

Master's thesis

Master in Business Administration

International Business Management

2014

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PRODUCTIZING AND MARKETING OF EDUCATIONAL SERVICES FOR EXPORT

– Case Turku University of Applied Sciences



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MASTER'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Master in Business Administration | International Business Management

2014 | 74

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The Finnish Ministry of Education has announced that education should be one of the key export products in Finland by the year 2015. Turku University of Applied Sciences has also started its export actions and this thesis finds out how the marketing and productizing of the educational services should be planned and executed. Education export is a wide concept that is understood differently abroad and in Finland. In Finland it is meant that education is sold and the paying customer is foreigner. The education sold can be consultancy, courses, continuing education, study packages etc. The money transfer is coming to Finland but the education can happen in Finland or abroad or even online. Finnish legislation sets boundaries on selling degree programs and on who can participate in university of applied sciences master level education. These obstacles need to be understood and business needs to be run inside these legal boundaries.

The theoretical part of the thesis concentrates on professional services, productizing and marketing. These theories give a good base for the actions that TUAS should be concentrating on when planning its education export. Since higher level education is classified as professional services the productizing and marketing needs to be considered carefully. Professional services are services that include some expertise and special know-how. This special feature can make the productizing and marketing activities more complicated.

The methodological part of the thesis is conducted as a semi-structured theme interviews. I interviewed nine people who have participated in the education export of Turku University of applied sciences. A commitment from the management is needed and a clear strategy on what to concentrate in and what the mission and vision are. Turku University of applied sciences has good possibilities to succeed in exporting its education since the know-how and innovative thinking at the institute is very high.

KEYWORDS:

Educational services, education export, productizing, marketing, professional services

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Suomen opetusministeriö on asettanut tavoitteen, jonka mukaan koulutuksen pitäisi olla yksi Suomen suurimmista vientituotteista vuoteen 2015 mennessä. Turun ammattikorkeakoulu on aloittamassa koulutusvientiansä ja työni esittelee kuinka markkinointi ja tuotteistaminen tulisi suunnitella ja toteuttaa, jotta vienti saataisiin tuottavaksi liiketoiminnaksi. Koulutusvientä on laaja käsite, joka ymmärretään eri tavalla Suomessa ja ulkomailla. Suomessa koulutusviennillä tarkoitetaan kaikkea koulutusta, jonka maksava osapuoli on ulkomainen. Koulutusvientä voi olla konsultointipalveluja, koulutuspaketteja, täydennyskoulutusta jne. Koulutus itsessään voi tapahtua Suomessa, ulkomailla tai verkossa. Suomen lainsäädäntö luo rajoja koulutusviennille ja tutkintoon johtava koulutus ei saa olla maksullista ja lisäksi ammattikorkeakoulun tarjoamaan ylempään korkeakoulututkintoon tarvitaan työkokemusta edellisen koulutuksen lisäksi.

Työn teoriaosuus keskittyy asiantuntijapalveluihin, tuotteistamiseen ja markkinointiin. Koulutusviennistä itsestään ei ole kirjoitettu teorioita ja siksi edellä mainitut teoriat antavat hyvän pohjan Turun ammattikorkeakoululle sen kehittäessä koulutusvientiansä. Korkeakoulutasoinen koulutus on asiantuntijapalveluita ja se luo tuotteistamiselle ja markkinoinnille omat haasteensa ja vaikeutensa.

Työn tutkimusosuus on toteutettu teemahaastatteluilla. Haastattelin Turun ammattikorkeakoulusta yhdeksää henkilöä, jotka ovat olleet mukana koulutusviennissä. Haastateltavat olivat koulun eri tulosalueilta, jotta sain kattavan kuvan kuinka asiat on hoidettu eri yksiköissä. Teemahaastatteluni keskittyi tuotteistamiseen, markkinointiin, Turun ammattikorkeakoulun kykyyn viedä koulutustaan sekä koulutusviennin mahdollisuuksiin ja esteisiin Turun ammattikorkeakoulussa.

Tutkimustulokseni osoittavat, että koulutusviennin osalta on vielä paljon tehtävää ja kehitettävää. Turun ammattikorkeakoulun johdon tuki tarvitaan ja lisäksi johdolta on saatava selkeät linjaukset mihin vientä tulisi kohdistaa. Kunhan strategia on selvillä ja toimijoilla on selkeä käsitys toiminnan suunnasta, on Turun ammattikorkeakoululla kaikki edellytykset olla vahva koulutusviennin toimija, sillä sen tieto-taito ja innovatiivinen ajattelu antavat toiminnalle hyvän perustan.

ASIASANAT:

Koulutusvientä, markkinointi, tuotteistaminen, asiantuntijapalvelut

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LIST OF ABBREVIATIONS

CEO	Chief executive officer
ESF	European Social Fund
EU	European Union
OECD	Organization for Economic Co-operation and Development
TUAS	Turku University of Applied Sciences
UAS	University of Applied Sciences

1 INTRODUCTION

Education export is part of the strategy of the Ministry of Education and Culture's. A working group of 17 experts was nominated in June 2009 to identify the bottlenecks and challenges of Finnish education export. It was also pointed out by Ministry of Education and Culture that there is significant interest shown in the Finnish education but that we do not have ready-made products to offer. The strategic lines were defined by this group. The aim of the strategy is to make Finland one of world's leading education-based economies that relies on quality. Part of the implementation of the strategy is to activate higher education institutes by forming an educational export cluster for exporting their education. The export of education should have grown by 2015 significantly. (<http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2010/liitteet/okm12.pdf?lang=en>)

In August 2013 a work group was formed by the Minister for Education and this workgroup was given an assignment to promote export of education. This was done due to fact that Ministry of Education and Culture had earlier taken the task of creating an action plan for education export during year 2013. The result of this planning is that there is a goal to have around 60000 foreign degree students by the year 2025 in Finnish universities and universities of applied sciences. The group did not define any target regions or subjects that the export should focus on. The following list of actions tells about what would be needed to be done:

- Learning and quality management are a focus point
- More motivated students are recruited to Finland
- The legislative obstacles need to be removed
- Education of export is made to be profitable business
- Positive Finland-image is strengthened
- The program should be monitored

<http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2013/liitteet/tr09.pdf?lang=fi>

One of the strengths of the Finnish education system is a good reputation in the world, for example we are known for the excellent results in OECD PISA-review and working as a good cooperation partner. Finnish education institutes and their personnel are also accustomed to work in international operation and educational research and evaluation are of high quality. There are also many opportunities concerning Finnish education export. The exportation market is growing and globalising and many countries are investing in developing in education and education systems. Also the innovation, teacher education, pedagogic knowledge and culture of cooperation in Finland offer a good environment for developing and testing educational innovations and processing them into products.

<http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2010/liitteet/okm12.pdf?lang=en>

Education can be categorized to be professional services. Professional services have following characteristics: their primary assets are intangible, the delivered service is intangible and the service providers are highly skilled people (Delong & Nanda 2003, xiv-xv). Professional services are often most difficult to define because they are plans, ideas or instructions. They are work performances that in many cases leave a concrete outcome. The professional is used to solve a problem of today or future. The buyer of the professional service often needs to take a risk when purchasing the service because it is impossible to say beforehand if the service works for the customer. (Sipilä 1996, 17-18)

My thesis focuses on exporting and export marketing of educational services. Therefore I am interested in learning how this kind of services should be developed and productized in order to make them more sellable. In my thesis, I will make a research on the current status of the productizing, marketing and exportation of educational services. Based on the findings I will present some ideas on how the educational services of Turku University of Applied Sciences (later

on called “TUAS”) could be productized and marketed on the international markets for educational services.

Many articles have been published in the Finnish newspapers about the education export. There has been discussion how to make the business more profitable and gain more from the exports and how the education exports should be handled, who should be responsible for the business planning. It has been reminded that creation of new concepts is time consuming and demands also other resources. That it takes time before the financial results can be shown, should also be taken into account.

The president of Finland, Sauli Niinistö, for example wrote in Helsingin Sanomat that Finnish educational services bend to many needs. He pointed out that Finnish school model offers education to everyone despite of gender, language or culture and this is still a challenge in many other countries. Therefore the exports need to be done in a flexible way according to Niinistö. (Helsingin Sanomat, 24.8.2013). The Minister of Education Krista Kiuru wrote in Helsingin Sanomat that know-how in Finland is of high quality and that needs to be exploited more. According to Kiuru Finland has invested a lot to the know-how and it is sad that it has not been sold profitably earlier. According to her the export of education can bring significant economic growth to Finland in future. (Helsingin Sanomat 15.8.2013)

1.1 Background

Turku University of Applied Sciences wants to be an exporter of its education since the TUAS has a lot to offer to the markets and they want to be part of the Finnish education exporters. TUAS did a survey of potential export products in 2011. In this survey approximately 15 products were recognized and now it is time to consider which ones of them are most suitable for export and which the target markets would be. TUAS is a member of Finpro’s Future Learning Finland –programme and it is also part of consortium called FinnWayLearning that is led by City of Turku. Several regional education establishments like TUAS,

University of Turku and Turku Adult Education Centre, belong to the consortium. FinnWayLearning offers services in the following areas:

- Learning and pedagogy
- Linking education with working life
- Chains of education (<http://www.finnwaylearning.fi/en/home>).

There are studies made on exporting services. In the late 1990s services accounted for over one-quarter of world trade but today services account for approximately 80% of the world trade. In Finland the figure is slightly lower. Vast majority of services firms are still not marketing their services internationally. Services are intangible and therefore customer risk perceptions are increased and it is harder to assess the quality of delivered goods. This causes challenges to any company trying to market services internationally. (Winsted & Patteson 1998; http://www.palta.fi/c/document_library/get_file?uuid=38ea825f-0269-444e-8114-3f5084254743&groupId=10294 2012)

As stated above, exporting services is not an easy task to perform. Therefore before starting the export, TUAS needs to define what know-how the organization is willing to export: how to exploit the innovation and research know-how and how to sell education by order. An important part of planning the education export is a proper productizing, profiling and finding a focus point. Marketing and selling needs to be planned according to the target group, this can vary from organisations and companies to individuals. And before exporting also potential target countries need to be studied and selected carefully.

This thesis focuses on productizing and marketing activities of services that are planned to be exported. TUAS is divided into many faculties and my goal is to identify how the marketing of the planned sellable products have been done and if possible, to create a common marketing plan for all divisions. Before any marketing activities can take place productizing is needed. Therefore my thesis also pays attention to productizing theories and also about productizing the professional services.

1.2 Education Export

Education export means exporting educational services. This concept is understood differently internationally and in Finland. In some large education exporting countries, such as Australia, Canada or USA, this is understood so that the countries recruit international students who buy their education and study in their universities and pay for the education. In Finland export of education refers to all possible exporting related to education. The education can happen in Finland or abroad or on the web and the services provided can be continuing education, courses, teaching methods etc. but not a degree program since the Finnish law denies selling of degrees so far.

According to the ministry of education and culture, education export is part of the global service economy. It broadly combines different industries. Strengths of Finnish education export are in the competitive education system and good reputation internationally. There is demand for Finnish know-how on the international education market. (<http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2010/liitteet/okm12.pdf?lang=fi>)

Huovinen lists in her thesis four different forms of education exports presented by Juntunen at JAMK University of Applied Sciences in 2010:

1. Service is implemented abroad and specialists travel temporarily. Services are consulting projects and further education projects.
2. Service is provided in Finland and the consumer travels. Services are master degree education, further education, company personnel training and seminars and conferences.
3. Service is provided cross the borders, but service provider and consumer do not travel. Services are wireless solutions, e-learning environments and virtual studies and games.

4. Service provider is present in the target markets and an investment or unit crosses the border. Services are on-site campuses, subsidiaries, franchising contracts and satellite campuses

(Huovinen 2011, 43)

Higher education is defined as pure service and it involves great amounts of interpersonal contact, tailoring, complexity and deviation, and these even more than other services. Due to the fact that the attributes in higher education cannot be perceived, felt or tested beforehand, the evaluation of a programme is difficult, especially when it concerns international students. Also the quality of the education can vary markedly from year to year or lecturer to lecturer. (Cubillo, Sanchez & Cervino 2006)

Naukkarinen from Tampere University of Applied Sciences has listed well core issues of how to proceed and success in the education export:

1. Education export is selling and means following:

- Recognise paying customer; friendship and co-operation can be promoted with smaller costs.
- Find out or waken the need.
- Make the world better with your products and solutions, not with statements and opinions.

2. Education export needs 100% support from the management.

- Hesitating support and approval is not enough to perform well.

3. The organizing of education export needs to be agile.

- It is not acceptable if the customer needs to hear too often phrases "I cannot decide" or "I need to ask".

4. Marketing material needs to be produced professionally, it needs to be "world's best".

- What appeals to Finnish youth, does not necessary convince decision makers of a conservative society; recognise customer case by case.

5. If you are not trying for real, save the money for something else.

- Random actions abroad are not working any better than at home. The costs are just multiplying. (Naukkarinen, 2014)

This listing needs to be kept in mind when planning education export. There are many important points that can be applied also to TUAS's actions. The second point especially is crucial. Without support and commitment from the management the business cannot be run efficiently. And of course the first point needs to be understood also and recognised who are the sellers of the organization and who are not. Many of these points also come out in my research and that is written out in the methodology part.

1.3 Research aims and objectives

The purpose of this study focuses on the following research problems: *How to productize educational services? How to market educational services? What are the best models and methods for productizing educational services?* Sub-research questions are:

- What are the educational services of TUAS that are planned to be exported?
- Has some productizing processes been created?
- Has any marketing activities taken place and what are they?
- In the light of the answers to the previous sub-research questions, what productizing and marketing activities can be recommended to be done?
- Is it possible to create a common productizing plan for all exported services?

- Is it possible to create a common marketing plan for all exported products?
- How to take care of the marketing and productizing in the future?

The information was collected using a semi-structured theme interviews and by becoming familiar with the written material existing about the products and other TUAS related education export materials. The method was chosen because it fits to the purpose of covering out the status at the moment when it comes to exporting educational service and how related issues could be developed. In the semi-structured interview there are themes defined for the interview but the questions are open and the interviewer can have support questions also to make the interview situation easier (Hirsjärvi & Hurme 2004, 66-67)

In this thesis the interview themes chosen after the preliminary discussions with the thesis commissioner are the following: productizing, process of education export, marketing, abilities and capabilities to education export and challenges and opportunities of marketing products for export. The interviewees for the research are those TUAS staff members who have some history with export education and it is important that every faculty of TUAS is represented to get a comprehensive results. Nine people in total were interviewed. The methodological issues will be handled thoroughly at the end of this thesis report.

2 LITERATURE REVIEW

This chapter will present most relevant theories that are important for my thesis work. The concept of education export is challenging since the subject is new. Therefore I need to gather theories of marketing, marketing professional services, productizing and productizing professional services. Terminology in my thesis is somewhat difficult, since in Finnish literature the word “tuotteistaminen” is widely used but in international literature its translation is not that commonly used. I decided to use the term productizing because it describes the process of getting services tangible well. I considered using word commercialization instead, but that is more than productizing and has already marketing activities involved. I found quite many university level theses that used word productizing and agreed that the term is correct also in my thesis.

The service provider needs to understand that customers do not intentionally seek their company and its products. TUAS needs to have plans on how to get export of services started efficiently and profitably. As it is mentioned in the research done by consulting company McKinsey & Company about attracting investments to Finland, a clear strategy and value proposition that highlights the strengths as well as a systematic sales and marketing process to get the investments, are needed (McKinsey & Company 2012, 29). This needs to be understood also at TUAS to get the business active. This statement made by McKinsey consulting group also gives a back up to my research on what to be concentrating. My thesis does not go to the strategy part but it need to be kept in mind and maybe researched later by someone else.

2.1 Productizing

Since TUAS wants to market and sell its educational services internationally, it is essential to productize them well. Productizing makes the service more tangible and understandable for the target group. Here I will present theories on how

to productize a service. I will also present how productizing is understood in different theories.

Parantainen begins his book of "Tuotteistaminen, Rakenna palvelusta tuote 10 päivässä" by stating that productizing is a concept that does not have one single definition and that there are many ways of defining productizing. Parantainen means by productizing the work that makes the expertise and know-how sellable, possible to market and deliver. (Parantainen 2007, 9) According to Jaakkola, Orava and Varjonen, productizing is a way of systemizing services development and actualization so that goals such as success in international markets are reached (Jaakkola, Orava & Varjonen 2009, 3).

Sipilä formulizes that productizing is defining, planning, developing, describing and producing the service so, that the profit of the customer is maximized and the profit targets of the consultant company are gained. The service product is productized when it is possible to sell further. (Sipilä 1999, 12)

Productizing is also a way of thinking that makes the product- and R&D strategies a practice. It needs to be understood that productizing is not only about defining the products. It is more about defining the whole service delivery to more controllable formula. (Lehtinen & Niinimäki 2005, 30)

These statements show that productizing can be understood and defined differently. But common to these definitions is that they all say that productizing is more than just making something intangible tangible. It is more about transforming the intangible into a form that brings value to customer and profit to seller.

Productizing starts from the idea that the seller should know what is sold and buyer should know what he/she is buying. But it is not enough. It is also important that internally in the company it is understood how to produce the services in equal quality and efficiently. Basis for productizing is company's strategy and segmented customers. Customer sees results of productizing as service packages and different versions of it. (Vahvaselkä 2004, 44) In case of TUAS this is very interesting and valuable point. At TUAS the exporting of educational service is in early phase and no strategic decisions are made. Therefore it might

be impossible to export because no mission and vision are stated. Also the point of understanding the whole process internally would be crucial and that might be a challenge for TUAS considering the size of the organization. The internal communication should be planned carefully and transported to the whole organization.

Parantainen also presents seven points on where there is a risk to fail in productization. The first is that you should never hide your expertise because of the fear that someone can copy you. The point is to announce your expertise and make it look like others are copying you if they are trying the same. The second one is that you should know who your customer is and not change your opinion about who the customer is all the time. If the customer changes, then the needs of the customer changes too, and productizing is impossible. The third obstacle may be that you do not believe in productizing and its benefits. The fourth failure might happen if you concentrate on the technical details that the customer is not interested about. In case of that, some critical detail in customer's point of view may be unseen. The sixth critical point can happen if your service is good but customer does not need it at the moment or urgently. The last obstacle in productizing may be if the costs and amount of work is not correctly estimated. You should always have enough budget and resources to be able to succeed in productizing process. (Parantainen 2007, 25-28)

I wanted to bring out also the failure possibility because it is important to understand which mistakes happen easily in productizing and how they can be avoided. When considering exporting educational services, the second point is crucial. There should be a strategic decision made who the target customer is. If it cannot be announced, then the productizing is impossible. It need to be noticed here that when productizing educational services, the product needs always be modifiable according to customer's needs but still the basic product needs an idea of the potential customer. And as it can be seen in my research later in methodology part, the last point of Parantainen is crucial. The budget and resources need to be available and enough. It is impossible to work with zero budgets and gain any profit.

It is important also to remember that productizing is not just about creating a product or service. It is wider process that includes first of all preparation work example mission of your organization, cost calculation and timetabled plan. The second phase is to plan and describe customer oriented the products. It is important to describe and analyze service and work processes and recognize different alternatives for possible products. It is also important to create a service description. Third phase of the process is marketing. It includes creating brochures and gathering a presentation folder that includes not only the product brochures but also the mission of the organization, and maybe also prices etc. The follow-up and assessment phase of productizing should not be forgotten in the process. There should be a measurement tools to be used to find out the customer satisfaction according to customer's need and cost efficiency and other relevant issues related to the service. (Lehtinen & Niinimäki 2005, 46-47)

Crucial part of successful productizing is to have references for your services. It is known that when in personal life you for example renovate, then you ask your friends and family if they know someone who can be recommended to do the renovation. Same applies to services. If a company gets interested in your services, it wants to know that someone else has good experience with you and has been satisfied with your expertise. It is also known that if you can prove that someone else has bought from you, your service is more appealing. (Apunen & Parantainen 2011, 115-116) It has been studied that the effects of buyer-salesperson relationships can have considerable importance. It was found that high-quality relationships can effect on willingness to refer, willingness to recommend and intention to remain a customer. The quality relationships lead to high levels of customer intentions to remain with the supplier a great likelihood of the salesperson to receive referrals and recommendations. This proves that the importance of developing and maintaining customer relationships is profitable for the business. (Boles S., Barksdale H. & Johnson J. 1997)

Sometimes supplementary products may be needed to be able to differentiate the service from the competitors, especially if the core product of the competitors is somewhat similar. The additional products do not need to gain profit if

they bring new customers to the core product. Following figure 1 describes the situation of different service package:

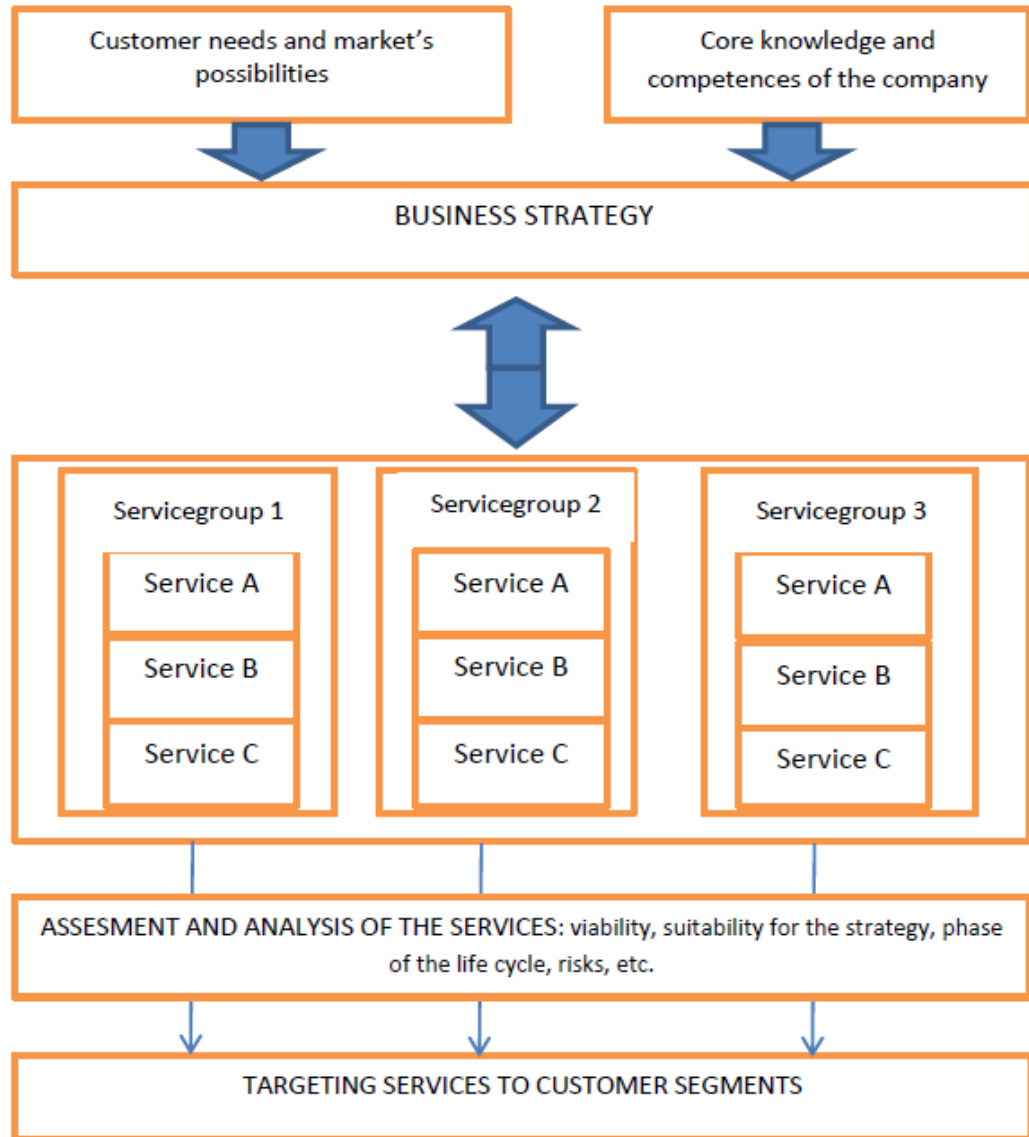


Figure 1: Example of analyzing service offering (Jaakkola et al. 2009, 9)

In case of TUAS, it needs to be clearly decided which products are to be exported. If there is a product that many other service providers also have, then it would be wise to consider having this kind of additional products that give a competitive advantage and make the customer interested.

2.2 Marketing for Export

Marketing as a concept sounds easy and simple. It is something that is experienced every day. Often it has connotation to selling phrases and advertisements. But actually marketing is much more. Effective marketing needs proper planning and execution and it is almost necessary to every business. In the following I will present some marketing theories and processes. I will cover export marketing related theories since the thesis is about exporting educational services.

Many people consider marketing being just advertising and selling because that is what people experience every day. But that is only a part of the marketing as a whole. In today's business life marketing need to be understood as satisfying customer needs. The aim of the marketing today is actually to make the selling unnecessary. In larger contest marketing can be seen as social and managerial process. The marketing is a process where companies build strong customer relationships in order to capture value from customers in return. (Kotler & Armstrong 2010, 29)

Grönroos states that marketing is more than a set of techniques and tools. Marketing can be seen as a philosophy and attitude of mind, as a way of organizing processes in a company, and as a set of tools, techniques and activities. It should be noticed that customer perspective is not the only perspective to take into account when talking about marketing. The economic realities and demands of other stakeholders cannot be forgotten. (Grönroos 2010, 266-267)

Takala reminds that marketing cannot be efficient if it is just seen as a separate function that has tasks that need to be completed. According to him, marketing has a significant part in company's growth and this is gladly been notified in many companies and in their top management. Best marketing happens when there are clear targets, respect on both sides, open communication and rewards. That is why everyone in the company needs to have a clear picture of what the role of the marketing in the company is. (Takala 2007, 75)

Iglesias, Sauquet and Montana have studied corporate culture in relationship-marketing-oriented companies. A new approach to marketing has emerged. The relationships marketing emphasize the importance of relationships between customers and buyers and establishing and maintaining the relationship. To develop this orientation successfully a basic requirement is the creation and development of a corporate culture which supports this new approach. This study suggests that client orientation alone is not enough but high degree of concern for employees is needed. And trust, commitment, teamwork, innovation, flexibility and results orientation also seem to facilitate the development of the relationship marketing orientation. (Iglesias, Sauquet & Montana 2011)

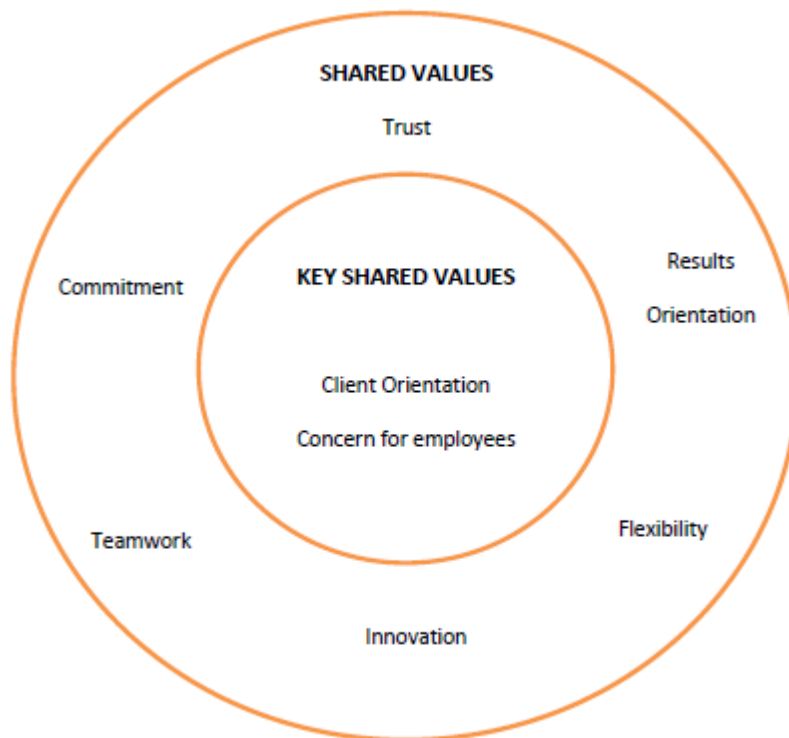


Figure 2: Proposed model for the corporate culture of a relationship-marketing-oriented company (Iglesias, Sauquet & Montana 2011)

The above figure 2 shows how there are shared values such as commitment, innovation and flexibility surrounding the key shared values. And these shared key values are client orientation and concern for employees. Often the concern for employees is forgotten or taken as granted but this model emphasizes that it is as important as customer orientation which is already in many cases understood to be an important value.

Kotler presents a marketing process that includes five steps. First step is to understand the marketplace and customer needs. Customer needs are fulfilled through market offerings that are not only limited to physical products but also services belong to this. Second phase in Kotler's marketing process is designing a customer-driven marketing strategy. To design a winning marketing strategy, questions like which customers are served and how to serve these customers need to be answered. Market segmentation and finding the target markets by selecting correct segments, will help to find the answer to the question of who are the customers. Third phase in the process is called preparing an integrated marketing plan and program. This plan and program will actually deliver the intended value to target customers. This means that the marketing strategy is transformed into action. Fourth step is to build customer relationships. This is the most important step because in modern marketing customer relationship management is considered to be the most important concept. In a broader sense the customer relationship management is the process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. Today's marketers also know that building a strong customer relationship requires marketing partners. Networking is the key word of today's marketing. (Kotler & Armstrong. 2010, 30-43)

The final step in the marketing process created by Kotler and Armstrong is called capturing value from customers. This involves capturing value in return in the form of current and future sales, market share and profits. Good customer relationship management creates satisfied customers and satisfied customers stay loyal and talk favorably to others about the company and products. And in contrary this means also that losing one customer means more than losing a single sale. And beyond simply retaining good customers to capture customer lifetime value, good customer relationships management can help companies to increase their share of customer. (Kotler & Armstrong. 2010, 45-46)

Since this thesis is about exporting educational services I want to shortly present the idea of export marketing or international marketing as it can be also called. The export marketing is managing marketing activities for products that

cross the national borders. The export marketing directs the flow of company's goods and services to customers in one or more nation. In export marketing also the laws and regulations need to be taken into account in different way than in domestic marketing. Price is also a factor that determines the success of an exporter in the international market field. (Acharya et al. 2010, 2)

Cateora and Ghauri define international marketing to be business actions that direct the flow of goods and services in more than one nation for profit. The difference to domestic marketing is that the marketing activities take place in more than one country. Also the uniqueness of foreign marketing comes from the range of unfamiliar problems and the variety of strategies necessary to cope with different levels of uncertainty encountered in foreign markets. The marketer cannot control everything such as legal restraints but it has to adjust or adapt to them in a manner consistent with a successful outcome. International marketer's primary concerns are the difficulties created by the different environment. (Cateora & Ghauri 2000, 7-8)

Craig and Douglas state that in international marketing the operations take place on a much broader scale and scope. Often the operations include a range of different types of activities and management systems, including licensing, strategic alliances and joint ventures. International markets are also characterized by rapid rates of change in the technological, economic, social and political forces that shape their development. In the complex and continually changing international environment, marketing research assumes a vital role in helping management keep abreast and in touch with developments in markets throughout the world. Diversity occurs also in relation to consumer tastes, preferences and behavior. Differences in the nature of the marketing infrastructure, for example the availability and reach of media, add a further level of complexity to strategy development and implementation. And it should not be forgotten that cultural values and orientation also vary markedly from one country to another. Customer needs and interests will vary and people may respond in different, often unexpected ways to marketing actions. (Craig & Douglas 2005, 4-5)

2.3 Professional Services

The concept of services has changed in last years. It may be difficult to define what service is although every one of us is dealing with services all the time. Service is for example visiting a doctor or using internet connection or getting education. There are many theories about what is service and I will present the ones I found important and reasonable.

Service can be an act or performance that is offered by someone and offered to another one. The performance is normally intangible. Other definition of service is that it is economic activity that creates value and provides benefit for customer at specific time and space. (Lowelock, Vandermerwe & Lewis 1999, 6-7).

Grönroos stated in the early 2000 that services were defined in an outdated way. He says that if the society views services as something provided by a certain type of organization it gives misleading message to the business managers and political decision-makers. This can lead to a fact that hidden services of manufacturers and agriculture are neglected and that services are not seen as a perspective on how to create a competitive advantage. (Grönroos 2003, 9-10). This statement is still topical today although the statement was made some years ago. Zeithaml, Bitner and Gremler also point out that customers will remain loyal to the company when it receives greater value relative to what they expect from competing companies. Value represents a trade-off for the consumer. When a company can consistently deliver value from customer's point of view the customer benefits and has an incentive to stay in the relationship. (Zeithaml, Bitner & Gremler 2013, 153)

Vargo and Maglio concentrate in their paper on the service systems. According to them value and value creation are the core of the service and they are critical to understanding the dynamics of the service systems. Service systems are value-creation configurations. The function of a service system is to make use of its own resources and the resources of others to improve its circumstance and that of others. Individuals, groups, organizations, firms and governments can be considered to be service systems if they take action, apply resources

and work with others in mutually beneficial ways. Service systems co-create value effectively depending on the resources of the others to survive. The authors see the service-for service as the basis of economic exchange. This view can reframe the relationship among value-in-exchange, value-in-use and value co-creation. (Vargo & Maglio 2008)

To be more specific, I am concentrating in my thesis on professional services. University of applied sciences-level education is defined as professional service. The products of professional services are such that they include large amount of advanced intangible know-how (Sipilä 1995, 25). Professional service is qualified, advisory and problem solving. It includes high degree of customization and it has normally a strong face-to face interaction with the clients. (Kotler, Hayes & Bloom 2002, 23-26)

Lehtinen and Niinimäki have defined the professional services to be intangible operations that are produced, marketed and consumed at the same time. A service becomes professional service when some expertise is attached to them. Expertise is most commonly affiliated with a knowledge work, planning and other mental processing. Expertise is based on knowledge, skills and innovation and partly also motivation. (Lehtinen & Niinimäki 2005, 9) Baschab and Piot also state that first of all, a professional service firms differ from other businesses because they do not have a tangible product. Professional services firms are labor, management and human resources intensive. The input of a professional service firm is time and the output is in most cases thinking or documents. (Baschab & Piot 2005, 9)

Kotler et al. have defined that services differ in six different points from products:

- 1) Intangibility
- 2) Inseparability
- 3) Variability
- 4) Perishability
- 5) Criteria for satisfaction is different

6) The customer participates in the process

According to them, a professional service provider has to fully understand these differences and how they affect their organizations. (Kotler et al 2002, 12-14)

Both private companies and public organizations can provide professional services. An essential capital of a professional services company is knowledge that is connected to individuals. Since professional services are often intangible, they are often hard to present and sell. Buying such a service is even more difficult and involves a lot of risks. Out coming results of professional services are often different analysis, solutions, plans, descriptions, decisions etc. When deciding between different professional service providers, recognition, image and cost and quality make the biggest difference. (Vahvaselkä 2004, 41-42)

It should be noted that professional services are one of the fastest growth sectors in the economies worldwide. Professional services are unique and therefore they also face distinctive problems such as tight deadlines or a need to be accountable to outside parties others than client. The core expertise of a professional service is hard to acquire. In this sense there is typically a wide difference of knowledge between service provider and the customer. The customer finds it often difficult to evaluate the quality of the professional service even after use. (Sweeney, Soutar & McColl-Kennedy, 2011)

Basic nature of professional services is that the service provider sells its work by itself. The trust is committed by own work and that is how the customers are kept. The organization of a professional service company should be flat. The building of the organization should start from the customer and the higher level people are tended to back up the customer service. The organization triangle should be upside down. (Sipilä 1999, 177)

2.3.1 Productization of professional services

Productizing of professional service is defining, describing, developing and continually improving service for the customer so that the customer's benefits are

maximized and goals of the professional service company are met. Widely thought productizing is developing services to meet customers' needs better. (Lehtinen & Niinimäki 2005, 30)

Sipilä also concentrates on productizing professional services. According to him professional services very often concentrate on operational way of thinking; there are lots of knowhow which is, however, only exploited in service provider's own practical actions. Creativity and unique expertise are familiar to professional services and distinguish it from other services. When productizing such services, a wide point of view is needed as well as long experience and some creativity. (Sipilä 1999, 24-26)

The theoretical knowledge of professional services should be taken into consideration in case of TUAS since education is professional service. When thinking about starting productizing and marketing activities of educational services for exports, it can be already from above seen that the equation is not easy. The subject is relatively new and TUAS is in early shoes and Sipilä states that long expertise is needed. TUAS has worked many years among educational services and the expertise exists but not when it comes to exporting. How to do efficiently and wisely productizing and marketing for international markets when there is no long history of that business?

Immo found in her research that existing literature of professional services lack the idea of creating customer value. She has proposed a new definition of professional services by replacing it with the term an application of specialized competences and knowledge through actions, processes and performances yielding into solutions to customer's problems and challenges. (Immo 2012, 61) The term is more comprehensive than just to call it professional services but not usable in my opinion. Definitions need to be short and easy to use and apply. Maybe her idea could be packed into some more usable form so that the point of customer value would be more highlighted.

I do agree with Immo that in professional services company customer's need should be the priority. Organizations should view the customer's problems as

the starting point for developing their professional services (Immo 2012, 61). It sounds like an ideal situation that the need would come from the customer. But when the case is that the organization is in the starting point in productizing their professional services, and that there are not many customers, the productizing must be done by trying to recognize what perhaps could be a sellable product. After some customers are found, some tailoring of the products will be needed to be done.

Apunen and Parantainen also point out that a service provider should think about making their products rare and not easy to access. That appeals to customer. When the customer knows what it can get and for what it is willing to pay for, then it is even ready to wait for a while for the product. (Apunen & Parantainen 2011, 232-235) This is very useful for TUAS since it is able to provide niche products and has special know-how. When the customer markets are limited it is of no use to offer education that everyone else is offering. It makes more sense to offer niche products. It makes the whole institute more exiting and appealing and makes the customers interested. It also makes the pricing more easier because niche products should have a higher price tag to be credible.

Sipilä also puts weight on the issue that the service provider needs to know the product the company is selling. The need to know the products is not only for customers but for the personnel also. The product needs a strategy behind it. Without a strategy, there cannot be products. It can be explained that the product is so unique and based on customer needs that it cannot be described. But if it cannot be described, it cannot be a successful product. (Sipilä 1999, 50-51)

The service offering should be such that there is enough of it and that it is profitable also in future. It is hard to predict the life cycle of a product and therefore it is necessary to develop services and have new services available also all the time. The service offering need to be developed to meet the needs of the customer markets and customer needs. And it must be ensured that the link between company's strategy, offered services and customer segments is clear. (Jaakkola et al. 2009, 7)

Immo points out that the most important benefits a professional services company can gain from productizing are standardized internal working methods that enable profitable customization which makes the pricing of the service offering easier. The organizational learning and knowledge exchange is also enhanced. By this process the benefit created by the communication is the productized offerings to customers in terms of created value and benefits – as a solution to customers' problems and challenges. (Immo 2012, 58)

2.3.2 Marketing professional services

In this chapter I will find out what literature and earlier researches say about marketing professional services. I have chosen following theories and statements based on the services and situation the TUAS is having so that I can later in my research part use these theories as much as possible.

In services marketing, there are many aspects that are needed. Besides traditional marketing also interactive marketing during production process is needed and also internal marketing cannot be forgotten. The external marketing happens between the company and the customers, the internal marketing inside the company between company and the employees. But between employees and customers the marketing is interactive. The external marketing gives promises, internal marketing enables promises and interactive marketing fulfills the promises. (Ojasalo & Ojasalo 2010, 31) The following figure 3 describes this situation well:

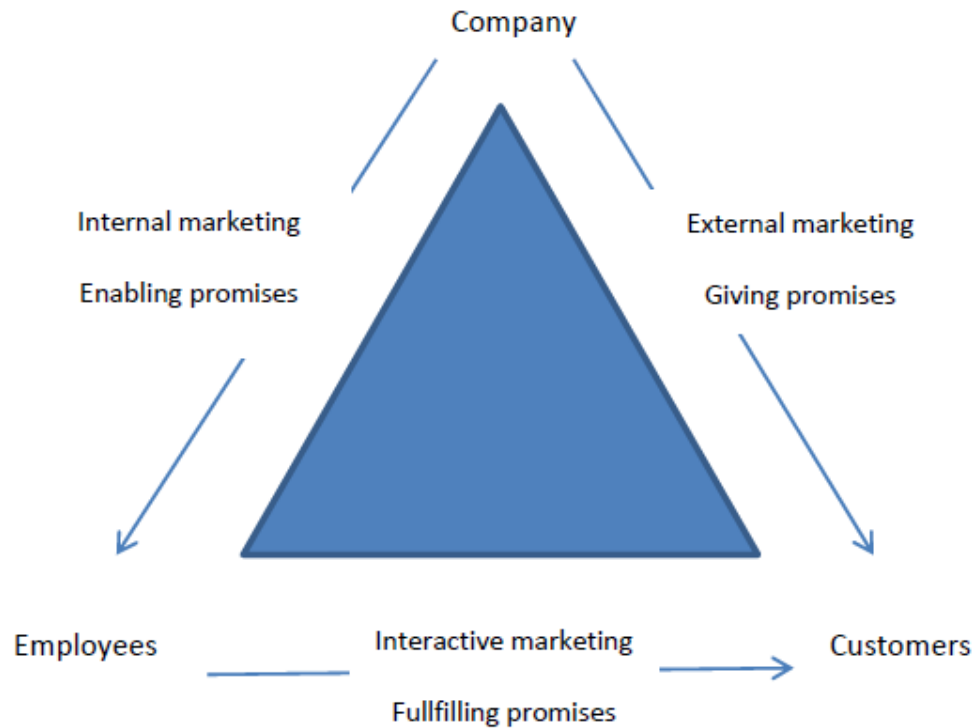


Figure 3: Triangle of services marketing (Ojasalo & Ojasalo 2010, 31)

This triangle of services marketing describes well many crucial points that marketing services needs to take into consideration. The most important part for me here is the interactive marketing which fulfils the promises made to customer. If the promises made when marketed services is not fulfilled, the customer satisfaction is very low and this can cause remarkable problems and maybe even loose of business.

It needs to be understood that higher education differs from services offered in business sector. In most countries the higher education is a non-profit sector and therefore the concept of the business sector's goal for profit making does not apply. Higher education is a service; therefore all peculiarities applicable to the marketing of services apply to higher education. (Nicolescu 2009, 37)

Marketing of educational services is about interactions between the student and the institution. The students are demanding quality services and if the educational services institution wants to survive in the competitive environment, they

should consider taken into use relationship marketing approaches. This relationship between a student and an institution is more complex to manage than a product that can be standardized. Services are difficult to standardize due to the large number of people involved. The goal of the educational institute is to create a non-limitable bundle of services to the student. It is not enough to offer quality teaching. The core service such as teaching needs to be supplemented by quality supporting services by staff with a marketing attitude to maintain long-term relationship with the students. (Shaik 2005)

Lehtinen and Niinimäki point out that some professional services are such that no marketing is needed due to a high demand already existing. They also note that sometimes there is no understanding of what marketing is. Marketing is seen as costly advertising. But marketing is needed especially if the business is growing or internationalizing. In these cases planning of actions becomes even more important. (Lehtinen & Niinimäki 2005, 13-14) One way of creating a marketing plan for the organization is to answer following three simple questions:

- 1) Where are we now?
- 2) Where are we heading?
- 3) How to reach the target? (Lehtinen & Niinimäki 2005, 61-63)

As I look at my thesis and my research problem, these questions need to be answered. That is a reason to recommend creating a marketing plan for TUAS also as at the moment there is no plan at all.

According to Kotler and Armstrong, a company must consider four special service characteristics when designing a marketing program. The services are intangible. Therefore the service provider must make the service somehow tangible and send right signals about the quality. Otherwise the customer is not able to understand the service. Inseparability means that services cannot be separated from their providers. Therefore both the provider and customer have effect on the outcome of the service. Variability then means that quality of services depends on who provides them and when, where and how they are provided.

Service perishability is also an important characteristic. It means that services cannot be stored for later sale or use. This is not a problem when demand is steady but if not, then the service provider can struggle with problems. (Kotler & Armstrong 2010, 268-270)

When the organization wants to gain new customers most important things are references, recognition and networking. Recognition and references are gained by presenting earlier works, known workers, recommendations and other visibility. (Lehtinen & Niinimäki 2005, 16) TUAS needs to develop its visibility towards education export markets through networking since the university has already very good networks all around the world. Also references need to be considered carefully because they give the potential customer faith in to a good product. This concerns TUAS which is starting the exportation of education.

In the figure 4 is a process chart of marketing professional services. It is illustrated by Jorma Sipilä in 1996. The figure is still modern and usable and for example Lehtinen and Niinimäki have used the figure in their research. The important point of the chart is to show that it is crucial to differentiate the keeping of the present customer and gaining new customers. The ways to achieve both targets differ from each other. The discussion about internal marketing and its importance to keeping current customers and gaining new customers is always a challenge and need to be done. References, recognition and networking are needed to keep the customers satisfied. (Sipilä 1999, 86)

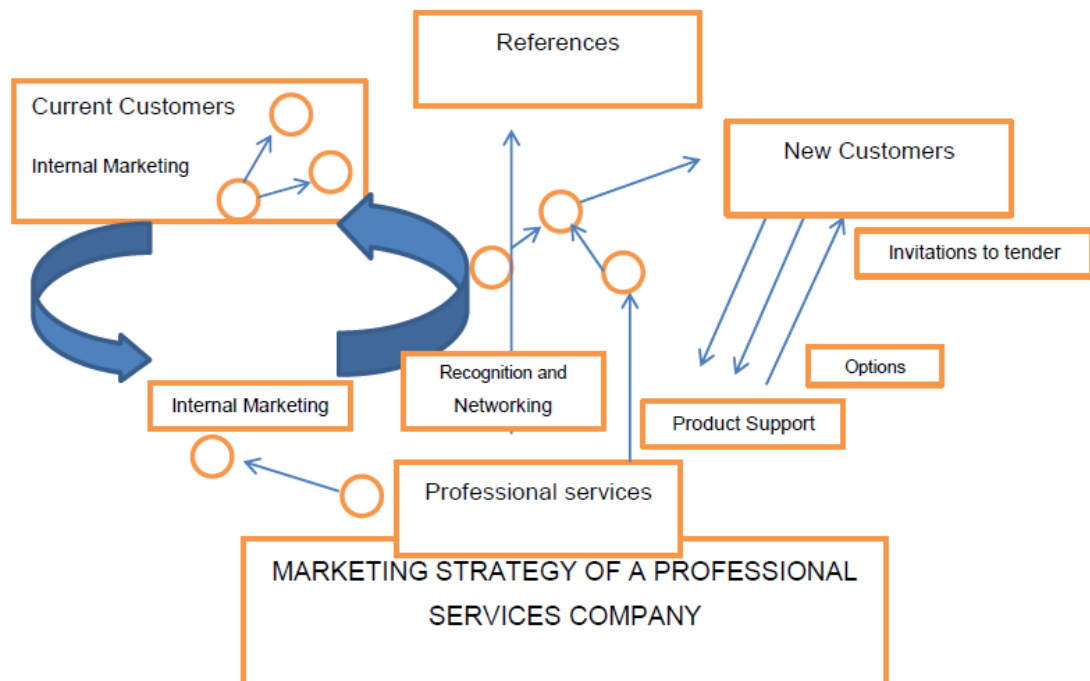


Figure 4. Marketing professional services (Sipilä 1999, 86)

For me the figure points out well that the new customer oriented marketing and keeping current customers are two different issues that need to be marketed with different aspects. For keeping the current customers, internal marketing is in crucial role and for the acquisition of new customer different tasks such as sending invitations to tender and product support are needed. Common for both areas are that recognition and networking is needed to achieve references to keep the business profitable and customers interested.

It is usual that professional services companies have little experience in marketing because it is seen time consuming. Lately it has been shown that professional services companies have slowly started to adopt marketing strategies although the challenges such as competition, demands of customers or complex marketplace make the issue harder. (Sweeney et al. 1995)

Following figure 5 describes the levels of marketing professional services. The marketing of the professional services company can be seen to derive to many levels from personal level to unit and company level and even wider to networking level. (Sipilä 1999, 177)

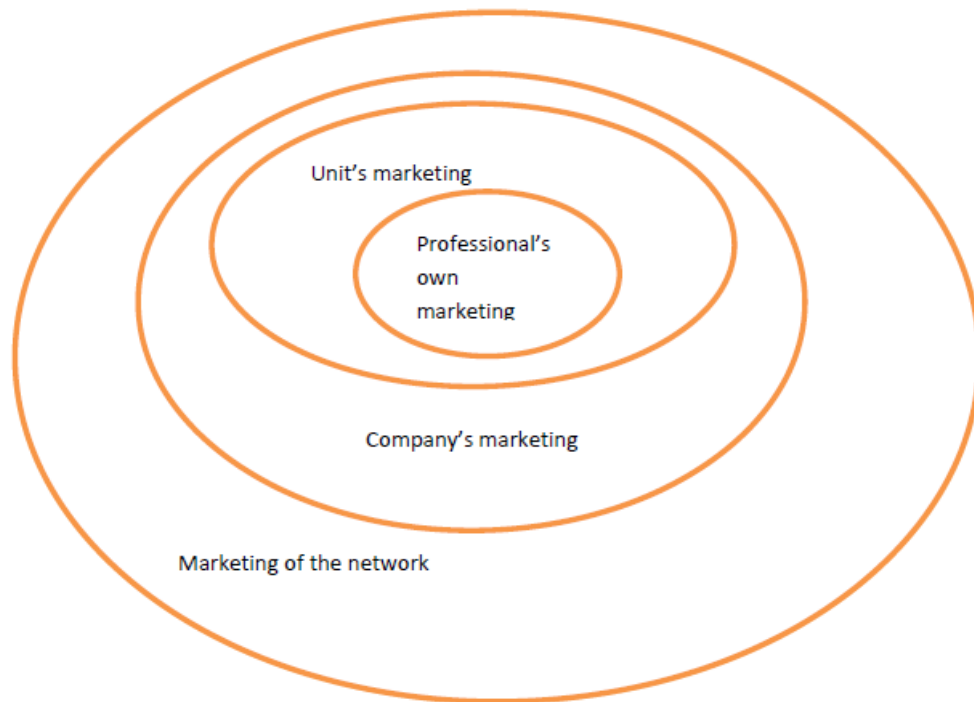


Figure 5. Levels of marketing in professional services company (Sipilä 1999, 178)

The need of marketing personnel in professional services company is controversial. It can be seen that no separate marketing personnel is needed because in many cases of business to business the customers are already known, separate marketing function would be too costly, the marketing person would needed to be a professional and there is no professionalism if you do not constantly do your profession or there could be problems with the contracts the marketing people would create. Those could create more problems than benefit the operations. (Sipilä 1996, 179-180)

If marketing personnel is decided to be hired, then it needs to be figured out carefully what the tasks of the personnel will be. The role could be a support function when for example following tasks would be for the marketing people:

- Marketing and customer research
- Preparing of marketing strategies and plans
- Participation into the product development

- Coordinating pricing principles and tenders
- Preparing customer contracts
- Archiving customer- and tender information and contracts
- Preparing customer occasions and visits
- PR work

If the marketing work is seen as widely, then there are tasks for marketing personnel in professional services companies also in future. The way of thinking in professional services companies is that there are only two types of personnel: professionals, who develop, sell and produce services and then the other party is marketing support personnel. (Sipilä 1996, 182)

The professional services companies seem to think too often that marketing is not needed. But if it is seen important and valuable, it needs to be done properly and based on a good planning. There is a seven steps process for creating a marketing plan. The phases for the plan are:

- 1) Alignment with firm's goals
- 2) Marketing and revenue audit
- 3) Brainstorming
- 4) Analysis and assumptions
- 5) Straw man plan
- 6) Final plan and adoption
- 7) Implementation

(Schultz & Doerr. 2009, 21)

According to Kotler and Armstrong the strong marketing orientation should start from the chief executive officer (CEO), especially in professional services companies. The CEO cannot do the marketing work by himself and not even together with the marketing director alone, but the CEO needs to create an organizational design that supports the marketing. For this to happen, it is needed that future vision is based on the marketing orientation and that he or she communicates the personal commitment to the vision by acting as a role model for other in the organization. (Kotler & Armstrong 2002, 71-73)

An interesting approach which could be applied when planning for the marketing of professional services is service design. Tuulaniemi explains service design to be knowhow that helps the organization to acknowledge the strategic possibilities of services in the business, to innovate new services and develop already existing services. Service design is not a new innovation but maybe a new way of bringing traditional approaches and methods together in a modern way. Service design is a concrete action that combines the needs and expectations of the customers with service provider's business goals into well-functioning services. The goal of a service design is to create services that are financially, socially and ecologically sustainable. (Tuulaniemi 2013, 24-25)

Tuulaniemi also states that when marketing becomes too product focused, the focus on customer is easily forgotten. Essential for the customer is its needs, wants and wishes. That is why the marketer should learn to communicate differently; in a way that customer can easily remember the product or service. A way to do this is to create a story around the product. The stories turn the information into feeling and through the stories solutions that are provided can turn into sagas that touch people. (Tuulaniemi 2013, 45)

Immo states in her thesis that the focus of a marketing professional services should be on customer value and benefits. Through productized services, the professional services company is able to communicate its offerings as solutions to customer's problems and challenges. The focus of marketing has shifted from technology driven to customer and market driven way of communicating. The marketing activities of professional service firms can be divided into three areas, which are personal selling, advertising and public relations, all concentrating on the promotional activities. (Immo 2012, 59) This is a good and relatively new statement but as the world develops very fast at the moment, it needs to be mentioned here that now the technology driven marketing is rising again with all the new solutions like mobile solutions that can be used for marketing. But, these technologies driven solutions are very much based on customer and market driven way of communication so therefore the statement made by Immo is still valid.

In the following I will present some models based on the literature I have studied what could be used as help in the marketing activities.

Javalgi, Joseph and LaRosa handle cross-cultural marketing strategies for delivering knowledge-based services in borderless world. The article offers a framework for business schools that are serving international students. Below the figure 6 shows the idea of the strategy that shows the interactive forces of market entry and delivery choices available for the institute that is internationalizing. The target country's cultural aspects are also taken into consideration and also appropriate teaching methods that might fit to the learning styles are taken into consideration. (Javalgi, Joseph & LaRosa 2009)

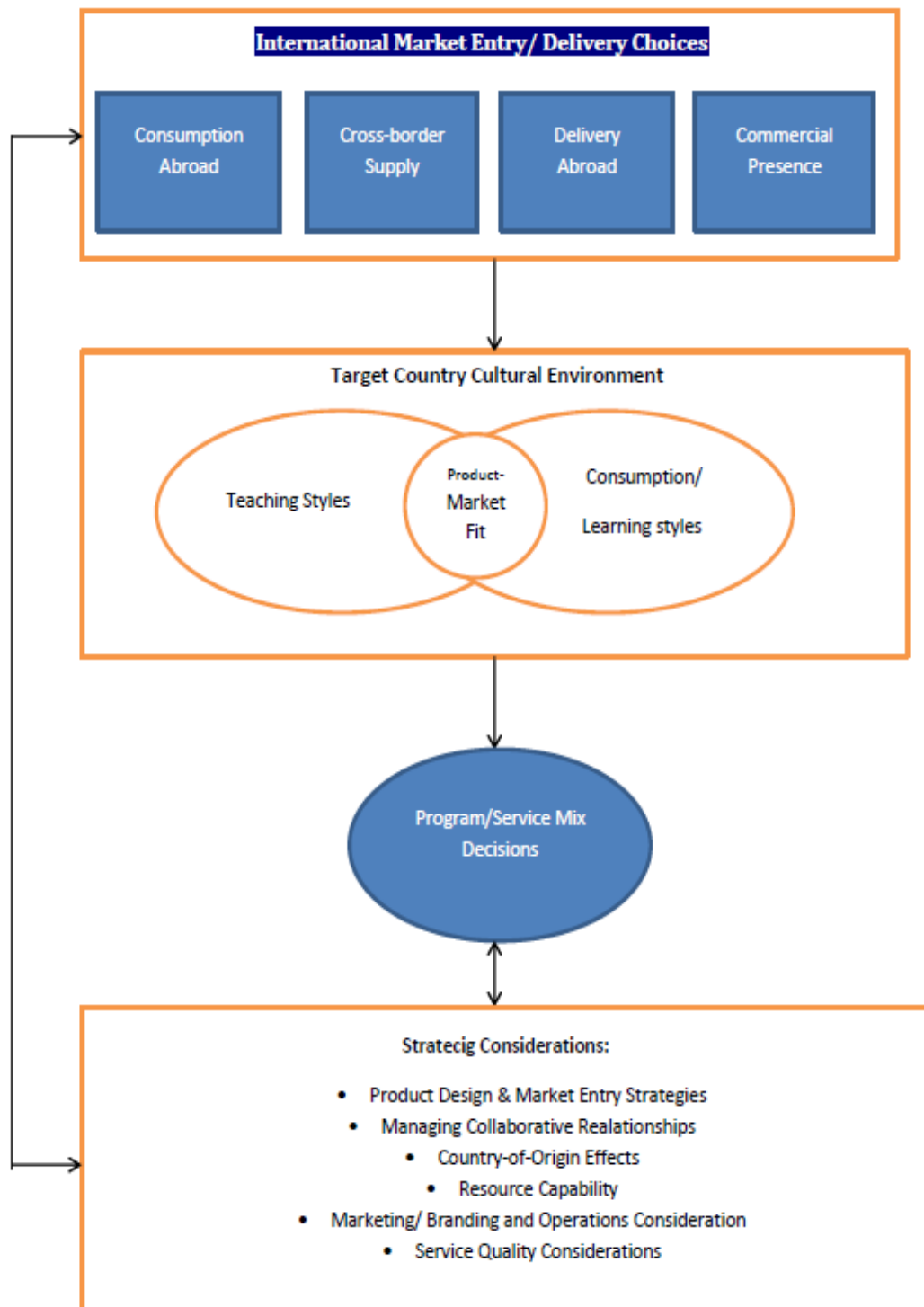


Figure 6: Framework for serving international educational market (Javalgi, Joseph & LaRosa 2009)

I will discuss this possibility in the TUAS case in my results and finding section at the end of the thesis.

When thinking of creating a marketing plan for TUAS, one possibility could be to use the business model canvas created by Alexander Osterwalder. I will now present the model as a possibility but I will not fill-in the model, since I do not know 100% sure which products are to be exported. But, the business canvas model could be used for every product separately to see where the possibilities and problems are. Of course it takes time to fill-in the model and go through all the steps, but that would be beneficial to get the business running also because the model is more comprehensive than just a normal SWOT-analysis.

Osterwalder's business development model is meant to be a shared language that easily describes and manipulates business models to create new strategic alternatives. The model is described through nine building blocks that cover four main areas of a business: customers, offer, infrastructure and financial viability. (Osterwalder & Pigneur 2010, 15)

The following figure 7 presents the building blocks in the business canvas model:

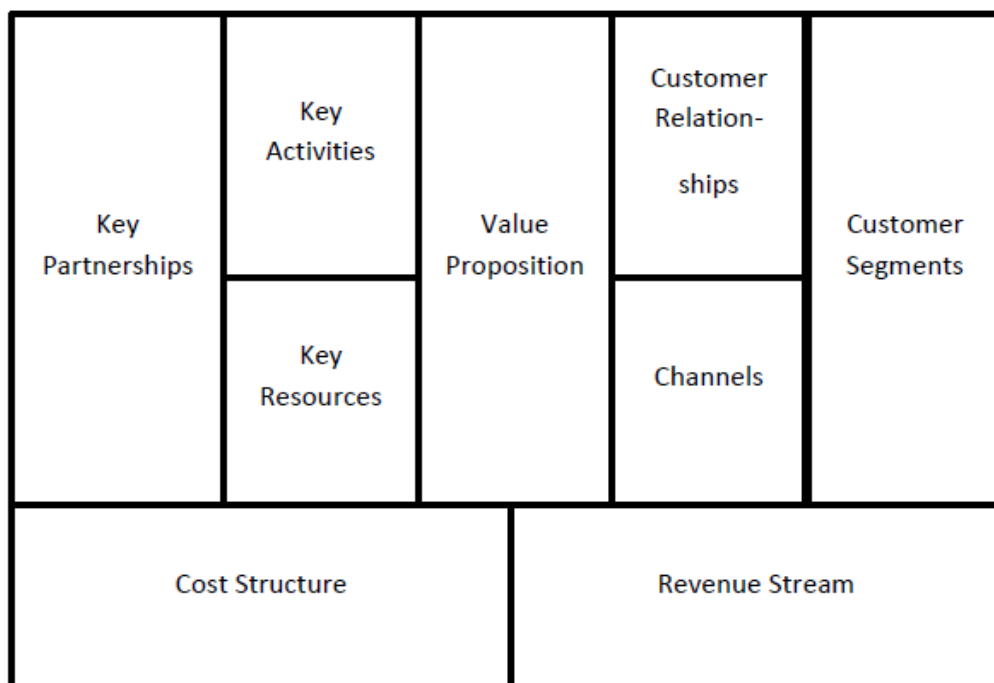


Figure 7: Business Model Canvas (Osterwalder & Pigneur 2010)

The customer segments block defines the different groups of people and organizations that the company aims to reach and provide their services to. It answers questions like for whom are we creating value and who are our most important customers. There are different types of segments like mass market, niche market, and segmented, diversified and multi-sided platforms. (Osterwalder & Pigneur 2010, 20-21)

The value proposition block describes the bundle of products and services that create value for a specific customer segment. It answers questions like what value do we deliver to the customer, which of the customer's problems are we helping to solve, which customer needs are we satisfying, what bundle of products are we offering to each customer segment. Values listed can be quantitative or qualitative. Value propositions can be such as customization, newness, cost reduction or risk reduction. (Osterwalder & Pigneur 2010, 22-25)

The channels block describes how company communicates with its customer segments to deliver a value proposition. The block answers questions such as through which channels does our customer segments want to be reached, how are we reaching them now, how are our channels integrated, which ones work best, which ones are most cost-efficient and how are we integrating them with customer routines. There are direct and indirect channels and owned channels and partner channels. Each type has five distinct phases and the key is to find a right kind of mix of channels to satisfy the customer. The phases are awareness, evaluation, purchase, delivery and after sales. (Osterwalder & Pigneur 2010, 26-27)

The customer relationships block describes the types of relationships a company can have with specific customer segments. This answers questions like what type of relationship each of our customer segment expect us to have with them, which ones have we established, how costly are they and how are they integrated with the rest of our business model. There are many types of customer relationships like personal assistance, self-service, dedicated personal assistance, automated services, communities and co-creation. (Osterwalder & Pigneur 2010, 28-29)

The revenue stream block represents the cash that company generates from each customer segment. It answers questions such as for what value are customers really willing to pay, for what do they currently pay, how are they currently paying, how would they prefer to pay and how much does each revenue stream contribute to overall revenues. There are several ways to generate revenue streams like asset sale, usage fee, lending or leasing, licencing etc. Each revenue stream can have a different pricing mechanism and the choice of mechanism can make a big difference in terms of revenues generated. There are two main types of mechanisms: fixed menu pricing and dynamic pricing and both of them have different pricing types. (Osterwalder & Pigneur 2010, 30-33)

The key resources block describes the most important assets required to make a business model work. They can be physical, financial, intellectual or human. The block answers to question what key resources our value proposition requires. (Osterwalder & Pigneur 2010, 34-35)

The key activities block describes the most important things a company must do to make its business model work. This block answers question what key activities our value proposition requires. Key activities can be categorized to production, problem solving and platform/network. (Osterwalder & Pigneur 2010, 36-37)

The key partnerships block describes the network of suppliers and partners that make the model work. The partnerships can be divided to four types: strategic alliance between non-competitors, competition: strategic partnerships between competitors, joint ventures to create new business and buyer-supplier networks to assure reliable supplies. This block answers questions like who are our key partners and key suppliers, which key resources are we acquiring from partners and which key performance do partners perform. (Osterwalder & Pigneur 2010, 38-39)

The last but not least block called cost structure describes all costs incurred to operate a business model. This block answers questions such as what are the most important costs inherent in our business model, which key resources are

most expensive and which key activities are most expensive. Business model can be cost-driven or value-driven. The cost structure can have following characteristics: fixed costs, variable costs, economies of scale or economies of scope. (Osterwalder & Pigneur 2010, 40-41)

The business model canvas is very comprehensive and it might feel to be quite heavy but when giving some thoughts to the blocks, it is not so time consuming to handle and many things are obvious. The canvas makes the company to consider the business from every angle and therefore the company may avoid making some crucial mistakes. The business model canvas can also work as a mind mapping tool when some brainstorming is needed. It is easy to have the canvas first as blank on the wall and then fill it in step by step and renew it when needed.

Stan Abraham considers in his article if the business model canvas is replacing strategic analysis and if the business model is same as the strategy. And are both needed. Many companies start their business by offering their products on affordable price. But there is a growing school of thought that thinks that companies should concentrate on understanding its business model meaning how much money it is making and how it provides value to customer. Most companies can go through their opportunities, threats, resources and capitalizing through strategic planning or business model innovation. The company needs to find the best suiting alternative by analysing both methods. But the methods do not need to shut each one out. Strategy is how a company actually competes like with differentiation or low-cost leadership, and these cannot be analysed with business model canvas. The business model is more about thinking the basic step in thinking about the viability. (Abraham, 2013)

3 METHODOLOGY

The empirical part of this thesis is conducted as a qualitative research. The quantitative methodology would be suitable when results can be analyzed by using numeric data. In this thesis work I am using qualitative methodology and interviews because I want to explore how things are at the moment. Furthermore I want to understand what people involved in education export think about its development. By interviewing I am also able to observe the interviewee and experience more than just received data.

There are different types of research methods. The most common sources of qualitative data collection are interviews, observations, and review of documents (Thomas, Nelson & Silverman 2011) I chose to interview because I knew there was not going to be similar answers and partly also my questions varied according to interviewee. I chose Semi-structured interview for my research because an interview is a flexible method that gives a possibility to gain information during the interview and it is also possible to fix the order of questions during the interview and sometimes it can be possible to find out motives behind the answer (Hirsjärvi & Hurme 2004, 34). In semi-structured interview the interviewer has a lot of themes and questions but the order and appearance of the questions depend on the interview situation (Saunders, Lewis & Thornhill 2007, 312). It can be also called Theme interview since there is no detailed questions but the interview is carried by chosen themes (Hirsjärvi & Hurme 2004, 48). In semi-structured interview the interviewees have all experienced a similar situation or happening (Hirsjärvi & Hurme 2004, 47). The purpose of an interview is to gather information and it is always planned beforehand (Hirsjärvi & Hurme 2004, 42). The interview is a conversational format where the interviewer asks the same questions from all participants, but the order of questions may vary. Also exact wording and the type of follow-up questions may vary considerably. (Thomas et al. 2011)

Reliability of a research means that the same research can be repeated and the results found would be the same. It is a question of discrepancy. The material

cannot be valid if it is not reliable. (Koskinen, Alasuutari & Peltonen 2005, 255) Validity of the research means that a certain result interprets a target that they are meant to be referred to. Validity can be internal meaning a logical and discrepancy interpretation. External validity tells if the generalization of the topic can be applied to other than only researched cases. (Koskinen et al. 2005, 254)

Reliability of this study is difficult to assess since if this study is repeated after some years the situation is changed totally and the results of the study will be different. Since this study is done at the early phases of operations start, a follow-up study could be necessary to conduct after some years. In order to guarantee the reliability and validity, I have followed a systematic way of conducting the research. Through a well-planned research process, the risk of errors and mistakes was minimized. I have used the same themes in every interview and I recorded the interviews so that anyone can check the results of the interview if wanted. When it comes to validity of the study my understanding is that I have received answers to my research questions. There is a logical link between the theory and the methodological part of my study and I assume this proves the validity of this study.

3.1 Purpose of the research

The purpose of this research is to find out how the productizing and marketing have been done so far in TUAS in its different faculties and what the future plans are. The research was done by interviewing nine (9) people from TUAS. The number of interviews was chosen by the fact that the interview should give information about the present situation and future plans. So I chose people who are involved in exporting education and it was important to have an interviewee from every faculty of TUAS to get as comprehensive picture as possible from all actions. It was also important to get people from every faculty and from different programs so that it could be noticed how similarly or differently things are done. A purpose was also to find out most beneficial way of marketing and productiz-

ing education for export and therefore it was also crucial to get the whole picture of the operations.

The goal of this research is to find out if a common productizing or marketing plan if needed or other frames related to productizing and marketing. Since TU-AS has several faculties and many people operate among exporting education, it would be beneficial to be able to share the knowledge and best practises and find out if there is any possibilities to create a common way of doing business within education export. My goal is to make at the end of this report a proposition of how to develop the productizing and marketing of export products so that these actions would be as effortless as possible for the actors. My aims is to try to find out if there are some challenges and obstacles in exporting educational services and hopefully I can give some solution to those based on my research.

3.2 Data Collection

In a semi-structured theme interview there is no detailed list of questions but there is a list of themes. These themes work as guide line for the interviewer and they lead the discussion. In the interview situation the themes are specified with sub-questions. The themes should be such that also the interviewee can specify the themes. (Hirsjärvi & Hurme 2004, 66-67)

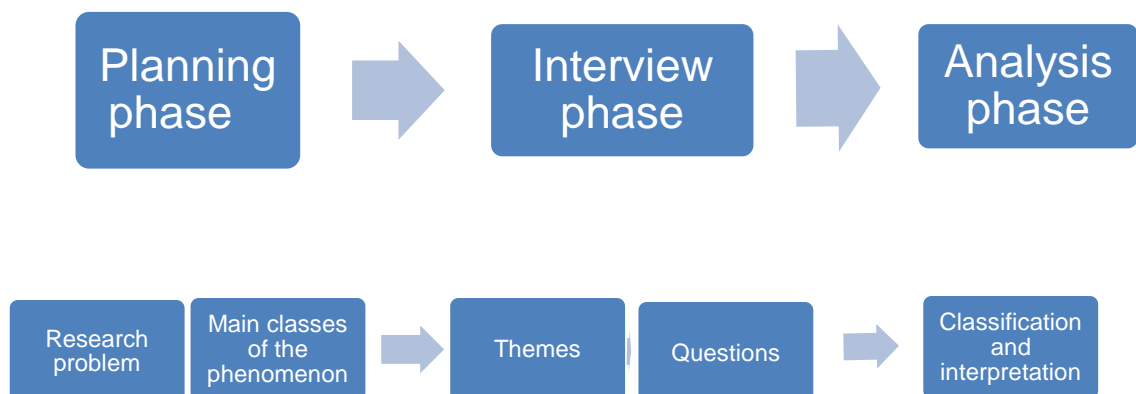


Figure 8: Themes in Research Entity (Hirsjärvi & Hurme 2004, 67)

The above figure 8 shows how the theme interview can be structured. In the planning phase the research problem and main classes of the phenomenon are found out. In the interview phase the themes and questions are used and the final analysing phase is about classification and interpreting the answers.

The themes for my interview were chosen together with the commissioner for this thesis work. The themes and especially the sub questions were also discussed thoroughly with the instructor of my thesis. At the beginning of the process it was unclear what the focus points of the research should be and first it was discussed if the focus point should be investigating Russian markets and their opportunities to export English language degree programmes. I attended the education export team's meetings and started to investigate literature related to the issue and then it was found out that Russia is not the ideal market for university of applied sciences level education in its current form. Soon it was understood that productizing and marketing need to be understood and learned further and so the focus points of my thesis was found. The themes were then gathered based on the need the TUAS had at that moment. The theme interview template is attached to the end of this thesis work.

My themes in the interviews were:

1. Background information: the title and working history of the interviewee
2. Definition and concept of education exports and how it is understood by the interviewee
3. Productizing; what kind of methods have been used, how the concept has been understood in the faculty the interviewee is representing
4. Process of education export; target is to find out if there is a process or different processes in different faculties
5. Marketing the product/service
6. Abilities and capabilities of TUAS to export education
7. Challenges and opportunities of marketing products for export
8. Closing of the interview

As it can be seen the themes are really wide. It was decided to be so on purpose in order to be able to get the knowledge of the interviewees' understanding of each of the themes. I had sub questions ready for the themes to help the interview to proceed smoothly. I recorded the interviews and they are filed for later if needed. The interviews were analyzed using a matrix analysis method. There was no need to transcribe the text because the main target was to find out the issues related themes from the answers and not the direct quotes of the interviewees. I created a matrix where I could easily gather and compare the answers theme by theme. The matrix had all the themes listed in the vertical level and all the interviewees on the horizontal level. I wrote out the answers under the interviewee theme by theme. And since in theme interview there might happen that the situation is more like a discussion so it was easy to gather the answer by themes although the answers did not all the time happen in line. I will go through the results of the interviews theme by theme in the next chapter.

4 DATA ANALYSIS

This chapter is about the data analysis. I will analyse the answers I got from my interviews theme by theme. I will also give a short analysis on the profile of the interviewees.

Exporting educational services was originally started in 2009 but in 2013 Kirsti Virtanen, Head of the International Office at TUAS, was named to be a project manager for exporting education. There was a team of people gathered to work on the issues and they had monthly meetings and the purpose of the team was to understand what all can be exported and how the exporting can be done. At the same time, a consortium of TUAS, City of Turku, Turku University and Vocational institute of Turku was created. The consortium is called FinnWayLearning. The purpose of the consortium is to build a strong player in education export located in South West Finland. The possibility of this consortium is that different level of education can be sold and combined. This gives the player a very strong competitive advantage.

I interviewed nine people from TUAS; all of them belong to the staff and are not part of the managing team. One of the interviewees is a project manager of the education export and rest of the interviewees are working in the faculties which could have products which could be sold to foreign partners. The working history varied a lot between all the interviewees. Some of the interviewees had worked for TUAS more than ten years and actually quite many of the interviewees had worked only 1-3 years for TUAS. So the profile of the interviewees differs a lot but still the ideas and experiences what comes to exporting educational services were very similar.

4.1 Theme 1: Definition and concept of education exports and how it is understood by the interviewee

As stated in my theory part, education export in Finland means selling educational services that can happen in Finland, abroad or on the web. The selling is

exporting when the paying partner is foreigner. The education sold can be continuing education, projects, courses, education methods and other solutions.

Based on the results of the interviews, the concept of education export is very well understood by the actors of education export at TUAS. It is seen widely and it is understood that there are many possibilities. Education export is not found to be only receiving foreign students to Finland who pay for their degrees as the concept is understood internationally. Exporting education is seen as all business where the paying partner is foreign and there is money transaction. The business can happen either in Finland or abroad. It was also mentioned that customer orientation is crucial in education export. The export can be intensive courses, consulting, teaching methods, continuing education, technical visits and perhaps in future also degree education in other countries when the law allows that. Target groups of exporting education are different organizations, teachers and individual students. The interviewees also brought up that exporting knowledge and know-how would be more describing term for education export.

4.2 Theme 2: Productizing; what kind of methods have been used, how the concept has been understood in the faculty the interviewee is representing

Common to the answers about productizing was that it is a difficult part and there are no common rules or guide lines available for the personnel. It was well understood that describing and visualisation and pricing the package are part of the productizing process. The customer orientation needs to be a strong part of the productizing also and that the tailoring of the product is an absolute need. As now there are not that many potential customers recognized, the productizing is done mostly on general level and so that there are some tailoring possibilities offered depending on the customer. There are product brochures made for every potential export product and they are tried to be made as practical as possible. It was pointed out by the interviewees that when comparing to domestic sales, in exporting the cultural aspects need to be taken into account.

When productizing the service, the customer should see easily what it gains and how much the service costs. A very important part of the product offering is also clearly to state how long time the education takes and where it happens. The service offering should be a package that can be tailored and such that the customer understands it. Also cultural aspects need to be recognized for example when modifying product for Russian market, language issues need to be considered carefully. And of course competition needs to be known and own competitive advantage needs to be found.

The literature review for this thesis showed that it would be important that the organization would recognize some specializations it can offer for export. This point was discussed also by the interviewees. There is a lot of competition globally and therefore it is crucial to differentiate and find the niche products that would interest foreign buyers. TUAS has many potential products that can be exported and what are tried to be sold at the moment. There are products like Business Academy, Maternity Health Care, Dental Hygiene product, eMBA, Spa Management products, Innovation Pedagogy, Waste Management products and language courses like Project Management English. And there are also other possibilities to be exported if demanded. As it can be seen, the product variety is really wide as TUAS.

It was stated that more training for productizing would be needed. It was suggested that it could be considered of hiring an external expert to tell about productizing to the actors of education export. There was also good own TUAS practises the interviewees used when productizing. For example one interviewee told me that she is using the business model canvas when planning the actions. Another interviewee mentioned that the new service model could be applied. The ideas and know-how in productizing should be shared and for example a work shop of using business model canvas could be held.

4.3 Theme 3: Process of education export; target is to find out if there is a process or different processes in different faculties

I wanted to know if there is some kind of process or processes when it comes to exporting education. The clear answer from all the persons interviewed was that there are no common process descriptions or charts at the moment for the actions. For the process creation it is needed to know who the actors of exporting are, which products there are to be sold and which markets are targeted to enter. There are no decisions made yet since strategic decisions are needed from the management. The process creation is in progress and by end of the year 2014 there should be steps that can be followed when exporting.

There are some teams inside the faculties that deal with the issues but there is no actual process chart on how to proceed with exporting. There is also the TUAS-level team that is led by Kirsti Virtanen but that team has also not created any clear process for exporting. This team has more discussed and planned actions when some potential customer is found or if some fairs or other occasions are visited together.

Furthermore it was mentioned that an own department that would take care of exports would be needed. This department would have clear vision and strategy for the actions and productizing could be done by them. The process creation is still in progress and at the moment the actions happen after some lead of a potential customer is found. One product, the Innovation Pedagogy, is already proactively sold so they know how to proceed when exporting but they do not have an actual process chart and they do not need such. A common answer here was also that existing relationships need to be used and the contacts help to get the products exported.

4.4 Theme 4: Marketing the product/service

According to the interviews TUAS did not at the time of the interviews have any marketing plan for exporting products. It was mentioned that it is hard to do marketing if there is no vision or mission stated by the management concerning the exporting education. The interviewees told that at the moment there are no extra resources for marketing but a long-term budget plan would be needed. The marketing, as all activities concerning education export, is the other tasks of the person. These people, however, are well familiar to marketing and understand that it is a crucial part of selling. It is also understood that web pages are not enough as marketing, although they need to be fixed as well. Also other social marketing possibilities for marketing need to be researched.

It was stated in almost every interview that personal contacts are very important aspect in marketing of professional services. Another crucial thing is that our people are able to visit different occasions where the education can be marketed, such as different fairs and conferences. A simple issue as talking to people and finding new contacts and marketing at the same time, was seen very important.

When talking about the occasions, it was also mentioned that TUAS is part of FINPRO's Future Learning Finland Project that is a national project and in local level TUAS is part of FinnWayLearning consortium. There was a controversial thought among the interviewees about the benefits of being part of the local consortium. Some interviewees saw that the consortium can be also an obstacle since there are many institutes involved and it is not so obvious who benefits from the business and whom to contact when co-operation is needed. The problem seemed to be the lack of a good organization of the consortium. It was admitted that cooperation is needed but not maybe as wide as the consortium brings with it. But some interviewees saw the benefits of the local consortium such. These interviewees stated that a big picture-view point is needed and it needs to be understood that TUAS alone is a small player in the competitive field of education export.

The interviewees had also ideas how to improve the marketing capabilities for exporting TUAS' products. Such opinions were expressed that a marketing organization might be needed to take care of all the marketing activities collectively. It was also discussed that one option would be a separate company that would take care of all the education export issues needed. The external company would have resources and it would take the risks what comes with the business but also gain the profit. It was also mentioned during the interviews that marketing training is needed so that the whole staff of TUAS would know what it means and the importance of it. If the staff would understand the importance, everyone could do marketing work for example when the teachers go to their teacher exchanges or visit some international conferences. It was also discussed if students could be used for marketing. At least the cultural knowledge of students could be exploited since cultural aspects need to be carefully considered when marketing internationally.

4.5 Theme 5: Abilities and capabilities of TUAS to export education

The meaning of the fifth theme was to find out how the interviewees see the situation of TUAS as an exporter. This theme was the hardest for the interviewees.

Common to all answers was that there is a lot of know-how and knowledge at TUAS and there are lot of potential products that can be exported. But at the same time it was emphasized that there are no resources allocated for the actions at the moment. It was mentioned that also business-know how is missing. Motivated people should be encouraged to participate in export business but they should also be supported for the actions.

From the different resources money is needed for example for the preparation work to keep people motivated for developing education export. Nothing runs without money and even brochures cost something and that is the least that needs to be done to be able to present own know-how. Human resources need to be planned properly and carefully. In case there would something be sold;

there would not necessary be people executing the sold education. The problem here is that if selling niche products, then people who can provide the education are sparse and the actions need to be planned well. So again it was mentioned that a proper organization would be needed. This would take care of the selling of educational services and do the resourcing.

4.6 Theme 6: Challenges and opportunities of marketing products for export

Common challenge that every interviewee named is the lack of resources, and that is seen as a very challenging problem. There was discussion on how to sell if there are no human resources to execute the export. And the interviewees continued by stating that if there is no time or other resources reserved that can execute the export and that there is not time and resources reserved for marketing and selling so how to get deals done. A very big challenge that exists is also the lack of strategy and organization. Without them it is impossible to create any action plans and decide what should be exported and to which target markets. Also the legal obstacles that exist at the moment were mentioned but it was also known that those problems will be probably solved in near future to hinder the obstacles to export. For example there is a law in Finland that denies selling of degree programmes since the education in Finland is for free. This obstacle is already in discussion in ministry level and some solution will be hopefully soon available.

A lot of opportunities were recognized concerning exporting education. It was known that there is a lot of know-how at TUAS. It was pointed out that TUAS should concentrate on specialized knowledge like niche products that are not sold by all the other operators in education export business. And it was pointed out that professional and vocational training is not that common in other countries as it is in Finland and TUAS has expertise in it. Together with the Finn-WayLearning consortium a larger service package that would be exported could be designed. The pedagogical approach developed by TUAS called Innopeda® was seen as opportunity and that is in itself also a larger package that can be

applied to various products that are sold. There was also discussion that the organizational change that TUAS is facing at the time of this thesis work when transforming from controlled municipal organization to corporate company can be seen as opportunity for exporting education. Now it would be time to organize the operations properly and get the selling and exporting started in functional way. And an important opportunity mentioned during the interviews was also the fact that there are already lot of contacts and relationships that should be maintained and made use for the purposes of marketing and selling.

A controversial issue was the FinnWayLearning consortium. Some interviewees saw it as a challenge and others held it as an opportunity. The consortium was seen as an opportunity when the interviewee had a “think big” way of point of view. It was thought that consortium is needed to have a competitive advantage because TUAS alone is too little player in the global playground where a lot of competition exist. Some interviewees saw the consortium as a challenge since at the moment it is not lead properly and there is no organization and rules on how to proceed and whom to contact.

4.7 Closing of the interview

In the end of the interviews I asked the interviewees to give a short final statement about their ideas on what comes to marketing exporting education and generally about the issue.

The common final statement was that more efforts need to be taken with other people working at the same issues at TUAS. A clear vision and mission is needed from the management to be able to act. There are lot of potential at TUAS but it needs to be understood that results do not come fast. Time is needed more and patience, and also capability to take some risks. The business and the concept of business need to be understood in management level as well. It should also be considered that more students could be commissioned to conduct market researches or some other export related assignments. This would benefit both the education export and the students.

It was stated that in future no new wheel need to be created but innovative boundaries need to be found: technic can be combined with service etc. Short to say out of the box-thinking is needed. A general marketing plan could work if it includes different tools for marketing, based on different markets and customers. It was also mentioned that selling should be more appreciated. Correct people, who are self-confident, have capability to sell and have communication skills should be appointed to selling tasks.

Benchmarking was also seen as a possibility to learn more about the exporting business. Many interviewees know that there are good experiences of exporting education in Finland and it was discussed that why to do all the hard work and learn from mistakes when someone else has already experienced all that and could share the information on how to start exporting successfully. The interviewees mentioned that these successful operators have organizations which take care of the business and they have resources, monetary and human, reserved for the actions.

There was also a statement about the future concerning the FinnWayLearning-consortium. It was discussed if it could be the organization that has resources. TUAS could be strongly part of the leading of the consortium if that could be agreed among the parties involved in the consortium. Now as the actions have started, new partners should be searched to grow the network. Students could be used here as well to do the research for new partners.

It was also known that it would be also time to apply for some financial allowances from state and other parties to keep the work going on. Earlier these allowances have not yet been used and there is a probability to get some financial help when applying. And any extra monetary resources would be needed.

5 RESULTS AND FINDINGS

In this chapter I will express my conclusions and findings how the exporting of education could be developed based on the interview answers and theory I have studied. I will also give suggestions how these functions could be taken care in future to get the exporting of educational services more active and profitable. I will concentrate on the marketing and productizing of the education export.

5.1 General view of the education export situation at TUAS

At TUAS the education export has started actually in the beginning of the year 2013. There have been some activities before that but in year 2013 there was a team collected that would together consider the possibilities of exporting education. There was a project manager named for the team but other members of the team mostly handled the export issues beside their other tasks. The team agreed on how to proceed on finding the potential customers and some members of the team attended fairs or other occasions to promote TUAS's education possibilities. The team also co-operated with the FinnWayLearning consortium and for the time being one product called care helper was created in co-operation.

At the end of the year 2013 there were already at least 15 possible products developed for export. Based on these experiences it was understood how much resources the process itself requires, both financial and human resources. There was a lot of work done but there was no common process on how to act. People did the work by themselves and beside their other tasks, with support from the project manager. This was due to fact that there was no strategy and mission and vision created for the education export. Members of the team were waiting for some clear instructions which the goals are so that they could really proceed with creating the export of education.

During the year 2013 it was also understood that results do not come fast and time is needed. It was also understood among the education export team members that some risks need to be taken to be able to get some business started. But since there were now real frames and resources allocated for the actions, also risk taking was not possible. It was also understood that there are probably too many products at the moment to be sold. There was no decisions done which products should be exported and should some products be left outside the export. This was again due to the fact that management had not set targets and goals for the export business.

5.2 Suggestions concerning marketing the education export

Marketing the educational services is part of marketing professional services. It needs to be understood that when marketing services the service needs to be thought to be tangible and help the customer to understand more easily what is offered at what price. It is crucial to have the customer in the mind all the time and focus on it. It is important to keep the product as variable as possible to be able to offer to the customer exactly what it needs. So, the marketing is not just presenting the product. It is much more. It is also about understanding the customer's needs and wants and even sometimes solving customer's problems.

The idea of service design fits well to the TUAS case of marketing and exporting the educational services. Since all the products that TUAS wants to sell and export are quite new and innovative, and they can be modified to fit customer's needs. I would also see it necessary to create stories to the products. That is very easy way to market the service and convince the customer. It might take some time to have the stories but it should not be forgotten to use if possible.

Internal marketing cannot either be forgotten. The personnel should believe in the products and behave accordingly. The personnel needs to understand the importance of their participation in to the marketing activities. (See for example Lehtinen et Niinimäki 2005, 16) This is also very important for TUAS personnel to understand. Since the organization is very big, it is obvious that everyone

cannot know everything about the exported products. But the personnel should be aware that some products are exported and when they meet their international and also domestic contacts, they should always remember to use the opportunities to promote the education possibilities.

I presented in my theoretical part the research conducted by Iglesias, Sauquet and Montana. They have studied corporate culture in relationship-marketing-oriented companies and their ideas could be used when developing marketing activities at TUAS. The writers highlight that it is important to create and develop corporate culture which supports relationship-marketing oriented point of view. The client orientation alone is not enough but also high degree of concern for employees is needed. In this model trust, commitment, teamwork, innovation, flexibility and results orientation facilitate the development of this process.

One important thing that should not be forgotten is that at the moment the knowledge of marketing is not widely spread within TUAS organization. As a business student, it is obvious for me how important marketing is, but it need to be understood that it is not that clear for everyone. And since the whole personnel of TUAS do not understand marketing and its importance, it might be useful to provide marketing education for all who are involved in international contacts like teachers who are going for exchange. It would be needed to make the whole staff to know what TUAS can export and how to market the know-how on every visit that is done. Marketing is not always something big and amazing. It is also part of conversations and other such activities. That is why it would be crucial to train everyone who has some opportunity to market TUAS's expertise.

There is no separate marketing department at TUAS. At the moment the marketing is done beside other tasks and there are almost no resources reserved for marketing activities. Marketing education would mean contacting people, visiting as many interesting conferences and other occasions as possible and also thinking about the productizing and how to do that for the services. Marketing such many products as TUAS is at the moment trying to export can be a full-time job if it is wanted to be done very well and in professional way. Marketing

would give face and name for TUAS and its products and if the marketing and productizing would be done in unified way, the outcome would be guaranteed.

It would be necessary to create some marketing plan that could be followed. As a basis for marketing plan, customer focused strategic plan is needed. The planning process should include recognition of marketing possibilities, allocating resources and making the actual marketing plan. The plan is the most important part of the long term success of the organization.

I presented the cross-cultural marketing strategy created by Javalgi et al. in the chapter 2.3.2 of marketing professional services. I find the idea very important and the figure represented very informative, since it has the different possibilities of exporting taken into consideration and the figure is very interactive. Interesting when considering TUAS is the box called teaching styles. TUAS relies on the innovative pedagogy a lot and this is actually referred here. It is understood that teaching cannot be the same everywhere. And it needs to be pointed out that also learning styles are mentioned in the figure. As well as different methods of teaching are needed, also different approaches to learning are needed.

This figure also lists very well strategic considerations that need to be taken into account when planning marketing of educational services. And since no strategic decisions are made yet at TUAS concerning education export, here is a good list that can be used. The strategic considerations listed are:

- Product design & market entry strategies
- Managing collaborative relationships
- Country-of-origin effects
- Resource capability
- Marketing/ Branding and operations consideration
- Service quality considerations (Javalgi, Joseph & LaRosa 2009)

TUAS needs to create a strategy for the business of exporting education before the marketing activities really will be started. All above mentioned considerations are valuable and can give ideas and instructions on how to proceed with the business.

I presented in the theory part in the chapter 2.3.2 the idea of business model canvas created by Osterwalder and Pigneur and stated that it could be used when planning marketing. It could be used as a mind mapping tool for example when it comes to planning marketing and new products or when new potential customers are found. And as I mentioned earlier, the canvas is useful when giving effort on applying it into one's own situation. It is seen that some blocks in the canvas are obvious and easy to fill in but then there are the more demanding blocks that need more consideration. These blocks can be such that the issues would not be considered with the canvas. When using the canvas, it needs to be understood not to take the canvas too literally. It should be used as a helping tool, not as something that brings problems with it.

In the figure 9 is an example of the canvas filled in with one product that is created for export. The product is called Spa Management and it is planned to be exported to Russia. I do not have the expertise on the product but I filled in the canvas as a model and how the canvas idea shows when it is in use.

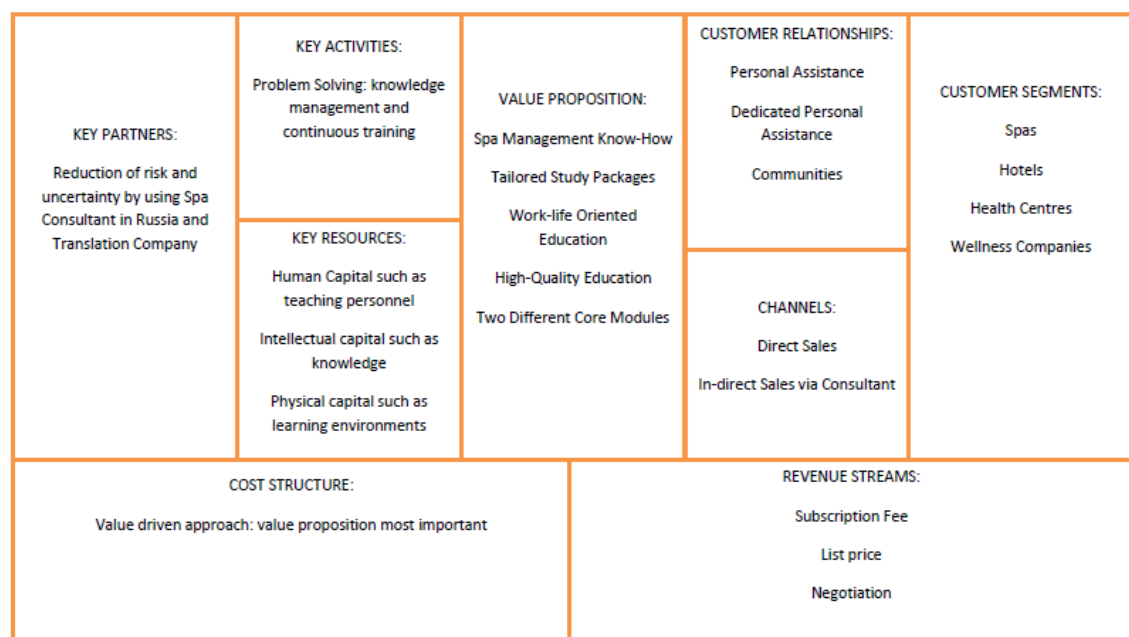


Figure 9: Example of a business model canvas with product called Spa Management

The example canvas lists which kind of key partners are needed, which are the value propositions and all other things listed in the canvas model. If new customer segments or target markets are found, then the canvas can be exploited further. I have filled in the canvas based on the information I received from the interview and based on a product brochure. The experts of the spa management know the issues in more details but the meaning of showing the canvas here is to present the use of it in practice.

An alternative for the canvas could be to use the seven steps marketing planning created by Schultz & Doerr I presented in my theory part in the chapter 2.3.2. There is a strong will to export the services and market them abroad but there is no actual plan created according to the persons interviewed. This seven step model could be an option for TUAS to be used as a starting point for its marketing of export operations. According to the interview answers I received, at the moment the marketing actions at TUAS are done as one-by-one cases but there could be a need for a common plan that could be followed. That would make the business easier and more visible for everyone. Here are the steps of the model repeated:

- 1) Alignment with firm's goals
- 2) Marketing and revenue audit
- 3) Brainstorming
- 4) Analysis and assumptions
- 5) Straw man plan
- 6) Final plan and adoption
- 7) Implementation

(Schultz & Doerr. 2009, 21)

This plan again can only be followed when the strategy from the management is clear. The first point cannot be followed if the targets are not known and then the rest of the steps are cannot be followed either.

An important part of marketing is also to know the target markets of the product. Since there is no strategy yet created, now it is time to consider the possibilities

of the targets. There is no use of trying to reach the whole world. At the moment there have been some products sold to Russia and it is considered it could be one important target market for TUAS's products. The country is very big and partly still developing and there are lot of opportunities. But Russia is not the easiest market place since the culture and business culture are very different from Finnish point of view and often English language is not enough. Russian markets need a lot of effort and resources but I believe that when the business would get started properly, the profits could be possible to be collected. And TUAS has already at least some networks to Russia to start the business. Another target market could be China and some other Asian countries. TUAS has there also networks and there is enough of population to find customers. It came out also in the interviews that in that region at least education methods would be needed to be learned and that could be possibly a big market. I would suggest it wise to start with these markets and after the business is running then some other targets like Africa could be considered. There is no point of trying to reach all the possible targets at once. More important is focus on few markets and expand from there when possible.

I would highly recommend that the marketing activities would be placed under one roof. It could be an own department inside TUAS or if that is not possible then it might be needed to consider buying the services. Although it might sound expensive to create an own department or to buy the service from outside, it would pay off since marketing is a crucial part of the business. Especially in case of marketing professional services which are at the internationalization phase. The business would be noticed when the marketing is done properly. Developing marketing activities would be an investment in the beginning of the business activities and the results would be seen in few years. As in any starting business, the costs are high in the beginning but after few years of actions and hard work, the profits are possible to be gained.

5.3 Suggestions concerning productizing

Productizing is much more than just making a service tangible. It is wider process that includes first of all preparation work which includes for example mission of your organization, cost calculation and timetabled plan. In the second phase it is important to describe and analyze service and work processes and recognize different alternatives for possible products and it is important to create a service description. Marketing is also part of the productizing, or productizing is part of marketing, how it is wanted to see. The result of productized service should be a clear product that has a price in it. The end product should be such that the customer can right away see what it includes, what it gives to the customer and how much it costs and takes time.

It is important to understand that education can be considered to be professional services and then there are also more specific issues that need to be considered when productizing. It needs to be defined what are the core services and support services, what is the service process and service strategy including tailoring and standardizing, branding and what is the price-quality relationship. It is obvious that when productizing such specific services as education, the product need to be such that it can be tailored and modified according to customer's needs and wants.

An important part of successful productizing is to have references. When business is in early phases like in case of TUAS then it might be difficult to have references but it is possible to get references and recommendations quite easily by creating good customer relationships. Good customer relationships lead to references because a satisfied customer is spreading the word of good service provider easier than non-satisfied customer. Also presenting the earlier customer projects might give the prospective customers an idea what TUAS services they would need and buy. The references and recommendations make the services more appealing and give also some confidence for the service provider to continue in the business.

At TUAS the productizing of the exported services are not done collectively, like for example at marketing department, but every actor of the export is doing the productizing by themselves.

An example of the conflicting situation of productizing is that there is still discussion how the product brochures should look alike. Every faculty at TUAS has its own colors and it has not been decided which one to use in the export brochures because there is no decision from the management. Therefore the look of the brochures is not totally unified although the general vision is aligned. This example shows that there is a lot of work to be done in terms of productizing services that are planned to be exported.

According to Lehtinen and Niinimäki important things when planning productizing professional services are to define the core services and support services, service process, service strategy including tailoring and standardizing, branding and price-quality relationship.(Lehtinen & Niinimäki 2005, 31) These operations are important for TUAS when thinking that the organization is only starting the process of productization. It is important to have a proper strategy that everyone involved in the process understands. And even before that, it is important to have a process for productizing although it sounds difficult to form since the professional services are education based and vary a lot due to the variety of educations TUAS offers.

It is well understood at TUAS that tailoring of the products is needed. At the moment there are not many customers yet and the productizing is done in more general level, but tailoring in mind so that when the potential customer is found, it is easy to modify the product suitable for the customer. It is also understood well that for example to Russia the product needs to be in Russian and not in English. This is customer service in its best.

Productizing takes time and some kind of process could be needed. At least the productizing should be done by professionals. For example people that are taking care of the marketing related issues could take care of productizing since these two issues go hand in hand. But this requires first that the marketing de-

partment would be established. This would also take time away from teachers and other members of the staff since they would not use time for productizing and planning of brochures and they could focus on their primary tasks.

If it is wanted that the productizing is done by the staff and not in separate department or outsourced, then clear guidelines of mission and vision is needed. And also training is needed. It would be crucial that everyone would have the latest knowledge concerning productizing and also latest methods. The training could be done by some company that does productizing to get maybe new perspective for the issue. And if the staff is doing the productizing by themselves, then some rough process chart might be needed to make the process more easy and clear.

I am also recommending having only few products that are exported in the beginning at least. As there are already those 15 products which already being started to export, it is impossible to manage them and many new products well. It is difficult to choose the products, because every one of them is very good and have special knowledge that is wanted and needed abroad, but the planned actions should start with few products and the variety of the service offering can then be widened as the business is running successfully and the experience and knowledge and skills of exporting has increased. It could be recommended that the following would be the first products to be export marketed internationally: Innopeda®, Spa Management, Dental Hygiene and Waste Management since all these have already potential customers and target markets. There are also products such as language trainings that can be tailored to other products.

5.4 Closing statement concerning education export at TUAS

Although TUAS has systemized the exporting of education later than some other UAS's in Finland, it has a good potential to be a successful exporter. There is expertise and niche products and also unique ideas and innovative way of thinking that can be used when exporting. These all qualifications are such that can make the potential customer interested if presented correctly through marketing

and productizing. Now it would be crucial to get the process organized so that everyone would know what the targets and focus are. It would be also needed to know who is doing what so that there would be no overlapping and extra resources used for nothing. Decisions from the management are needed. And also understanding that when business is started, results rarely happen fast, and that time is needed and also some risk taking. Hopefully there will be resources pointed to the export business to keep motivated people active and get the business to grow.

There are some operators in Finland that have already exported education successfully and even gained profit from the business. Learning from these experiences could be useful for TUAS and give also ideas for the development of its own operations. For example EduCluster Finland in Jyväskylä area is an enterprise that is exporting different kind of educational products. EduCluster Finland has operated in the education export already for 10 years. They have received ESF funding from the EU that has helped them to develop their operations. EduCluster Finland is same kind of consortium as FinnWayLearning in Turku area but the operations are done focused and organized. The web pages of EduCluster Finland are very well created and it is easy to find all needed information for example the story behind the consortium, the target markets they concentrate on and the contact people and their tasks. The EduCluster Finland is a good example of how to run the education export business successfully and that is why I recommend learning from them. They have created a separate enterprise for the export actions and that is also what I have suggested earlier in this thesis. A group of people from TUAS made a benchmarking excursion in September 2013 to EduCluster Finland to learn from their experiences. These learnings will be used in the future for planning the export actions.

There should be also some decisions made about the FinnWayLearning consortium. Since there are many players in the consortium, my suggestion is that a meeting would be held where the future of the consortium is discussed and the concepts for future operations developed. And for my opinion, TUAS could be a possible leader and organizer of the consortium if there are no legal obsta-

cles for that and other members of the consortium would agree for that. Turku University has already created an own consortium with two other Finnish Universities to export their services so therefore university is not a potential leader of the consortium. And I believe TUAS would be a natural organizer. In case TUAS has interest of being the leader of the consortium, then of course management of TUAS need to stand behind the decision and make it possible by defining the strategy and guide lines for the operations.

Another possibility for organizing the Turku area education export could be to create a private organization. That would mean that willing people would take the risk to create a company that would organize the education export of the consortium linked actors. This would not be a very easy way to lead the actions since still a lot of effort from all the players of the consortium would be needed. It would mean that there would be a board of management which would include a representative from every unit belonging to the consortium. It would be most wise that such an organization would be created that would also take care of all single exports of each unit, not just consortium related exports. This new company would have the overlook of the total situation of the education export in Turku area.

My point is that at this moment, where the business is still in early phase, it would be crucial to make decisions that last and are most reasonable to get the business running successfully. For my opinion there are four possibilities of organizing the education export in future: First one is to work alone as TUAS and organize the actions so that there are people who concentrate on the exporting business including marketing and probably also the productizing issues. The second option is that the TUAS related education export business will be bought from a company that will take care of all tasks related to the education export. The company obviously will work in close co-operation with TUAS to be able to handle all the resourcing issues etc. The risk of the business would be on the company not on TUAS. But the profit would also go to the external company. The third option is that TUAS will continue and even strengthen the consortium-way of exporting and take the control of the FinnWayLearning. This would re-

quire resources from TUAS since an own organization would be need. This organization would handle all the export that is done by TUAS and it would also take the leader role in FinnWayLearning. The last and maybe the most reasonable option would be to create an enterprise like EduCluster Finland that would take care of the whole education export of the Turku/ western Finland area. This company would be big enough in the highly competitive field of education business. This new company would work in close co-operation with all the consortium institutes and it would need commitment and back-up from all the members of the consortium.

This new company would be the face to the education in Western Finland and its profile and marketing would be needed to create carefully, with the help of suggestions mentioned earlier in my thesis. Most important would be to get the strategic views from the institutes to be able to operate focused and goal oriented. The personnel of the new company could be members from the institutes but also new resources would be needed to be hired.

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Interview Template

Interview template

Interviewer: Marjukka Immaisi

Interview number:

Interviewee:

Organization:

Date and time recorded:

Background

Question (Q) 1: Let's look at your background at first. What is your title and what do you do

at work?

Q2: How long have you worked here?

Q3: How long history do you have with education export?

Answer (A):

Theme 1: Definition and concept of education exports

Q4: How would you define export of education? What does it mean to you? What kind of forms it can have?

Q5: What is your product in export of education? Could you give me examples of your services?

A:

Theme 2: Productization

Q6: What is your product when talking about exporting education?

Q7: What productization means to you? How do you understand it?

Q8: How is your service productized?

Theme 3: Process of education export

Q9: Please describe how you understand the process of education exports from beginning to the end. What does it include? For example: who decides which products to be exported? How the products are chosen to be exported?

Q10: Please identify the main or the most critical phases of the process.

Q11: Is customer part of the process? If it is, in which phase?

A:

Theme 4: Marketing your product/service

Q12: What marketing activities have been done for your products?

Q13: Do you have a marketing plan for exporting your product?

A:

Theme 5: Abilities and capabilities to export education

Q10: What are the prerequisites (widely thinking, taken into consideration not only knowledge but also other resources) for exporting education?

Q 11: How do you see your organization, do you think it is able to export education?

A:

Theme 6: Challenges and opportunities of marketing products for export

Q 12: What challenges do you see when marketing your products for export?

Q 13: What opportunities do you see when marketing your products for export?

A:

Closing

Q 14: In conclusion, could you provide me a short statement of your marketing activities concerning marketing export products and the future plans linked to that?

A: