council of South Karelia 2012b. Statistics: Three leading cities in tax-free sales in Finland 2009 – 2012 (€ per capita). <http://www.ekliitto.fi/en/statistics-and-information/statistics/>. Accessed on 25 February 2014.

The Regional Council of South Karelia 2012c. Statistics: Border traffic 2008-2012 tables. <http://www.ekliitto.fi/wp-content/uploads/2014/01/Border-traffic-2008-2012-tables.pdf>. Accessed on 25 February 2014.

The Regional Council of South Karelia 2012d. Statistics: Border crossing South-East Finland graphs. [http://www.ekliitto.fi/wp-content/uploads/2014/01/Border\\_crossing\\_southeast\\_finland\\_graphs.pdf](http://www.ekliitto.fi/wp-content/uploads/2014/01/Border_crossing_southeast_finland_graphs.pdf). Accessed on 25 February 2014.

The Regional Council of South Karelia 2014. Welcome to visit the Regional Council of South Karelia. <http://www.ekliitto.fi/en/blog/englanti-tervetuloateksti/>. Accessed on 25 February 2014.

Vauterin, J. J. 2012. The demand for global student talent: Capitalizing on the value of university-industry collaboration. Lappeenranta University of Technology.

Vauterin, J. J., Linnanen, L., Marttila E. 2011a. Issues of delivering quality customer service in a higher education environment. *International Journal of Quality and Service Sciences*. Lappeenranta University of Technology. Emerald Group Publishing Limited.

Vauterin, J. J., Linnanen, L., Marttila E. 2011b. Customer orientation in higher education: the missing link in international student recruitment? A relationship marketing approach. *Industry & Higher education*. IP Publishing Ltd.

Välimaa, J., Aittola, H., Honkimäki, S., Jalkanen, H., Kallio, E., Määttä, P., Pietsanen, E. 2001. Discussion: Finnish Higher Education Faces Massification and Globalisation. *Finnish Higher Education in Transition. Perspectives on Massification and Globalisation*. Institute for Educational Research, University of Jyväskylä.

Välimaa, J., Jalkanen, H. 2001. Strategic Flow and Finnish Universities. *Finnish Higher Education in Transition. Perspectives on Massification and Globalisation*. Institute for Educational Research, University of Jyväskylä.

## Appendix 1

### Questionnaire form for the interview with AIESEC

1. When was the local committee established?
2. What are the preliminary actions that a future incoming intern needs to undertake before coming to Finland?
3. How many people there are in AIESEC Saimaa? How many are responsible for the incoming exchange trainees? What about other local committees in Finland?
4. Which internship programmes are offered by AIESEC, apart from the Global Community Development Programme and the Expert Programme?
5. What kinds of internships are in your focus – volunteer or corporate?
6. What is an average duration of the internship?
7. How are the fees that interns pay used?
8. Where are the interns accommodated?
9. Where were the partner companies situated?
10. Is there any geographical limit to where an intern can come from?
11. As a rule, is the internship conducted in English?
12. Is knowledge of Finnish a requirement?
13. Were there any incoming interns with knowledge of Finnish language?  
Do you believe it is possible to attract any Finnish-speaking interns from abroad?
14. Does an incoming intern get any salary? If yes, is it sponsored by the local community or the company itself?
15. Which internships have you sold since September 2013?
16. Which activities are organized by AIESEC for an incoming intern in Lappeenranta?
17. Is AIESEC Saimaa solely responsible for finding an internship place?

## **Appendix 2**

Cover letter and questionnaire form for the company surveys

Dear respondent,

The attached questionnaire is a part of the Bachelor Thesis research, which is done in cooperation with AIESEC Saimaa – an international student organization, offering young people from all over the world a possibility to obtain international experience by working abroad for a limited amount of time. This survey is conducted in order to find out what is the demand for international interns in the local companies. Since your company operates in one of the industries selected for the research and has international clients and contacts, your answers will serve as a valuable foundation for indicating how international trainee exchange is perceived by the local organizations and industries in general. The name of your company will remain confidential, since the official Bachelor Thesis report will only contain a summary of responses classified by industries.

The questionnaire includes eight open-ended questions and answering to them will take less than 30 minutes of your time.

The outcomes of research will without any doubt be useful for making AIESEC's internship sales strategy more customer-oriented. Hopefully, the survey findings will help employers and job seekers in reaching an effective mutual collaboration.

Please, notice that the deadline for answering the questionnaire is Friday 21 March, since the timetable for the Bachelor Thesis work assumes it to be ready by April 2014. Please, let me know in case you will not be able to return the answers by the deadline. I would like to express my gratitude for your cooperation. Feel free to contact me if you need any additional information.

Kind regards,

Daria Koval

## Questions

1. What international operations do you have in your company?
2. Which languages, except Finnish, do you use at work daily?
3. Does your company have a previous experience of employing an intern? Where was the intern from and what were his/her responsibilities? If there is no such experience, do you consider a possibility of employing and intern in the future?
4. How employing an intern from abroad could/did benefit your company?
5. What additional skills and knowledge do your employees need so that you company stays competitive in the region of South Karelia (compared to other companies operating in the same industry elsewhere)?
6. What do you know about AIESEC? Have you been contacted by AIESEC before?
7. What are, in your opinion, benefits of cooperation with AIESEC or other organizations, which provide interns from abroad?
8. What are the current and future development trends in the industry your company operates in?

Thank you!