

KEY FACTORS IN TRANSFORMING UNIVERSITY INTERNATIONALIZATION INTO COMMERCIAL ACTIVITY IN FINLAND

Case of University of Turku

Masters' Thesis
in International Business

Author:
Minna Poutanen 415599

Supervisors:
Ph. D. Niina Nummela
M. Sc. Anna Karhu

7.10.2013
Turku

Table of contents

1	INTRODUCTION	6
1.1	Motivation for the study	6
1.2	Higher education in Finland	9
1.3	Purpose and structure of the study	10
2	INTERNATIONALIZATION OF UNIVERSITIES	13
2.1	Concept of internationalization	13
2.2	Internationalization strategies for universities	14
2.2.1	Internationalization process: Uppsala model and network model ...	14
2.2.2	International entry modes in international education.....	16
2.2.3	Organizational and program strategies	18
2.2.4	Summarizing the strategies	21
2.3	Motivating factors for internationalization and commercialization.....	22
2.3.1	Financial incentives	22
2.3.2	Political rationales.....	23
2.3.3	Academic and social rationales.....	25
2.3.4	European Union and World Trade Organization	25
3	EDUCATION AS A PRODUCT	28
3.1	Features of knowledge	28
3.2	Knowledge services and products	29
3.2.1	Characteristics of services.....	29
3.2.2	Productizing services	31
3.3	Educational services and products	33
4	RESEARCH DESIGN.....	38
4.1	Research approach.....	38
4.2	Case selection.....	39
4.3	Data collection.....	40
4.4	Data analysis	42
4.5	Trustworthiness of the study	43
5	UNIVERSITY OF TURKU: FROM INTERNATIONALIZATION INTO COMMERCIALIZATION	46
5.1	Introducing the University of Turku	46
5.2	The internationalization strategies of UTU.....	47

5.2.1	International development process of the university	47
5.2.2	Classifying the strategies for internationalization	50
5.3	Driving forces behind internationalization and commercialization	55
5.4	Commercialization activities in UTU	57
5.4.1	Challenges and possibilities in education export	57
5.4.2	The existing services and products	59
6	CONCLUSIONS	66
6.1	Key strategies for university internationalization	66
6.2	Key drivers for commercial development	67
6.3	Key factors in transforming higher education into export articles	68
6.4	Limitations and suggestions for further studies	70
7	SUMMARY	72
	REFERENCES	75
	APPENDIX 1 THE INTERVIEW OUTLINE	85
	APPENDIX 2 CONTENT ANALYSIS TABLE	86

List of figures

Figure 1. University internationalization strategies	20
Figure 2. The main components of university internationalization	21
Figure 3. Stages of productization	32
Figure 4. Areas of business for educational services and products	35
Figure 5. International development process of the University of Turku	49
Figure 6. Internationalization triangle of the university.....	52
Figure 7. The main areas of internationalization in UTU	54

List of tables

Table 1	The different modes of services trade according to the GATS classification applied to international higher education	17
Table 2	Products by FinnWayLearning.....	62
Table 3	Examples of educational services and products by UTU.....	64

1 INTRODUCTION

1.1 Motivation for the study

The environment for the development of education has changed substantially during the last three decades. First, rapid globalization and changes in society have generated a massive demand for international academic qualifications (Bennel & Pearce 2003, 227). As the society has changed from an industrial to a knowledge-based one, the number of people wanting higher education has grown considerably. As many countries especially in Asia and Africa lack the domestic capacity to meet the increased demand for higher education, they provide a large market of potential students for higher education institutions (HEIs) in the western world. (Gu 2009, 629–631) In 2010, about 4.1 million students were enrolled in HEIs outside their country of citizenship, which represents a 11 per cent increase from the previous year (OECD 2012, 310; OECD 2011, 318). It is predicted that the number of students travelling abroad to study could increase to as high as 8 million by 2025 (Altbach, Reisberg & Rumbley 2009, 7).

Second, the nature of education as a public good has changed. According to Gibbs and Maringe (2008, 27) the general trend throughout the western world has been towards the erosion of social contract between the state, society and the market. This development has changed the common belief that universities require independence from political and corporate impact to function optimally. Altbach et al. (2009, xii) add in the same sense that because of the predominant neoliberal orientation of public policy and international funding agencies, the benefits of higher education are increasingly seen as a private rather than a public good.

Third, the information and communication technology development has contributed to discovering new ways of delivering educational services. Distance education has also freed higher education from being bound to time and place, making it flexible and more attractive to adult learners (Morey 2004, 135). These developments have in turn led to growing competition in the industry (Gu 2009, 629). The past decade has witnessed the emergence of new types of providers, forms of delivery and collaborative partnerships in the global educational market. In addition to the traditional public and private tertiary education institutions such as universities and colleges, new providers include corporate universities, commercial IT and media companies, international conglomerates and professional associations. (Altbach & Knight 2007, 295; Knight 2004, 7)

Moreover, educational processes are transforming into having an exchange value instead of a use value. This implies that knowledge and education can be packed, bought or sold and transferred across national borders. (Naidoo & Jamieson 2005, 40) Education is no longer considered as a non-traded service, but as a commodity to be

freely traded. As education is increasingly seen as an important engine of economic development (Altbach et al. 2009, xii), knowledge industries have gradually started to attract global capital. These developments have contributed to the emergence of the “knowledge society”, which refers to the growing dependence of many societies on educated personnel and knowledge products as well as to the rise of the education service sector (Altbach & Knight 2007, 290–291). Education, research and innovation are consequently seen as the basis of the national competitiveness (Nokkala 2007, 16),

Also, the social, economic and political liberalization and especially the rapid increase in demand for access have moved the higher education sector to a more marketing-oriented system. HEIs throughout the world have started to undertake various commercial activities, often referred to as education export or export education, in order to gain a share of the education market. Education export could be described as “a transaction across borders involving the provision of education services in exchange for financial consideration” (Export education in New Zealand - - 2001, 11). To many countries, higher education already represents one of the major export service industries (Chen 2008, 2; Bennel & Pearce 2003, 227). Out of these activities, international student mobility is by far the most profitable form of cross-border education. According to the Association of International Educators (NAFCA 2011) international students contributed around 18.8 billion USD to the United States’ economy in 2009–2010. In Australia, the revenue from the tuition fees and living expenses of foreign students in 2009–2010 reached almost 20 billion USD, while a further 610 million was earned through offshore educational activities (Australian Education International 2011).

Finnish HEIs have acknowledged the market potential of the globally growing education sector as well. Finland’s biggest newspaper Helsingin Sanomat was one of the first publishers to bring educational service trade in the public discussion with an article “Buy a degree from us now!” in 2002 (Osta nyt tutkinto meiltä! 2002). The article urged Finnish HEIs to internationalize rapidly in order to prepare for increasing demand and to stay competitive. Since then, the discussion about HEI internationalization and educational trade has intensified. In 2009, the Finnish government appointed a working group to prepare an export strategy for education (Kiinnostuksesta kysynnäksi ja tuotteeksi - - 2010, 3). The Ministry of Education and Culture well summarized the shared aspiration of the Finnish state:

Finland’s strengths in the education field must be utilized and education must be developed into successful export articles for Finland. Measures must be taken to maintain and enhance the international competitiveness of the Finnish education system. The aim is that Finland will be one of the world’s leading education-based economies resting on the quality of the education system. By 2015 the proportion of education and

knowledge exports will have grown significantly in overall exports.
(Finnish education export strategy - - 2010, 5)

In order to further increase the education and knowledge exports, the government has defined strategic policies that would contribute to the growth in education export. These strategies include themes such as *well-working home market* as a prerequisite for successful exports; education export as a *strengthening force for other industries*; importance of *networks* and *clusters* in bringing additional value to education exports; *goal-orientation*; and *quality* as the success factor. In addition to these, *productization* and *universities* are defined as important strategic areas. According to the Ministry of Education and Culture, success in the international education market requires careful productization and help and cooperation in recognizing and marketing different products and services. Also, it is believed that universities can act as leaders in exporting education. HEIs have a key role in exporting education, because they have the expertise and knowledge needed for the services. If conducted properly, export education would diversify the diplomas, enhance learning and promote internationalization. (Finnish education export strategy - - 2010, 6–13) These two strategic areas, productization and universities' key role in exporting, are important starting points for this research.

Despite the current hype about expanding higher education market, the scholarly discussion about commercialization activities of Finnish HEIs has still been relatively scarce compared to the international level (Cai, Hölttä & Kivistö 2012, 217). In the context of the leading actors in the higher education trade, such as United Kingdom, Australia and New Zealand, export approach has been part of university internationalization and scholarly discussion from the start. For these countries, higher education represents market driven educational services that may provide a surplus to the institution and export income to the nation. (Adams 2007, 410) In Finland, the phenomenon is rather new and the tendency has been in using the term “export of educational knowledge”, instead of education export, to cover all possible areas of business in education (Kiinnostuksesta kysynnäksi ja tuotteiksi - - 2010, 7; Juntunen 2009a, 3).

Not only is the topic lacking academic attention in Finland, but the volume of education export is still quite low. Previous study by Juntunen (2009a, 10) has pointed out that the industry is still developing; there are only few leading companies and the value of most exports is not notable. However, there is a strong national drive in Finland for universities to enhance their international competitiveness and to use their expertise potential for export. As the general trend in higher education throughout the world has been the change to more marketing-oriented internationalization, the Finnish HEIs could be following the same trend. The research gap identified is the ways Finnish

universities can engage in the international export education activities and what motivates them to more marketing-oriented internationalization.

1.2 Higher education in Finland

According to Study in Finland (Institutions 2013) "Finland has one of the most comprehensive education networks in Europe". The Finnish higher education is a binary system comprised of universities and polytechnics (University Education in Finland 2013). They are either independent corporations under public law or foundations under private law. There are currently 14 public universities and two foundation universities, Aalto University and Tampere University of Technology, as well as 25 polytechnics (Yliopistokoulutus 2013; Ammattikorkeakoulutus 2013). Today, the Finnish higher education system educates about 228,000 students in 41 different institutions.

The universities' overall mission is to conduct academic and scientific research and provide higher education based on it. They are to promote free research as well as scientific and artistic education, enhancing the birth of social and technological innovations essential for the society. Students can complete Bachelor's and Master's Degrees at the graduate level or Licentiate and Doctoral Degrees at the postgraduate level. (Universities and University Networks 2013; University Education in Finland 2013) Polytechnics, then again, provide education and training for the labor market needs. Their functions are more oriented to working life and to conducting research and development about instruction and regional development. (Higher Education 2011) Therefore, universities and polytechnics approach higher education from different perspectives.

Compulsory and post-compulsory education is free in Finland. There are no tuition fees in general upper secondary education or in universities or polytechnics, and consequently, educational institutions are primarily financed by the state. The Ministry of Education and Culture allocates government grants for all levels of education for research and continuing vocational and professional education. Universities receive formula-based funding from the state as well as external financing e.g. for research projects. State funding depends on the extent, quality and impact of the education and it can also be based on profitability of the university operations. (Financing of education 2013) In 2010, the direct government funding covered 62 percent of the total financing of higher education (Laadukas, kansainvälinen - - 2011, 31–32).

Both universities and polytechnics are regulated by their respective legislation. Although the universities are independent in their decision-making due to freedom of research and autonomy over internal administration, the government outlines the

direction, objectives, evaluation and development of the university operations. (University Act 3 §) A development plan that outlines the general research and education policy is renewed every four years, while the objectives and required resources are agreed on the joint annual consultation process between each HEI and the Ministry of Education every three years (Administration and finance 2013). In addition to the Ministry, the two other important Finnish background actors for higher education internationalization are the Finnish Board of Education (OPH) and the Centre for International Mobility (CIMO). During the past two decades, these authorities have published many reports, surveys and statistics to clarify different aspects of internationalization and to set guidelines and principles in implementing internationalization. (Söderqvist 2002, 79; 83)

1.3 Purpose and structure of the study

The purpose of this study is to examine commercialization in Finnish university landscape and to investigate the ways Finnish university could capitalize its international activities and knowledge for trade. Interest in the topic arose from the author's previous study of university internationalization and from the current media attention about educational service and product trade potential in Finland. Universities throughout the world are pursuing a more marketing-oriented approach to internationalization in order to gain a share of the growing education market. Thus, the topic is seen both relevant and contemporary.

The research question of the thesis is: *What are the key factors in transforming university internationalization into commercial activity in the Finnish educational context?* This question can be further divided into three parts:

- How can a university internationalize?
- What are the motivational factors behind university internationalization and commercialization?
- How can higher education be developed into export services and products?

This study aims to understand the dynamics of international education export market from the viewpoint of traditional educational institutions, such as universities and polytechnics, whose core mission is to provide education. More accurately, attention is directed especially to the process of higher education internationalization and commercialization at the institutional level. The unit of the analysis is a university. Other educational providers, such as for-profit private educational institutions, have

different basic values and assumptions for curriculum, research and service functions (Morey 2004, 143) and they are left out due to the limited scope of this study.

In this thesis, the term education export, or export education, is used generally to describe all HEI activities involving the international provision of educational services in charge. Thus, export in this sense refers to offering services or products for international customers whether they are abroad or in Finland. Trade or export in education is sometimes understood as referring only to the international student mobility and selling of degrees, which is the most traditional form of higher education commercialization. However, this study takes a more Finnish perspective in including all possible areas of business in export education. Exporting always requires an international aspect, which can take different forms that are discussed later on in this study.

The structure of the study is as follows. After the introduction the study is divided into five chapters. The first theoretical part in chapter two is partly based on the author's Bachelor's Thesis and highlights the literature relevant to the concept of university internationalization. It first explains the term internationalization from the higher education viewpoint and then introduces different theories for university internationalization. The internationalization strategies are examined from both commercial and academic viewpoint. In the second part, chapter two studies the multiple reasons and motivational factors behind the international and commercial activities of the HEIs. A sound body of literature has identified various push and pull factors for university internationalization and commercialization (Gu 2009, 632), which are affected by the role and viewpoint of different stakeholders such as government, private sector, institutions, faculties and students (Knight & de Wit 1995, 9). As the focus of this study is on universities, the theory concentrates mainly on the factors at institutional level while governmental and private sector motivations are left on little attention.

The second theoretical part in chapter three aims to demonstrate the ways educational know-how can be transformed into exportable service or product. This chapter first discusses the specific features of knowledge, then defines service types and explains the process of productizing. As previous research on services is extensive, the purpose of the chapter is not to make a thorough analysis of the subject, but to structure an understandable framework for developing knowledge services. Productizing is considered an important part of the study as it was defined as a key strategic area for Finnish higher education institutions by the Ministry of Education and Culture. Finally, chapter three introduces the different educational services and products in the light of current literature.

The research design of this study is presented in chapter four. This thesis is a qualitative case research based on literature review, interviews and content analysis of

documents and web pages. Chapter four explains the methodological choices by first discussing the research approach and methods used, and then explaining the reasons for selecting a case study approach. The chapter continues with introducing the data collection and analysis process. Finally, it is concluded with the evaluation of the trustworthiness of the study.

Chapter five aggregates the results from the qualitative research. The presentation of the results follows the order of the research questions of the study. First, the chapter introduces the case institution, University of Turku, which is one of the major universities in Finland with over 20,000 students and 3,300 employees. After the case representation, internationalization in the university is explained through the historical development process as well as by categorizing the strategies under substance, people and organizational approaches. Next, and following the order of the research questions, the external and internal motivators behind international and commercial development of the case university are analyzed. Last, chapter five analyzes the commercial development and productizing activities of the University of Turku. It is done by examining the challenges and possibilities evident in the empirical data and reviewing the existing services and products developed in the university. Finally, conclusions are made in chapter six, and the study is yet summarized in the last chapter.

2 INTERNATIONALIZATION OF UNIVERSITIES

2.1 Concept of internationalization

The term internationalization is being increasingly used to discuss the international aspect of postsecondary education. It is a multidimensional concept, which is often understood in various ways. In relation to higher education, the term is commonly used to address only small part of education or to emphasize a specific rationale (de Wit 2010, 8). Internationalization can mean, for instance, a series of international activities such as partnerships, international linkages, academic mobility and new international programs. The concept can also be understood as the delivery of education to other countries through different arrangements such as franchising or branch campuses. Third, internationalization can mean the presence or inclusion of international or intercultural dimension in the curriculum and teaching. (Knight 2004, 5–6) The past decade has yet witnessed a new group of terms that are more related to delivering education across borders: borderless education, global education and international trade of educational services (de Wit 2010, 8).

According to Söderqvist (2002, 23) internationalization can be seen as dynamic change process or a static state of affairs inside an organization. Knight (1994, 7) defines higher education internationalization as the “process of integrating an international and intercultural dimension into the teaching, research and service functions of higher education”. This is centrally an institutional-based definition, which van der Wende (1997, 18) later extended to national level: “Internationalization is any systematic effort aimed at making higher education responsive to the requirements and challenges related to the globalization of societies, economy and labor markets.” Taking both institutional and national/sector level into account, Knight (2004, 11) later updated her definition proposing that internationalization is “the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education”.

The many definitions of higher education internationalization above seem to share two features. First, they explain internationalization as a change process that typically involves the change of the university organization. Second, they emphasize the responsiveness of the higher education institutions and policy to the changing context of higher education. (Nokkala 2007, 18) Thus, the definition used in this study will draw from both the process and institutional view:

Higher education internationalization is 1) the process of integrating an international, intercultural or global dimension into the purpose,

functions or delivery of post-secondary education and 2) the efforts aimed at making the institution and policy responsive to the changes in the higher education field. (Knight 2004, 11; van der Wende 1997, 18)

Whatever the definition, internationalization of higher education cannot be said to be a new or an explicit phenomenon that would have evolved along a linear chronological continuum (Nokkala 2007, 13). Universities have always been influenced by global trends and operated within a more extensive international community of research, scholars and academic institutions (Altbach et al. 2009, 7). Actually, the concepts of “university”, “research” and “science” are often understood as international by their nature (Nokkala 2007, 13). However, the international context has become increasingly important during the 21st century for two reasons. First, a new phase of internationalization, which Teichler (2004, 9) aptly calls re-internationalization, has emerged. Internationalization has changed from individual contacts into wider networks and shared policies. Cooperation has become more structured and international activities have become institutionalized into organizational and national higher education system. Thus, internationalization is no longer an add-on, but rather a closely integrated part of education policy and its goals. (Nokkala 2007, 15) Second, a phase of cross-border education with a strong commercial aim has appeared (Martin 2007, 207) as was discussed in the introduction part of this study.

2.2 Internationalization strategies for universities

2.2.1 Internationalization process: Uppsala model and network model

Previous studies in the area of international business have identified several factors that influence the internationalization process and market entry strategies of firms. Many internationalization theories have been developed from the viewpoint of manufacturing firms and a debate still exists whether these theories are directly applicable to service firms, not to mention to educational institutions (see e.g. Ekeledo & Sivakumar 2004, 69; Ball, Lindsay & Rose 2008, 416; Turunen 2009, 58). However, some of the traditional strategies explaining the internationalization process, entry mode choice and location choice of an expanding firm have been connected to HEI internationalization as well. The following chapter seeks to explain how the two models of Johanson and Vahlne (1977 & 2009), Uppsala model and network model, can explain HEI internationalization.

One of the best-known models explaining internationalization process is from Johanson and Vahlne (1977), who suggested that firms internationalize incrementally depending on the knowledge about foreign markets and operations. The basic assumption of the so-called Uppsala internationalization model or stages theory is that the necessary international knowledge can be acquired primarily through foreign operations; thus, the internationalization operations develop in small steps from low to high commitment and start usually in foreign markets close to the home market in terms of psychic distance. (Johanson & Vahlne 1977, 23–28) This theory has been referred to in the research of education internationalization as well. In their study about the dynamics of international business education in Europe, Luostarinen and Pulkkinen (1991, 33) state that “internationalization of business education in an institution means gradual inclusion of the international dimension in the institution’s curriculum, human resources, languages used and taught, research and organizational structure”. They assume the stages theory of internationalization process of firms would also apply to the study of education internationalization. Consequently, Luostarinen and Pulkkinen introduce a model with four steps: starting stage, development stage, growth stage and mature stage. In the starting stage, international business is only an extension in existing courses in the university. In the development stage, the institution has separate courses in international business. Growth stage means that the institution has international business programs. Finally, in the mature stage, education is thoroughly internationalized. Empirical research proved that this kind of evaluation process did indeed take place in European business schools. (Luostarinen & Pulkkinen 1991, 27; 29)

Johanson and Vahlne later revised Uppsala model to better meet the changes in theoretical advances and business practices. The updated model differs from the first theory in three senses. First, it considers the insidership in relevant networks as the necessity for successful internationalization. Instead of physic distance, outsidership is argued as the root of uncertainty. Second, relationships are seen a way to gain knowledge and build trust and commitment. This indicates that the firm does not necessarily need to involve in foreign operations to acquire international knowledge. Third, existing business relationships are claimed to affect the choice of geographical markets and entry modes. (Johanson & Vahlne 2009, 1411; 1423–1425) Networking has been referred to as an important feature of university internationalization as well. For instance, Holtermann (1996, 229, 331) highlights the importance of networks and partners especially for smaller Scandinavian HEIs in engaging in international activities. Networking helps for example in pooling forces for sustaining bigger international projects.

2.2.2 *International entry modes in international education*

Other traditional theories suggest that a firm may enter foreign markets through different entry modes depending on their capabilities and dynamics of the external environment. The commonly referred market entry modes are exporting (direct/indirect), contractual agreements (e.g. licensing and alliances), equity joint ventures and wholly owned subsidiaries (e.g. acquisitions), of which the last two are referred to foreign direct investment (FDI) (Erramilli & Rao 1990, 138; Pan & Tse 2000, 537–538). Although some debate exists whether service firms are restricted to only resource-intensive FDI entry modes, studies by e.g. Frazer and Patterson (1998) and O'Farrel, Wood and Zheng (1998) suggest that many service firms do engage in international exporting as well. More market entry modes are possible to service firms due to embodying the service into objects or channels, i.e. productizing (Ball, Lindsay & Rose 2008, 414; 420). To conclude, the extent to which the determinants of entry mode choice for manufacturing firms are generalizable to service firms depends greatly on the characteristics of the service (Ekeledo and Sivakumar 2004, 69).

The different entry mode strategies for trading education have been studied by Larsen, Martin and Morris (2002, 851) as well as by Knight (2003, 3). They review the internationalization of education in the light of the GATS classification of service trade. According to this classification, service can in general be traded via four different modes: 1) cross-border supply, 2) consumption abroad, 3) commercial presence and 4) the presence of natural persons (WTO 2004, 4). *Cross-border supply* refers to strategies where only service crosses the border, which is the case e.g. in distance education or joint degree programs. *Consumption abroad* means situations where the customer, i.e. student or staff, travels abroad to consume the services. In the case of *commercial presence*, the education providers establish facilities such as local branch campuses in another country. Last, the *presence of natural persons* refers to strategies where people, i.e. teachers or researchers, travel abroad on a temporary basis to provide the service. (Larsen, Martin & Morris 2002, 851; Knight 2003, 3) Table 1 presents these modes in the context of GATS and international higher education.

Table 1 The different modes of services trade according to the GATS classification applied to international higher education (Larsen, Martin & Morris 2002, 851; Knight 2003, 3)

GATS classification	Higher education services
Mode 1: Cross-border supply Trade where both the supplier and customer remain in their domestic territories. Only service crosses the border.	Modes in which only the academic program crosses border such as program franchising, joint degrees, twinning programs and distance learning.
Mode 2: Consumption abroad Customer travels outside his home territory to consume the services.	Represented by the students travelling abroad to study. The host education institution is exporting educational services to the international students from home base.
Mode 3: Commercial presence The service supplier moves to the territory of the consumer to provide the services by establishing affiliates through direct investment.	Establishment of facilities such as offshore/branch campuses abroad.
Mode 4: The presence of natural persons The service supplier moves to the territory of the consumer to provide the services by establishing affiliates through the presence of natural persons.	Teacher, professor or researcher travelling abroad on a temporary basis to provide an educational service.

While mode 2, consumption abroad, and mode 4, the presence of natural persons, are quite straightforward entry mode strategies, the two other modes can take various forms in the context of higher education. As seen in table 1, cross-border supply includes the entry modes of program franchising, joint degrees, twinning programs and distance learning. In franchising, the educational institution (the franchiser) grants another institution in a host country the right to deliver its academic programs in the host or other countries. The qualification is then awarded by the franchiser, but the foreign partner institution (the franchisee) is responsible of the program supervision and quality assurance. (Naidoo 2009, 315) Joint degree, then again, refers to program collaboration between a domestic and foreign institution where the educational program moves only partly from one institution to another. On the contrary, in twinning programs, students complete their academic program partly at the domestic, and partly at the foreign institution. Thus, the students cross national borders instead of the educational programs. (Chadee & Naidoo 2009, 177) Finally, in distance learning, the education service is delivered to students or customers via communication interface by an education provider from a source country (Naidoo 2009, 315). Virtual learning can be

used in conjunction with face-to-face teaching or to offer complete degree and certificate programs online (Gibbs & Maringe 2008, 96).

While moving services and people across borders can be done even with limited resources, commercial presence necessitates capital and continuous quality maintenance. In commercial presence strategy, a source country university establishes a subsidiary campus in a foreign country to deliver its own academic programs, which means the educational programs as well as the institutions move across national border. These offshore campuses are established either through wholly-owned subsidiaries or joint-venture partnerships with local host country institutions. (Naidoo 2009, 315) The degrees offered are identical to those offered in parent institutions and the course materials and resources are supplied to the branch campus by the parent (Macdonald 2006, 208).

2.2.3 *Organizational and program strategies*

As explained before, HEI internationalization can be described as “the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education” (Knight 2004, 11). The traditional firm-based strategies aside, many strategies about HEI internationalization by e.g. Luostarinen & Pulkkinen (1991), Smith (1994), Knight (1999), Söderqvist (2002), van der Wende (2003) and Bennet & Kottasz (2011) explain higher education internationalization from more academic viewpoint. Although the approaches of the scholars vary, the authors seem to agree on the fact that both organizational and program strategies are needed for HEI to properly go international. In other words, internationalization should take place both at the administrative/management level and the student and faculty level.

One way to study university internationalization is categorize strategies into *co-operative* and *competitive* approaches (van der Wende 2003, 199). Co-operative approach refers to internationalization through academic networking, co-operative agreements and institutional alliances. These allow rapid entry to international markets and fast acquisition of knowledge as well as do not typically require dramatic changes to the core operations. Competitive approach, then again, is a more market-oriented strategy including e.g. constant pursuit of niche markets, aggressive international marketing, implementation of special modes of study for foreign students and establishing of new units in other countries. (Bennet & Kottasz 2011, 1089–1091) University internationalization often involves activities from both approaches (van der Wende 2007, 278).

Knight (1999, 23–26) divides university internationalization strategies into program strategies and organizational strategies. (A) *Program strategies* include elements that

are academic in nature or that are related to learning, teaching, research or supporting activities. The four broad categories of program strategies are academic programs; research and scholarly activities; external relations and services and; extra-curricular activities. The first category, (1) *academic programs*, consists of e.g. foreign language study, internationalized curricula, student exchange, staff mobility, international students and joint degree programs. The second category of (2) *research collaboration* includes e.g. joint research projects, published papers, international seminars, research exchange programs and international research agreements. Third, (3) the *external relations* group refers to the international development activities and co-operation agreements. Last, (4) *extracurricular activities* includes e.g. social and cultural support systems, student associations and peer groups.

In her work, Söderqvist (2002, 54–60) later simplified Knight's division and suggests that international program strategies should cover only the first three categories: academic programs, research and external relations. According to her study, extracurricular activities should not be included in formal international elements as they are more informal programs organized by students. Söderqvist divides academic programs into mobility, which consist student and teacher mobility, and international curricula, which includes language studies and curricula for the institute's own and visiting students. Research is divided into research mobility, joint research efforts and presentation of research results and external relations into domestic and international relations. This simplification of Knight's model is illustrated at figure 1.

Knight's second top category, (B) *organizational strategies*, refers to policies, systems and procedures that facilitate the international dimension of the institution. Knight categorizes these strategies into governance, operations, support services and human resource development. (1) *Governance* elements include e.g. the active involvement of faculty and staff, commitment of senior leaders and articulated goals for internationalization. (2) *Operation* strategies refer to appropriate organizational structures, communication systems and adequate financial support. The third category of (3) *support services* includes different support systems for students. The fourth group, (4) *HR development*, consists of different staff development activities, recruitment procedures and reward policies that encourage and recognize internationalization. Figure 1 illustrates the division between program and organizational strategies. (Knight 1994, 7–9; Knight 1999, 25–26)

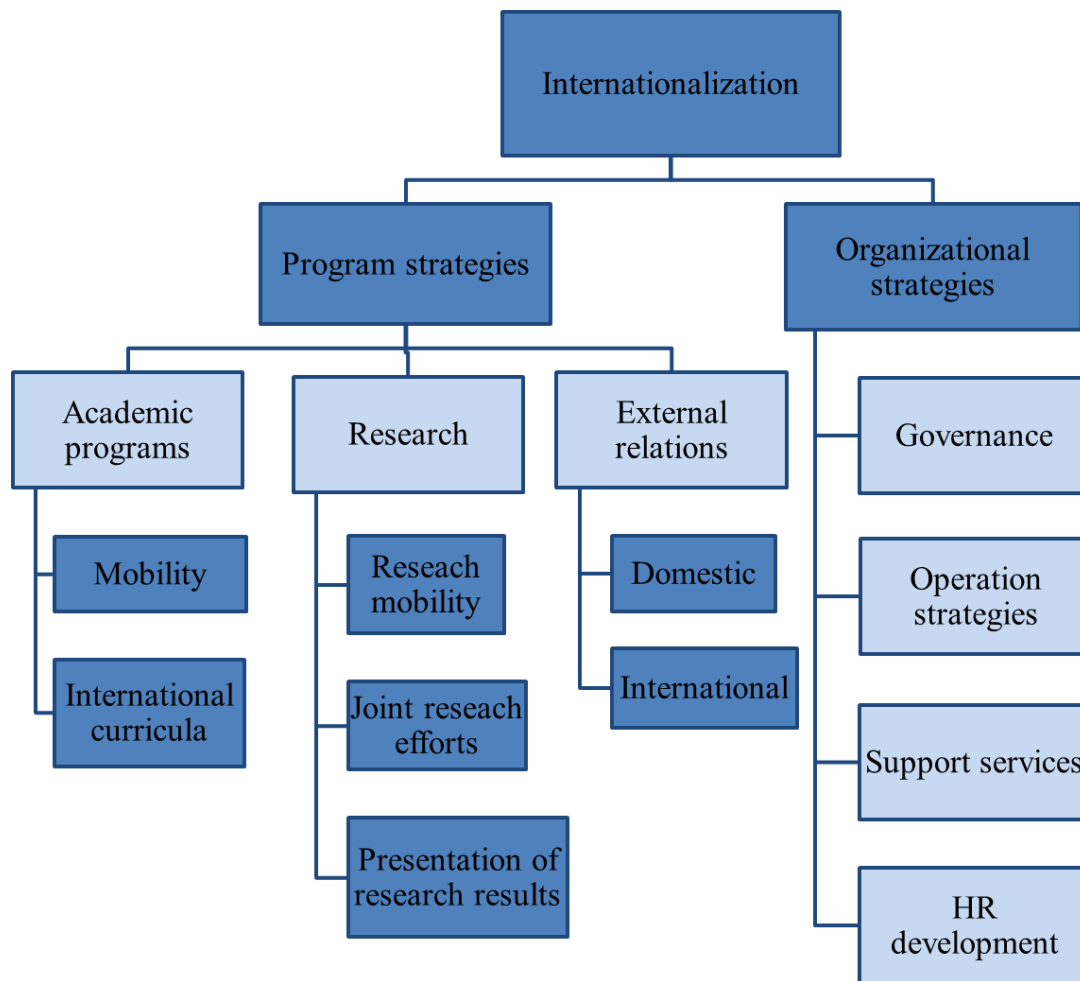


Figure 1. University internationalization strategies (Knight 1999, Söderqvist 2002)

In addition to the internationalization model by Knight (1999) in figure 1, Luostarinen and Pulkkinen (1991, 32–33) add yet another approach for HEI internationalization. They understand the internationalization of higher education as the “gradual inclusion of international dimension into - - seven components of business education”, which are: substance of teaching, faculty personnel, student body, teaching language, language studies, business research and organizational structure. More accurately, substance is internationalized through international courses and programs in the curriculum. Both faculty and students are internationalized by sending people abroad and receiving foreign students and teachers to the home institution. Language component, then again, refers to the use of foreign languages in teaching or including more languages in study requirements. Research can internationalize e.g. by joint international research efforts and organization by strengthening the role of international business faculty within the total hierarchy.

2.2.4 Summarizing the strategies

To summarize the examined strategies, university internationalization can be understood to cover three main areas: substance, people and organization. Substance includes curriculum and research, that is, the traditional services provided by the university. These academic services could be sometimes transferred across borders in the form of cross-border supply. People refer to the international mobility of students and faculty personnel. Students can travel to other countries to study degrees, which is the case in consumption abroad approach, or the educating personnel can travel abroad to provide training or other education service, which is the case in the presence of natural persons mode. Finally, the organization component includes the structural systems and policies inside the institution. In some cases, the whole organization can be transferred across national border in order for the institution to have commercial presence abroad. These main components are pictured in figure 2. (Knight 1999, 25–26; Knight 2003, 3; Söderqvist 2002, 76)

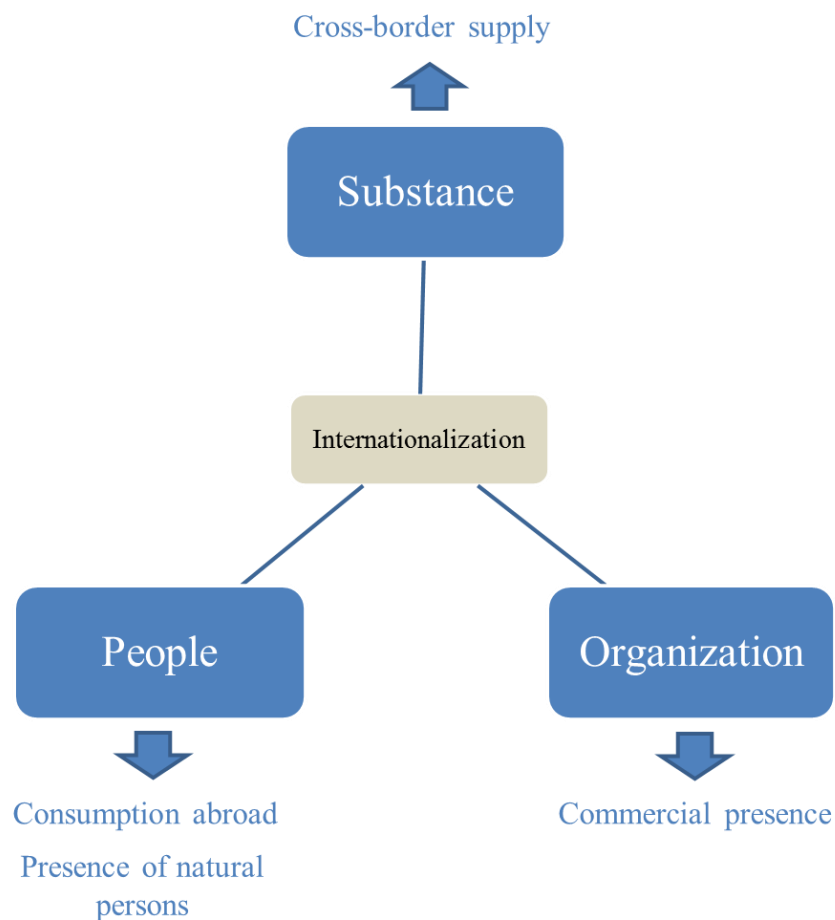


Figure 2. The main components of university internationalization

2.3 Motivating factors for internationalization and commercialization

2.3.1 *Financial incentives*

A dramatic change in funding higher education has driven educational institutions to trade and internationalize educational services. In many countries, higher education has traditionally been considered as a public good funded by the government. However, the growing number of students, the massification of the education system as well as the recent economic crises in 2008–2009 have resulted in financial pressure for the HEIs to take responsibility for the costs and thus generate higher percentages of their own revenues. (Altbach et al. 2009, 4, 12) Furthermore, state funding has been increasingly distributed on a competitive basis and depending on the output indicators (Beerkens 2002, 300), which has led to intensified competition for resources on the national level as well.

In general, there are two main models for university funding: Anglo-American model, which is based on free markets and private funding, and Scandinavian model, in which government funding is the main source of financing. Most European HEIs have traditionally been following the Scandinavian model, but as explained above, the emphasis has shifted into Anglo-American model during the last 10 to 15 years. This shift has introduced result-oriented financing to Finland as well, which indicates that the funding is based on indicators such as. number of graduates, number of completed credits, rankings or publications. (Laadukas, kansainvälinen - - 2011, 20–22) The new funding model for Finnish universities in 2013 emphasizes quality, effectiveness, profitability and internationalization (Yliopistojen rahoitus uudistuu - - 2012).

Due to the changes in funding and educational field in general, cross-border education has become a source of additional income to post-secondary educational institutions. A number of authors (e.g. Gu 2009; Altbach & Knight 2007) present the generating of economic revenue as one of the main motives for international activities of both for-profit and non-profit HEIs. The revenue usually comes from sources such as student tuition fees, income from the sales of university related products, consulting, research services and university-industry linkages (Altbach et al. 2009, 14). Out of these, the tuition fees represent the largest source of revenue. Thus, many HEIs are motivated to attract foreign students to their home or offshore campuses and often charge higher tuition fees from international students than from domestic students (OECD 2010, 317).

In Finland, tuition fees are an emerging phenomenon (Cai et al. 2012, 216). The Finnish University Act rules that higher education and the entrance exams should be

provided free for the students from the European Union (University Act 8 §). However, Finnish HEIs can charge fees from foreign students outside EU in two occasions. First, the amendments in the University Act imposed at the beginning of 2008 allowed HEIs to charge fees for degrees provided the buyer or sponsor is a third organization such as government, international organization, foundation or private community (University Act 9 §). This so called “made in order model” basically enables the sale of qualifications or degrees in Finland (Cai et al. 2012, 215), although the HEIs have not yet been keen on arranging education on charge (Juntunen 2009a, 34). Second, on a five-year trial period from February 2010, the Finnish HEIs can charge tuition fees from Master’s or postgraduate students that come outside European Union, provided that they have a scholarship system to support the international students (University Act 10 §). This trial aims at examining how tuitions affect the internationalization and quality of Finnish higher education and the mobility of students (Korkeakoulujen lukukausi- ja maksukokeilun - - 2012, 2).

Financial incentives have attracted new commercial providers in the higher education industry. Firstly, corporate universities have emerged to provide tailor-made programs mostly to address the skills shortages or the need in skills updating for business leaders and other adult students. Corporate universities rarely operate independently, but collaborate with existing, carefully selected universities and colleges. The second commercial provider, for-profit private institutions, also focuses on professional subjects and adult learners and often works in partnership with traditional universities. An example of a for-profit development in Finland is the establishment of the branch campus of the Estonian Business School in Helsinki (Tervetuloa opiskelemaan! 2013). Thirdly, media companies have emerged to collaborate with universities in the marketing, design, delivery and accreditation of academic programs. (CVCP 2000, 10–13.) All commercial providers of higher education potentially pose a threat to traditional HEIs and further press them to internationalize and compete.

2.3.2 Political rationales

Government policies can have a substantial effect on the level of internationalization and commercialization of universities. State greatly controls the flow of international students into the country with immigration and visa policies as well as regulates the foreign direct investment of international organizations. The governments can and have encouraged the publicly funded education institutions to recruit more international students or to undertake cross-border commercial activities by several means. First, the government can provide the universities and colleges incentives such as financial autonomy and the ability to control the use of private resources. It can also put effective

mechanisms in place to ensure accountability for international entrepreneurial activities of educational institutions. (OECD 2004, 14) Second, the governments can contribute to the recruitment and enrollment of international students by offering scholarships; establishing information centers and websites; enhancing cross-border partnerships; launching marketing campaigns; and adjusting the visa policies. (Koch & Green 2009, 2, 9)

Some governments have formed a national strategy or slogan for their national education in order to make the country and its education more appealing to the pool of international students. For example, the United Kingdom has launched a five-year national strategy called “Prime Minister’s Initiative for International Education”, which offers support services for the British universities. The support services include e.g. market analyses, collective marketing and support for cooperative projects. In Australia, several Ministries have come together to promote international education; thus, an organization called Australian Education International (AEI) has been established. AEI has branches all over the world and its operations include e.g. the development of international relations, quality assurance of Australian education and support of educational exporters. (Juntunen 2009a, 7–9)

As stated before, the political discussion around university internationalization and educational service trade has intensified in Finland during the past decade. The government encourages Finnish universities to internationalize for instance by basing its university funding partly on international activities. The new funding model, which took effect on 2013, emphasizes internationalization more than before. Factors such as the international student exchange accounts, Master’s and Doctoral degrees of international students, foreign teaching and research personnel and international research financing affect the level of funding. (Laadukas, kansainvälinen - - 2011, 34) Also, the legislation had moved towards more liberal system, and the state has drafted an official strategy to further develop education export in Finland. The government therefore supports and finances cooperation and networking between different partners in education sector. (Kiinnostuksesta kysynnäksi - - 2010, 5)

The birth of global markets for internationally mobile students has resulted in universities and nations competing with one another to attract these students (Zahria & Ernest 2005, 33). According to Gibbs and Maringe (2008, 32) the United Kingdom, Australia and Canada are the most oriented towards the international market. This argument is confirmed by a report by OECD (2004, 14) which states that these three countries have for example adjusted their immigration and visa requirements in order to attract more foreign students. For instance, the government of the United Kingdom has in several occasions announced an initiative to attract more foreign students by injecting millions of pounds to strengthen the United Kingdom marketing campaign, as well as

by providing scholarship schemes to international students (Binsardi & Ekwulugo 2002, 318).

2.3.3 *Academic and social rationales*

The main motivations for traditional non-profit universities to internationalize are not financial (Altbach & Knight 2007, 292). According to a study conducted by the Association of Universities and Colleges in Canada (AUCC 2007, 1) the top reason for Australian HEIs to internationalize was the enhanced reputation of being an international institution. Altbach and Knight (2007, 293) add in the same sense that the traditional and rarely profit making campus-based internationalization activities such as study-abroad programs, curriculum enrichment via international major and area studies and strengthened foreign-language instruction are essential for universities and colleges to remain competitive and prestigious in the national education market. This is further confirmed by Beerkens (2002, 301) who highlights that one of the biggest drivers for internationalization is in fact the demand of the students, teachers and future employees for international linkages, activities and experiences. Therefore, the higher education institutions have little choice but to internationalize in order to attract and retain students and academics.

In addition to enhanced reputation, international activities are seen to contribute to the development of the knowledge base and cultural awareness. First, student and program mobility facilitates the building of international networks, which are essential to access up-to-date knowledge. International partnerships also induce spillovers that can help to improve the quality of education and research of the local institution. (OECD 2004, 15) Internationalization also extends the academic horizon and improves the quality of education and research (de Wit 2010, 9). Second, the internationalizing activities add value for example in the form of enriched inter-cultural and multi-perspective learning and greater acceptance of diversity (Gibbs & Maringe 2008, 91). Knight and Wit (1995, 12) agree in stating that many universities internationalize in order to increase the international and intercultural knowledge and skills of students. To conclude, there are academic and also socio-cultural rationales for the educational institutions to internationalize.

2.3.4 *European Union and World Trade Organization*

The two important international actors effecting the developments in higher education sector are the European Union (EU) and the World Trade Organization (WTO). The EU

has had an enormous effect on the internationalization of education and research in Europe mainly through the various initiatives to harmonize the education field (Söderqvist 2002, 79; de Wit 2010, 5). WTO can have significant effect on the international trade of education by posing or removing trade regulations on educational services.

The most important initiatives related to higher education in the EU are the Magna Charta Universitatum in 1988 and the Bologna Declaration in 1999. The Magna Charta Universitatum, i.e. the Magna Charta of the European Universities, is an agreement signed by 388 rectors to reassert the values of university traditions, to encourage cooperation between European universities and to highlight the need for mobility among students and teachers as well as unification of titles and examinations (The Magna Charta Universitatum 1988; The Magna Charta Observatory - - 2012). The Bologna Declaration is a collective contract of 29 countries to reform the higher education systems in a convergent way. The objectives of the Declaration were to 1) adopt a common framework of comparable degrees; 2) introduce undergraduate and postgraduate levels in all countries; 3) create ECTS-compatible credit system; 4) create a European dimension on quality assurance; and 5) remove obstacles to the free mobility of students and staff. The main idea is to increase the international competitiveness of the European higher education system as well as gain comparability and compatibility between different countries. (The Bologna Declaration - - 2000, 3–4)

Other European initiatives affecting the internationalization of higher education are e.g. the European Community Action Scheme for the Mobility of University Students (Erasmus) program and the more recent Erasmus Mundus program (see e.g. Söderqvist 2002, 82). Erasmus, which was started in 1987, enhances the international mobility of students and teachers as well as provides networking opportunities for universities and businesses. Around three million students have participated in the Erasmus student exchange since the beginning of the program; a number which increases with more than 230,000 students every year. Since 2007, Erasmus became part of European Union's Lifelong Learning Programme and now also covers areas of company internships, university staff training and teaching for business personnel. (The Erasmus Programme - - 2012) Erasmus Mundus, which was established in 2004, is a mobility and cooperation program, which targets at enhancing the quality of tertiary education in Europe and promoting understanding between cultures. The program provides support to HEIs by e.g. helping them implement postgraduate joint programs or inter-institutional cooperative partnerships with foreign universities. Erasmus Mundus provides funding to students, researchers or university staff, who want to spend time abroad via one of the joint programs or university partnerships. (About Erasmus Mundus 2009–2013)

WTO is another important international actor effecting the developments in higher education sector. It included educational services in its framework of trade in services in the mid-1990s and is currently considering a number of proposals to make the trade in education subject to its protocols (Gibbs & Maringe 2008, 32). The definition of the services covered by the WTO's General Agreement of Trade in Services (GATS) include all services which are partly or wholly financed and administered by the private sector and which have commercial purposes. Thus, the compulsory education sector, which is often regarded as a public sector activity financed by the state, falls out of the scope of GATS, whereas the higher education sector often meets the criteria. Few tertiary educational systems today are fully financed by the state and without any commercial activities. For example, any educational institution, public or private, requiring payment of fees falls in the category of private commercial activity. (Robertson, Bonald & Dale 2002, 483)

Considerable uncertainty still remains about the coverage and implications of the GATS in the education sector (Knight 2003, 2). However, being subject to WTO regulations, many of the current barriers for trade in education would most likely be removed, which would in turn further expand and internationalize the higher education market. According to Robertson et al. (2002, 487) some of the current barriers restricting cross-border education are: visas and immigration policies; unequal access to resources within the country of study; limitation of foreign direct investment; national requirements about setting up an institution and restrictions on foreign teachers. Consequently, including education in the GATS trade agreements has aroused major controversy in the global higher education field (Gibbs & Maringe 2008, 15). Currently, education remains one of the sectors where the WTO members have deliberately delayed scheduling liberalization commitments despite the pressure from organizations such as the OECD. This is mainly because few of the member states are at present keen on guaranteeing the right of access, operation and degree-granting of foreign service providers in their education sector; not to mention the foreign institutions then being eligible for government grants for their operations. Also, the removal of trade barriers would enable the private sector to undermine public provision of education through challenging the government monopolies. (Robertson et al. 2002, 488)

3 EDUCATION AS A PRODUCT

3.1 Features of knowledge

Education is based on the transfer of knowledge. Knowledge can be categorized in many ways: whether it is personal, shared or public or whether it is explicit or tacit. Knowledge can also be classified by type, the case in which factual, procedural, systemic and judgmental knowledge exist. From the commercialization perspective, the most important dimensions are the accessibility and the primary holders of the knowledge. Explicit knowledge is residing mostly in databases and documents, whereas tacit knowledge resides in people's heads. Between these two extremes, a wide spectrum on different knowledge exists. (Skyrme 2001, 134–136)

Knowledge transactions differ from the trade of traditional products and services due to the fact that those who give or sell knowledge do not lose it, whereas selling goods or services results in the loss of materials or work time. Thus, those who offer academic knowledge do not lose the actual knowledge but only its exclusiveness. (Teichler 2004, 12) As the human capacity to create knowledge is unlimited, the knowledge economy basically offers infinite resources: contrary to physical resources, knowledge grows when shared. (Zahria & Ernest 2005, 36) Another typicality of knowledge transfer is that international cooperation and communication has usually transmitted knowledge vertically. In other words, the knowledge has transferred from places with special or higher level of knowledge to places with lower level of knowledge or with gaps in certain information areas. (Teichler 2004, 12)

The process of knowledge distribution and access has changed dramatically over the past decades due to developments in information technology. Before, the typical model for distributing and accessing knowledge was the one via producers: knowledge creators used producers such as publishers to offer their products to users, who then acquired knowledge by purchasing knowledge products or by using social gateway such as libraries. Today, the typical business model has changed due to the increasing use of computers and internet. The formal knowledge distribution channels have lost their prior significance as knowledge users can get access to knowledge directly through the internet. Also, the need for publishers has decreased as almost any knowledge creator can be a producer as well in the web. Internet has not made the producers completely redundant, however, but has rather created new opportunities and challenges for the knowledge sector. (Chowdhury 2010, 936–937)

Universities are one of the most important producers of knowledge. When talking about managerial knowledge commodification, Suddaby and Greenwood (2001, 936–937) explain that the traditional role of business schools in producing managerial

knowledge is to test, validate and refine the existing knowledge. They see that knowledge has a life cycle: new knowledge emerges on the field, is refined by the academics, legitimated by gurus and commodified by consultants (Suddaby & Greenwood 2001, 940–941). The traditional life cycle is changing, however. Today, the knowledge-based society and economy possess new challenges for universities as creation or acquisition of knowledge assumes increasing importance. The challenges include e.g. increasingly unstable environment, emergence of new social expectations and de-localization of knowledge production and distribution. (Zahria & Ernest 2005, 31) Universities are no longer the only contributors to producing knowledge as private firms, government laboratories and research institutions are more active in generating scientific knowledge. Also, the institutions themselves are increasingly acting like commercial enterprises and taking initiatives to convert knowledge into salable products. (Bleiklie & Powell 2005, 1–3)

In order to transfer or commodify knowledge, it needs to be managed. In their research about consulting and computer and health care providers, Hansen, Nohria and Tierney (1999, 107–109) concluded that knowledge can be basically managed in two different ways: codification or personalization. Codification strategy refers to the use of information technology in capturing and disseminating knowledge. Here, knowledge is first codified and then stored in computer databases, where the knowledge objects are accessible to all employees. In personalization strategy, knowledge is tied to a person and shared mainly in dialogues between individuals. The role of IT is in sharing knowledge, not restoring it. For the strategies to work, codification requires investments in information technology while personalization is more dependable of networks.

3.2 Knowledge services and products

3.2.1 Characteristics of services

In its simplest, service is an activity or performance that can be offered to another (Kotler & Keller 2009, 386). Grönroos (2007, 52) describes service in more detail as

- - a process consisting of a series of more or less intangible activities that normally, but not necessary always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.

The definition includes two important characteristics of services, i.e. that services are processes, which consist of activities, and that services are based on interactions rather than exchanges. Grönroos (2007, 54) emphasizes the process nature of services by explaining that service processes consist of series of activities where resources such as people, goods, information and infrastructure are used. Service process and consumption cannot be separated: the consumption of the service takes place already in the process.

In addition to interactive process nature, Grönroos (2007, 53) identifies two other basic characteristics: intangibility and inseparability. Intangibility means that services cannot be touched or seen and are experienced only as they are delivered. Thus, services are usually produced and consumed at the same time; a factor that makes quality control more difficult. Inseparability refers to the fact that customers cannot usually be separated from the service delivery process and service production often requires the presence and the participation of customers. Also, many service definitions imply that service activity does not include any transfer of ownership (see e.g. Payne 1993, 6).

According to Erramilli and Rao (1990, 140) there are two types of services: *soft services*, in which production and consumption are difficult to decouple, and *hard services*, in which production and consumption can be separated. In its traditional form, education is a soft service, although new educational services such as e-learning can be classified as hard services. Other similar way to classify services is the division into *high-touch* and *high-tech services* (see e.g. Järvinen, Lehtinen & Vuorinen 2003, 776-788; Grönroos 2007, 57). High-touch services refer to “traditional” services that have a high level of human interaction and that depend on people in the service process, whereas high-tech services depend on automated systems and information technology. Technology has emerged as a significant element of a service due to the introduction of mass customization and standardization in services. (Grönroos 2007, 57)

The content of a service consist of three value-adding components: core product, supplementary services and delivery process. Core product or service is the essential component that supplies the central benefits customers seek. Supplementary services, then again, augment the core product by enhancing its value and facilitating its use. With supplementary services, the firm can differentiate its services from competitors as well as give more options for customers. Last, delivery process refers to the processes used to deliver the core product and supplementary services. The nature of the process can vary depending on whether the service comprises people processing (e.g. passenger transport), possession processing (e.g. repair and maintenance), mental stimulus processing (e.g. education) or information processing (e.g. insurance services). (Lovelock & Wirtz 2007, 34; 70–71)

The core and supplementary elements of a service can be combined into a differentiated service package (Jaakkola, Ojala & Varjonen 2007, 11). According to

Sipilä (1996, 64) service package can refer to the product formed from the core and supplementary services or be used as a synonym for a service that has many components. In relation to higher education trade, Juntunen (2009a, 3) discusses about educational solutions, which are combinations of educational services and products. Service package or solution should be planned and built around the core service in a way that the customer has positive experiences throughout the whole service process (Lehtinen & Niinimäki 2005, 39).

Understanding the service components and process is central to productizing. Process descriptions can help in defining the content of the product and examining who participates in the production process (Lehtinen & Niinimäki 2005, 41). The idea in process description is to define all stages needed in producing the service as accurately as possible. The service process can be represented as a simple model, which states all the participators, time, place, resources and critical phases of the process stages as well as all the parts that a customer or third party is present. The model is useful in planning and scheduling service operations and evaluating the costs per service. (Jaakkola et al. 2007, 15–16)

3.2.2 *Productizing services*

Knowledge can, in general, be sold in an ad hoc way, such as consulting or offering expertise, or packed in products and services. The process of packaging knowledge products or services is called *productizing*. (Skyrme 2001, 133) Productizing can be described as the development of services into service processes or solutions that are offered to customers as such or as customized to customers' needs (Sipilä 1996, 12). Productization process aims at creating a more tangible offering that is easier for customers to understand; thus, the services are easier to sell and market to customers (Lehtinen & Niinimäki 2005, 30–31). Although product-like features are often added to service offering (Skyrme 2001, 134), productizing does not mean the service is transformed completely into a product. The idea is to better understand the service and modify the service so that customer value is maximized and the profit targets of the organization are met (Lehtinen & Niinimäki 2005, 31).

Productization can be internal or external and occur on different levels as illustrated in figure 3 (Sipilä 1996, 13). Internal productizing is often the first stage or step in the productizing process. It means the systematization and documentation of the processes needed in producing the services in order to improve operative efficiency. Internal processes, such as working practices and databases, are invisible to the customers, but central to the business of the firm. The next stage already involves some level of external productizing. External productization means the concretization and

improvement of the visible service processes that take place in the customer interface. (Sipilä 1996, 47–48; Lehtinen & Niinimäki 2005, 43–44) In this stage of productization, customer is offered support services and products, such as computer software, that enhance the service. At the third level, the structures, processes and support services have been productized. The service is developed to a standardized concept that can be both efficiently produced and customized according to customer needs. At the fourth level of productization, the service resembles a product: it can be reproduced and delivered through distribution channel. (Sipilä 1996, 12–13)

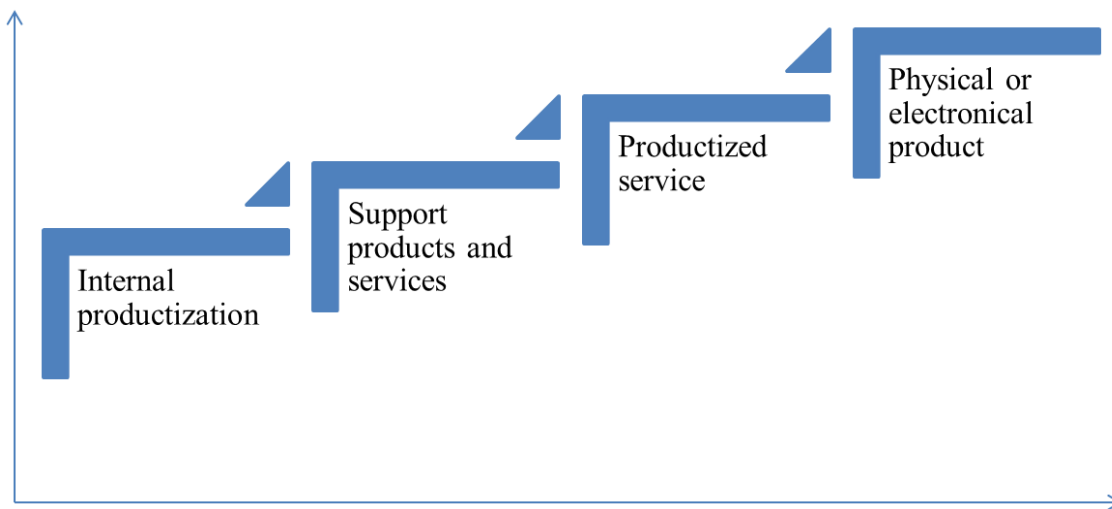


Figure 3. Stages of productization (Sipilä 1996, 13)

The level of productization is a strategic choice. The number of standardized components depends on the firm strategy, the nature of the service and the skills of the personnel. (Sipilä 1996, 14) Basically, the firm can choose somewhere between highly customized, non-productized service and completely standardized, productized service, but in a way that maximizes customer value (Jaakkola et al. 2007, 19). According to Ulrich and Hoffenberd (2012) the core attributes of a highly productized service include for instance:

- well defined service offering with supporting marketing material
- clearly defined delivery and sales process, tasks, roles and pricing structure
- standardized delivery methods and tools
- supportive service delivery tools
- embedded quality control and project management
- Feedback process and continuous improvement

How to productize knowledge depends on the form of the knowledge: whether it resides in people or objects and whether it is tacit or explicit (Hansen et al. 1999, 107; Skyrme 2001, 135). For instance, people-based knowledge can be sold as experts,

consultancy contracting or knowledge services depending on the accessibility of the knowledge. People-based knowledge can be converted into object-based knowledge by codifying and packing it into better-understood formats such as journal articles, patents, books, computer software or designs. This object-based knowledge that can be sold as information products, knowledge enriched products or “smart” products depending if the knowledge is explicit or embedded into the product. Many knowledge services or products are not solely people- or object-based, but hybrids that contain many types of knowledge objects. For example, e-learning is a hybrid knowledge product that combines the techniques of internet and distance learning. (Skyrme 2001, 135–151)

There are multiple explanations on the reasons behind the current trend of service productization. Sipilä (2003, 466) sees productization as a necessity for services to survive under economic pressures. According to Ulrich and Hoffenberd (2012) the three major forces driving service firms towards productization are global competition, rapidly changing technology environment and increasing demand of customers. Globalization and competition exert price pressure and need for customization while technology creates both complexity and new opportunities for delivering services. Customers are also more demanding and require clearly defined service descriptions, delivery processes and costs. For Finnish universities, careful productization of their educational know-how is seen essential for the success in the international markets, but much help is still needed in funding and personnel know-how about productizing (Kinnostuksesta kysynnäksi - - 2010, 14).

3.3 Educational services and products

Concluding the theoretical discussion above, educational know-how of universities can basically be sold as an ad hoc service or packed in services or products. Education is a soft service by nature with a predominant tacit element: intangible knowledge is basically transferred from the provider such as university professor to a customer, who is usually a student. However, productizing can be used to transfer tacit knowledge into more explicit form. For instance, by using codification strategy (see Nohria & Tierney 1999, 107–109), educational knowledge can be stored in books, journals or databases, which can be used by multiple students at the same time.

Education was first considered as a tradable service somewhere in the 1980s and 1990s when international education emerged as a profitable service industry to some countries (Cai et al. 2012, 219). Full cost tuition fees in universities were first introduced in the United Kingdom in the beginning of 1980s when the government removed all public subsidies for students outside EU (Williams 1997, 275). Similar changes took place in Australia in 1986 (Adams 2007, 411) and in New Zealand in

1989 (Export Education in New Zealand - - 2001, 24). Following these countries, first the United States and Canada, and later France, Germany, The Netherlands and Spain have started to move towards commercial approach. Even Denmark and Sweden have started to charge fees from foreign students, the former since 2006 and the latter since 2011. (Cai et al. 2012, 220–221) All in all, most of the discussion about education export is done related to the selling of international degrees.

While the discussion about educational services has been quite extensive, there are relatively limited amount of studies about educational products. In their report, Altbach et al. (2009, 14) mention tuition fees, university related products, consulting, research services and university-industry linkages as a possible source of revenues for universities. However, in Finnish discussion, some classification of educational products and services can be found. Juntunen (2009a, 3–4; 2009c) divides educational services into several different areas of business:

- International consultation on education
- Consultation services in the areas of learning and learning environments
- Continuing training
- Degrees
- Personnel training for internationalized companies
- Training for the customers of companies
- Modern learning environments and e-learning
- Educational games
- Social media
- Wireless educational services and solutions
- Textbooks and teaching materials
- Seminars and conferences
- Education research
- The development of concepts
- School operations
- Institutional infrastructure

The services or products, which an educational institution can provide to export, could be categorized in one or a few of these areas of business (Juntunen 2009a, 4). Figure 4 summarizes these business areas and illustrates the differentiation between services and products. The classification is not straightforward: while degrees, training, consultation, research and seminars are classified as service-based in this study, they can include product elements or can be transformed into more tradable form with productizing. In the same sense, education technologies can include numerous service elements, but virtual makes them more easily transferrable across national borders.

School operations and solutions are not classified either in services or products as they nearly always include elements from both sides. The challenge for Finnish HEIs is to find the business areas where they can compete efficiently.

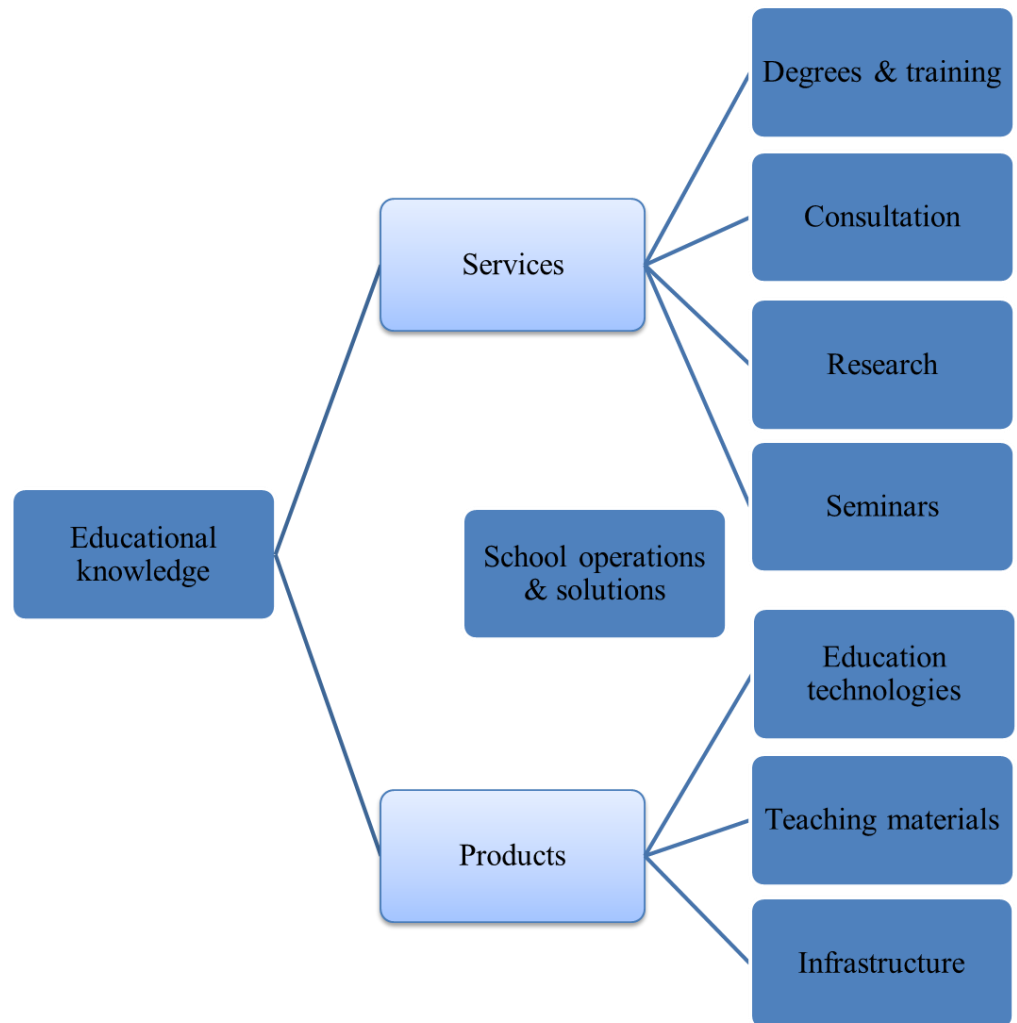


Figure 4. Areas of business for educational services and products (based on Juntunen 2009a, 3–4)

Out of the areas of business in figure 4, *degrees* and *training* are probably the most traditional and also the most profitable form of educational services. Although universities in Finland can currently sell Master's or postgraduate degrees for students outside EU and made-in-order education financed and ordered by a third organization, they cannot yet fully tap into the international student market for various reasons. As discussed before, most degrees in Finnish universities should still be offered free of charge, and in case financial compensation is required, scholarships must be available for students (University Act 10 §). Also, Cai, Hölttä and Kivistö (2012, 216) suggest that the geographical isolation, high living expenses, climate and difficult language may

prove to be a challenge in promoting Finnish higher education internationally. In addition to these, English speaking countries still serve as a primary destination for international students (Altbach et al. 2009, 8). Not only are the most prestigious universities located in English speaking countries, but they also market their higher education more fiercely (see e.g. Gibbs & Maringe 2008, 32; Binsardi & Ekwulugo 2002, 318) They are also favored by international rankings and thus attract a large student pool. (Altbach et al. 2009, 11–12)

Degrees aside, different training can be offered e.g. for international public customers, such as foreign educational authorities, or for companies' personnel or customers. For instance, Finland has engaged in providing continuing training for educational authorities in Portugal and Abu Dhabi. Training can be offered in Finland, abroad or via virtual learning environment. (Juntunen 2009a, 29–36)

Second, *consultation* can involve either large development projects for international education sector that are based on competitive bidding or consultation services productized by institutions or companies directly for export (Juntunen 2009c). “Follow money” -type of projects are usually financed by international organizations or governments, who are looking for a company or consortium to manage the development project. The key services are consultation and product management often on areas such as teacher training, curriculum planning and evaluation practices. As references and experience from relevant projects are vital in the competitive bidding process, a new institution can join projects e.g. by offering experts or acting as a partner. (Juntunen 2009a, 27–29)

Third, institutions can engage in *research services* and arranging *seminars* and *conferences* abroad. Research in the area of education is seen as a potential business area in Finland, although the number of research business projects is still small. Research may not be the most profitable form of business, but it could contribute to the formation of new international networks and partnerships as well as enhance the credibility of Finnish education export. Seminars and conferences can be business per se or they can be used to market educational services and products abroad. (Juntunen 2009a, 42–43)

Forth, *education technologies* include here modern learning environments, e-learning, educational games, social media and wireless solutions. In Finland, there are already some companies, such as SANAKO and Discendum, that provide modern learning environments for international markets. The core technological product often includes supplementary services such as consultation, education or customization. Universities could provide these supplementary services together with companies or create content for e-learning products or services. (Juntunen 2009a, 36-40) Virtual education appears a flexible and cost-efficient way of providing educational services. Once the academic material is produced it is be quite easy to transfer it electronically to

the students. After investing once in e-learning technology the education institutions can quickly expand their virtual student numbers; thus, spreading the costs. (Naidoo & Jamieson 2005, 43)

Fifth, *teaching materials* and contents are quite straightforward educational products. According to Juntunen (2009a, 41) especially digital content in English could prove to be a key factor in exporting educational know-how from Finland. *Infrastructure* refers to physical learning environments such as playground and school furnishing, which can also be considered as part of education export. Last, *school operations* and solutions are bigger projects, which often include the development of the whole school system abroad. Some internationally recognized concepts for export are e.g. the Finnish elementary and secondary schools. (Juntunen 2009a, 41)

One important aspect to consider in relation to educational services and products is the language of these services. According to de Wit (2011, 6), English language has been a dominant medium of communication in research for a long period of time, but now it has shifted to teaching and curriculums as well. The tendency over the past few decades in higher education has been to teach in English instead of teaching in one's native language. Although there are some negative effects as well, such as a possible decline in the quality of education and decreasing focus on other foreign languages (de Wit 2011, 6), the diffusion of English language makes markets for educational services and products more extensive. Offering services and products in English requires strong language capabilities from the producing HEI or firm, but it is a prerequisite for reaching international markets.

4 RESEARCH DESIGN

4.1 Research approach

Methodology is defined as “a general approach to studying research topics” (Silverman 2000, 77). The two main research approaches are qualitative and quantitative research. Qualitative research is a group of different research practices that are interpretative and practiced in natural settings (Denzin & Lincoln 2005, 3). Qualitative methodology can be described as subjective, soft, flexible and speculative and it is often influenced by the researcher’s subjective values. Quantitative research, then again, can be described as a hard and abstract method that reports reality objectively rather than subjectively. It often seeks to test hypotheses and calculate relationships between two or more variables, while qualitative research tries to provide a deeper understanding of the phenomenon under study. (Silverman 2000, 2–8) Qualitative approach is particularly suitable in case the researcher is interested in the structures, semantics or causal relationships of certain events (Metsämuuronen 2008, 14); one of the reasons why qualitative study was selected as a methodology in this theses.

The choice between different research methods depends on the objectives (Hirsjärvi, Remes & Sajavaara 2002, 120) and the research question of the study (Silverman 2000, 12). The research question of this study is: *What are the key factors in transforming university internationalization into commercial activity in Finnish higher education context?* Thus, this study aims at discovering why and how internationalization in university is transforming into marketing-oriented activities such as trading educational services. For this objective, a qualitative case study method was selected as the method in order to answer “what” and “how” questions. Case study strategy was also chosen due to its flexibility and possibility for a deeper analysis on the subject. Case study is a diverse method that enables accurate understanding of the phenomenon through personal interviews, observation and verbal and written reports (Ghauri 2004, 109). Also, case study method is the most appropriate when empirical study of the topic is limited or lacking, the focus is on contemporary issues (Eriksson & Koistinen 2005, 5) and the boundaries between context and phenomenon are not completely evident (Yin 2003, 1), which is the case in this topic.

A *method* is a particular research technique such as observation, textual analysis, interviewing and statistical correlations (Silverman 2000, 79; 89). This study chose interviewing and document analysis to generate and examine data. Interviewing was selected because its flexibility and the possibility to get deeper knowledge through additional questions and reasoning. Document and textual analysis was used to examine additional data of reports, articles and web pages. Using multiple methods for data

collection is called triangulation. Triangulation means “the process of using multiple perceptions to refine and clarify the findings of your study” and includes triangulation of methods, methodologies, data, theories or researchers. (Eriksson & Kovalainen 2008, 292–293) Triangulation of methods was seen crucial in this research as the topic is lacking previous empirical studies and the interviews did not provide enough empirical data for the topic.

Last, the two basic methods to draw conclusions and to bring forward research knowledge are deduction and induction. *Deduction* uses theory as the first source of knowledge, and the research proceeds linearly from theory to empirical analysis. On the contrary, *induction* uses empirical data to build theory. Inductive research proceeds from empirical research to theoretical outcomes. (Eriksson & Kovalainen 2008, 21–22) This thesis draws mostly from deduction as theory was used to systemize empirical data. For instance, the interview outline was mainly formed deductively on the basis of theory. However, the study has inductive elements as well: one expert interview was used to strengthen the theory part of the study and some themes were drawn inductively from the empirical data.

4.2 Case selection

The ultimate purpose in case study research is to define, analyze and solve one or more cases. A case under research can basically be anything from a company or its management to a more abstract unit such as quality or satisfaction (Eriksson & Koistinen 2005, 4–5). According to Stake (1995, 4) a case is a system, such as an individual, group or program, that can be clearly separated from other contexts. A case can also be a phenomenon or a process, such as development project or change processes (Eriksson & Koistinen 2005, 6). This study is based on one case university, and more accurately, on its motivations and activities in internationalization and commercialization. As the goal of the study is to examine the phenomenon in general on the institutional level, more detailed limitations to the case are not necessary.

The selection and justification of cases is not obvious or irrelevant (Eriksson & Koistinen 2005, 4; Seawright & Gerring 2008, 294). Stake (1995, 4–7) suggests two important criteria for case selection. First, the case should be selected so that learning is maximized. As case study is not a sampling research, selecting the most typical or representing cases is not a priority. The researcher should rather choose a case that leads him to understandings and assertions. Second, due to limited time and access for fieldwork, the cases should be easy to get to and hospitable to inquiry. Prospective informants should be able to be identified and the actors willing to comment and give interviews. The ultimate reasons for choosing the University of Turku as a case for this

study were that, first, the case was easy to get to and there was a possibility to further amplify the interview material after the interviews, and second, the case could contribute to the learning of decision makers in the university. Preliminary research proved that University of Turku already had some education export activities; thus, using it as a case was meaningful.

Stake (1995, 3–4) divides cases to three types: intrinsic, instrumental and collective case studies. In intrinsic case study the aim is not to learn about some general problem, but to understand one particular case in detail. On the contrary, instrumental case study seeks to study one case in order to make generalizations or develop theory about certain theme. Third, collective case study seeks coordination between several cases to better understand a general problem. (Stake 1995, 3–4; Eriksson & Koistinen 2005, 9–10) This study is not purely intrinsic or instrumental, but focuses on proving an insight into one case, which can then be used to understand the context of the phenomenon in general. This study is intrinsic in the sense that it is interested in learning about one particular university and its motivations and possibilities in education export. However, as the universities in Finland are quite similar and under the same legislation and funding it is possible to generalize the results at a certain level. Rather than intrinsic or instrumental case, this study is mainly illustrative in its nature, which means that it seeks to describe the main characteristics of a real world example to clarify the idea of educational service trade in the context of universities (Yin 2003, 15).

4.3 Data collection

Empirical data used in research can be either primary or secondary data. Primary data is collected by the researchers themselves through e.g. interviews or observing, while secondary data is already existing somewhere in the form of texts or visual material. (Eriksson & Kovalainen 2008, 77–78) Case study typically collects data from multiple sources: interviews, documents, direct or participant-observation, statistics, archival records and physical artifacts, which is a unique strength for conducting a case study (Yin 2003, 84; Eriksson & Koistinen 2005, 27). This study drew empirical data from both primary and secondary sources. The primary data was collected through four face-to-face interviews. Reports, articles and electronic materials such as university internet pages were used as secondary source to complement the interviews. Combining the primary and secondary data, rather than relying only on personal interviews, enabled a more profound examination of the research question. Also, according to Yin (2003, 85–86) documentary information, such as announcements, administrative documents, formal studies or articles appearing in mass media, are likely to be relevant to every case study topic.

Qualitative interviews can be of different type: structured, semi-structured or unstructured. Structured interviews are standardized and provide little flexibility in wording or order of questions. However, they are efficient in collecting facts as well as enable comparison between several participants. Semi-structured or theme interviews outline topics and themes but provide freedom to vary the content in each interview. The advantage is that materials are comprehensive while the tone of the interview is informal. Last, unstructured interviews are quite open and informal. The interviewer can move the conversation in directions that are interesting, although usually some guiding questions and concepts should be followed. (Eriksson & Kovalainen 2008, 80-83) In addition to different structures, interviews can also be conducted differently: one-to-one or group interview, face-to-face interview, phone interview or using interview forms (Fontana & Frey 2005, 698). The interviews conducted in this research were semi-structured individual interviews. This type of interview enabled the systematic covering of the topic while the interviewees could talk quite freely on the topics of their expertise. The interview questions were drawn mostly from theory, but some themes also arose from the secondary data collected during the research process. Interview questions were semi-open and they were complemented by additional, more specific questions to fully cover the topics (see Appendix 1 for the interview outline). Probing the respondents with additional questions improves the quality and depth of the information (Hirsjärvi et al. 2002, 192).

The data collection process started by identifying the respondents with proper knowledge of UTU internationalization and export education. Primary data was collected from two types of respondents: management level respondents from University of Turku to represent the case and an expert in education export field to provide deeper insight into the topic. Six respondents were recognized and contacted, out of which four agreed on interview. The first two interviews with Tapio Reponen, Vice Rector of UTU, and Irinja Paakkanen, Head of International Affairs of UTU, were conducted in October and November 2012. Two other interviews with Kalervo Väänänen, Rector of UTU, and Timo Juntunen, Head of Education Export in JAMK University of Applied Sciences, were conducted in May 2013. The first two interviews and the examination of current literature revealed the lack of theory in educational product field. Thus, a need for an expert interview on the topic of export education was acknowledged. The data collection process was long, but it enabled the inclusion of newly emerged secondary data to the empirical material as well.

Before the actual interviews, the interviewees were sent a guiding interview outline of the issues and questions so that they could familiarize themselves to the questions beforehand. The interviews were conducted face-to-face in order to get deeper knowledge through flexible discussion. Three interviews took place in the interviewees' offices, while one interview was conducted in a calm cafeteria. All of the interviews

were without disturbances and took from about 45 minutes to 60 minutes, which was found to be enough time to cover all relevant issues. A tape recorder was used in all interviews.

Secondary data was collected throughout the study: before the interviews to form additional questions and in between and after the interviews to complement primary data. Systematic approach to collecting secondary data proved important to fill in details in the case. First, data from internationalization and commercialization activities of UTU was collected from the web pages of the university (www.utu.fi). University's strategy reports (Strategia 2010–2012; Strategia 2013–2016) were also used to examine the role of internationalization and commercialization in the vision and strategy of UTU. Second, a final report from a study conducted by the Brahea Centre for Training and Development in 2012 (Koulutuksen viennin selvittämishanke - - 2012) provided insight about the latest developments in educational export field in higher education institutions in Turku. This study was a co-project by UTU, Åbo Akademi University and Turku University of Applied Sciences to examine the possibilities and interest of these institutions in export education. Third, two online articles by Hyytiäinen (2013) and Mainialalehti (Turun kaupunki: Suomen suurin koulutusvientikonsortio - - 2013) about UTU export education cooperation were analyzed as well. Finally, the web pages of the education export collaboration FinnWayLearning (FinnWayLearnign 2013) were examined to find out the role on UTU in the consortium.

4.4 Data analysis

The aim of data analysis in this study is to simplify and generate new knowledge about the process of developing university internationalization into export education activities in the Finnish context. Data analysis should be a systematic process, which combines analysis and synthesis: collected data is first broken into parts, which are classified and combined, and then the classes are interpreted and compared into theoretical frame (Hirsjärvi & Hurme 2010, 144). The analysis of research data is often the most difficult part of doing case study research since there are no clear analyzing techniques for the method (Yin 2003, 109; Hirsjärvi & Hurme 2010, 136). Eriksson and Koistinen (2005, 30) emphasize, however, that the analysis method depends on the research approach and question of the study. The most common techniques for case study are coding, clustering and thematizing (Eriksson & Koistinen 2005, 30), but also other methods such as chronologies, matrices, pattern matching and explanation building can be used (Yin 2003, 109; Ghauri 2004, 118).

In qualitative research, data collection and analysis often occur, at least partly, at the same time (Metsämuuroinen 2008, 48; Ghauri 2004, 117). The analysis of the data in

this study started already in the data collection phase as the collected secondary data led to reformulation of some of the interview questions. Also, some occurrences started to emerge already in the data collection phase, which then again directed the author to finding more data of the specific topics. However, the systematic data analysis begun after the interviews by transcribing the data from the interview tapes and combining it with already collected secondary data. At this point all the data was in a written form that could be further analyzed with textual analysis. A case study database (see Yin 2003, 101) was created including all empirical material: transcriptions, collected documents, links to web pages and notes about the data.

In the next stage of analysis, the data was scrutinized and re-organized. Analysis was done based on coding, which means that data is sorted according to concepts and themes; a technique sometimes called as thematizing or categorization (Ghauri 2004, 118–119). One important reason for choosing thematizing is that by organizing the data in themes, the comparison of information between the respondents was made easier. The main themes were formed on the basis of theoretical framework and the sub-questions of the research. The sub-problems in this thesis are: (1) how can a university internationalize; (2) what are the motivational factors behind university internationalization and commercialization; (3) how can higher education be developed into export services or products? Following these, the broader themes formed for analysis were: internationalization activities; drivers and motivations and; education export activities. These themes were then further categorized into sub-themes using the help of literature review. To help the analysis, all primary and secondary data was organized in a chart according to the themes (see Appendix 2).

Theming the data in different categories is not yet the final goal of the analysis, but rather an interphase in building the analysis (Hirsjärvi & Hurme 2010, 149). After the data was organized in themes, the analysis continued in comparing different parts of data and finding similarities and abnormalities between data sources. Considered that the purpose of the study is *to find the key factors in transforming university internationalization into commercial activity in the Finnish context*, the analysis concentrated on finding patterns that would explain the phenomenon in Finnish universities. A technique called explanation building (see Yin 2003, 120; Eriksson & Koistinen 2005, 32–33) was used to find a clarification about phenomenon.

4.5 Trustworthiness of the study

The purpose of research evaluation is to assure the readers about the scientific nature and quality of the study as well as prove the researcher's conviction to the results. The measurement and proving of the trustworthiness is not as easy in qualitative research as

it is in quantitative research. First, as qualitative research usually contains a great deal of subjectivity, it is important to consider the whole research process in the study evaluation phase. Second, the data analysis and reliability measurement are not very easily separated, which makes the proving of trustworthiness more difficult. (Eriksson & Kovalainen 2008, 290)

The choice of evaluation criteria should be compatible with the methodology and assumptions of the study (Eriksson & Kovalainen 2008, 290). Today, the two traditional evaluation criteria, reliability and validity, are not considered the best measures for estimating trustworthiness in qualitative research, mainly because they have been originally developed for quantitative research (Tuomi & Sarajärvi 2009, 137). According to Lincoln and Guba (1985) the trustworthiness of qualitative research can be better assessed with four criteria of credibility, transferability, dependability and conformability. These four criteria are next used to evaluate the trustworthiness of this study.

Credibility refers to the internal validity of the research: how well the constructions of the research are similar to the constructions in real world (Lincoln & Guba 1985, 296). This can be understood as the “truth value” of the research (Tynjälä 1991, 390). Credibility can be achieved by certain activities that increase the probability of credible findings, which are prolonged engagement, persistent observation, triangulation, peer debriefing, referential adequacy and member checks (Lincoln & Guba 1985, 296–316). In this thesis, the researcher provided scope to the study by familiarizing herself in the subject long before conducting the research. This was done e.g. by conducting a pre-study about UTU before the actual thesis project. As the researcher studies in the case university, the context is also quite well-known. This type of prolonged engagement facilitates correct interpretation of the data. Moreover, triangulation of sources and referential adequacy were used to increase the credibility of results. First, both primary and secondary data was used and compared to provide more reliable and diverse empirical material. This was especially important as the interview material alone might have not been sufficient enough to study all aspects of the phenomenon. Further interviews could have strengthened the credibility of the research. Referential adequacy was conferred by recording the interviews to provide deeper understanding at the analyzing stage. Due to the limitations in getting in contact with the interviewees, member check was not possible in this research.

Transferability indicates the extent to which the results are applicable in other contexts or with other respondents (Lincoln & Guba 1985, 290). In other words, there should be some similarity between this study and previous results (Eriksson & Kovalainen 2008, 294). On one hand, the transferability of this research is increased by describing the research setting, case and data accurately so that the reader well understands the context. The interviewees identified are focused on the issue and a

background check confirmed they have appropriate knowledge about the topic under research. Case selection was purposive in the way that not the most advanced, nor the most underdeveloped, university in the area of export education was selected. Due to the similar environment and context for higher education, the results could be applicable with other respondents or institutions in Finland. On the other hand, the results are not necessary directly applicable to universities outside Finland as this is a single case study on a Finnish university, not multiple case study of several universities. More cases or a cross-case analysis is needed in order to make generalizations.

Dependability is the third criteria for qualitative research evaluation. It is concerned with providing evidence that the research process has been logical, traceable and documented (Lincoln & Guba 1985, 316–318; Eriksson & Kovalainen 2008, 294); in other words, if other researchers can make similar claims based on the same material. This research is dependable in the sense that interview questions and study process description are explicit in the research. The recordings of the interviews enable the repetition of the analysis. On the other hand, researcher's previous studies on university internationalization may have directed the focus of this study on some level, which was visible for instance in the difficulties in formulating the final research question or the emphasis of internationalization in the theoretical part of the study. The researcher may have also led the interviewees to answer certain things by asking more specific additional questions during the interview. Due to these factors, the research is not completely dependable.

Last, *conformability* refers to the degree the results are based on data and not on the researcher's biases or imagination (Lincoln & Guba 1985, 290; 318–324). Tynjälä (1991, 391–392) explains this as the objectivity and neutrality of the researcher towards the study. The activities used to increase the conformability of this research were the proper description of the research process, creating a case database and lettering of interviews. The research process was also rather public as the names of the interviewees and documents are given in the research. Basically, anyone can confirm the data of the research afterwards by contacting the interviewees or reading the documents. One problem with the conformability of this case study is the fact that the researcher studies in the case university; thus, whether the relationship between the researcher and the case is too close. To avoid this, the researcher tried to be aware of her own biases and make them explicit as well as to keep an open mind in collecting data and finding respondents for the research.

5 UNIVERSITY OF TURKU: FROM INTERNATIONALIZATION INTO COMMERCIALIZATION

This section analyses the results from empirical data. The purpose of the analysis is to compose a comprehensive understanding of the key factors affecting the transformation of university internationalization into education export activities in the University of Turku. In order to do this, internationalization activities, motivational factors and commercial development are all investigated. Examining the stage of internationalization as well as the different internationalization strategies in UTU is important in defining the context and possibilities for education export activities in the first place. In order to a Finnish university to engage in higher education trade, some level of internationalization must be implemented in the institution. However, the question is how well these activities are connected and what challenges does the operational environment in Finnish impose for commercial development.

5.1 Introducing the University of Turku

University of Turku (UTU) is one of the major universities in Finland. It is a multidisciplinary scientific higher education provider with over 20,000 students and 3,300 employees. In 2012, about 3,000 students graduated from the university as Bachelors and Masters and 182 as Doctors. The university has three campuses in Turku, Pori and Rauma and seven faculties: Humanities, Mathematics and Natural Sciences, Medicine, Law, Social Sciences, Education and Turku School of Economics. (University of Turku Annual Report 2012, 4–7) The basic values of the UTU's operations are ethicality, criticality, creativity, openness and communality and it wishes to be among the top universities nationally in all of its research fields by 2016 (Strategia ja arvot 2013).

UTU was established as a private institution in 1920 with faculties of Humanities and Mathematics and Natural Sciences, which are still today the two biggest faculties. The faculty of Medicine was founded in 1940, followed by Law in 1960, Social Sciences in 1967 and Education in 1974. The university was finally nationalized in 1974. Turku School of Economics and the University of Turku merged officially in 2010. (Turun yliopiston historia 2013) Today, the recognized areas of strength in UTU are cardiovascular and metabolic research, molecular biosciences, ecological interactions and ecological genetics research, future studies, learning and education research and research on institutional design and social mechanisms. (University of Turku 2013)

The University of Turku is considered as internationally competitive research university: over 80 per cent of UTU's around 3,000 annual academic publications are

international. Last year, the global QS World University Ranking listed UTU on the 211th place out of 700 world's top universities. (University of Turku Annual Report 2012, 8–9) In addition to research, the student pool is internationalizing as well. In 2012, the university had almost 2000 international students, out of which around 440 were exchange students. The number of international first and second degree students has grown from 1,035 in 2010 to 1,357 in 2013. (University of Turku Annual Report 2012, 12–13; Turun yliopiston opiskelutilastot 2013)

5.2 The internationalization strategies of UTU

5.2.1 *International development process of the university*

Since the University of Turku was established in 1920, the international perspective has been part of research and teaching in one way or another. However, the empirical data shows that the international development of UTU includes four periods of change: some international operations before the 1980s, the attitudinal change in the 1980s, the growth of international operations in the 1990s and the strategic development on the 21st century. Before the 1980s, internationalization was present mostly in research and language studies. A few international professors visited the university via Fulbright educational exchange program, and some bilateral exchange agreements existed between UTU and Eastern bloc countries already in the 1960s. Also, international business major was established in Turku School of Economics in the 1970s.

The actual international development began in the 1980s with an attitudinal change towards internationalization by the state and HEIs. At this time, the Finnish government started recognizing international operations as an important part of higher education. Consequently, national working groups were established in the late 1980s to enhance the internationalization of universities. UTU joined different networks such as Nordplus Program and received funding to start cooperating with some European countries. The international exchange started to transform into a two-way traffic instead of only Finnish researchers and students going abroad. However, not until in the 1990s did the internationalization increase rapidly. Due to the membership in Erasmus in 1992, the number of exchange students increased significantly. In addition to Europe, exchange flows to and from United States and Asia begun in the late 1990s. UTU started receiving larger amounts of external funding for student mobility and research initiatives. In addition to Erasmus, UTU joined other international networks, e.g. the Coimbra Group in 1995. International teaching and exchange became part of some fields of study that had not yet enjoyed international approach (e.g. faculty of Law).

Internationalization was now considered not a separate function, but rather a state of mind that cuts through all university operations.

The international cooperation and networking has yet intensified in the 21st century. Cooperation has extended further to schools in Asia and Africa. Internationalization has also become a fixed part of strategy planning and university vision: the goal for the year 2016 is that UTU is “an internationally known and respected on the selected areas of strength - -“ and that its operational culture is an “open, motivating, interactive and international environment for research, learning and work - -“ (Strategia 2013–2016, 4). Since 2000, the commercial aspect, i.e. sales of higher educational services and products, has also emerged into the discussion about university internationalization. The above discussed developments are summarized in figure 5.

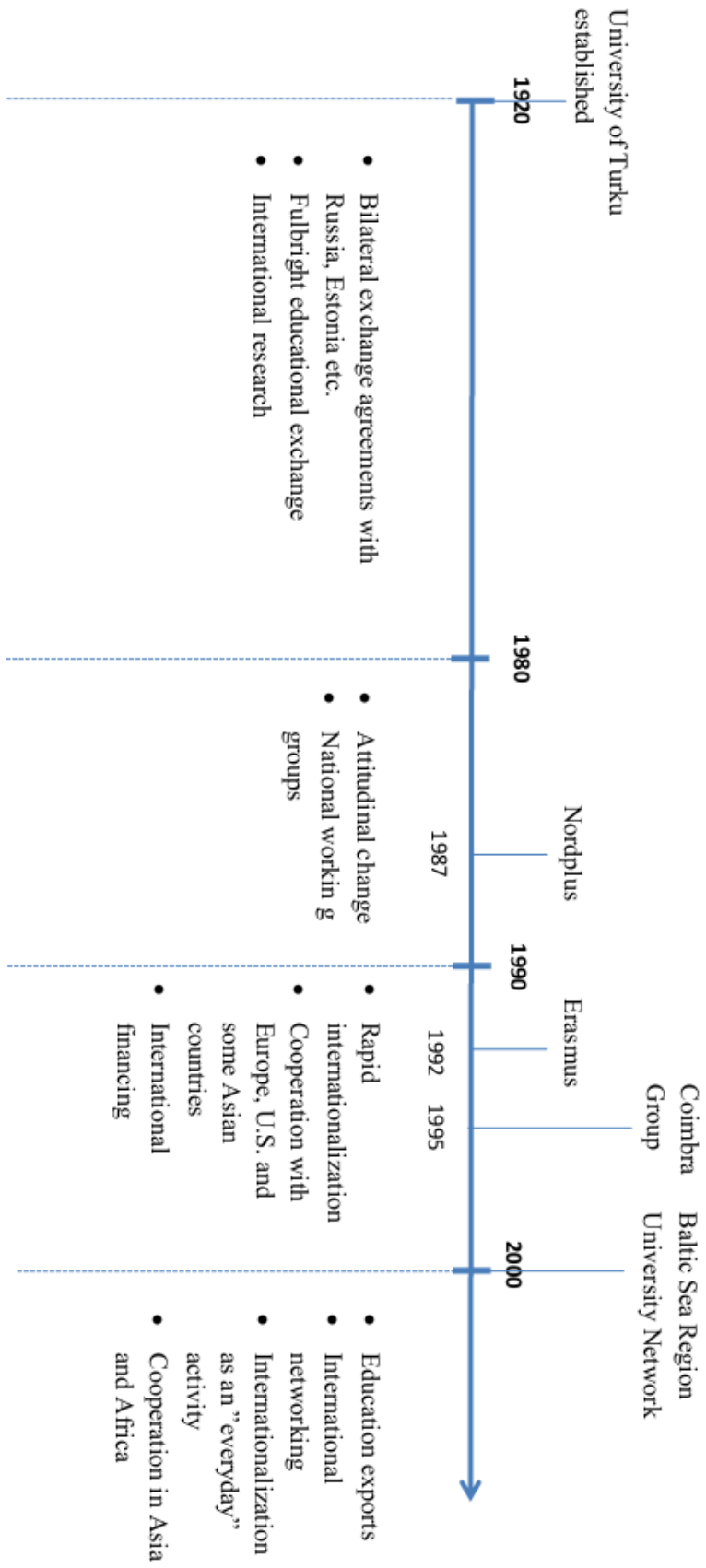


Figure 5. International development process of the University of Turku

As can be seen in figure 5, the international development process of UTU is largely based on the gradual inclusion of international courses, exchange programs and networks into the university operations. International cooperation that started first from the Nordic countries close to Finland is now extending to numerous countries in Europe, Asia and America. This development resembles the stages theories by Johanson & Vahlne (1977, 23–28) and Luostarinen and Pulkkinen (1991, 33), according to which the internationalization operations develop in small steps from low to high commitment and start usually in foreign markets close to the home market in terms of psychic distance. In the model of Luostarinen and Pulkkinen (1991, 33), the University of Turku is currently on the growth stage, which means that the institution has international business programs, but the education is not thoroughly internationalized.

5.2.2 *Classifying the strategies for internationalization*

The above described international development process already introduced some approaches UTU has used to internationalize over the years. To analyze the results further, the internationalization strategies are next themed under three categories introduced in the theoretical part: substance, people and organization. Substance covers international activities related especially to curriculum and research. First, UTU has made efforts to *internationalize curriculums* with international studies and a wide variety of language studies. Almost every faculty has courses in English and in some faculties, such as in Turku School of Economics, students can choose international studies as their major. Also, UTU currently offers studies in 12 different languages including Finnish.

Second, in addition to international courses and study modules, UTU has *international Master's and Doctoral Programs as well as summer school in English* for foreign and domestic students. These study programs include 16 different Master's Degrees (Build your career with us 2013, 3):

- Learning, Learning Environments and Educational Systems (LLEES)
- Baltic Sea Region Studies (BSRS)
- European Heritage and the Information Society
- Finnish and Other Finno-Ugric Languages
- Law and information Society
- Bioinformatics
- Embedded Computing
- Environmental Sciences
- Information Security and Cryptography

- Physical Sciences: Astronomy Track
- Biomedical Imaging
- Asian Studies
- Future Studies
- Global Information Technology Management (GITM)
- Global Innovation Management (GIM)
- Erasmus Mundus International Master in Management of Information Technology (IMMIT)

These study programs take in 5 to 25 students annually, most of which are international students. Baltic Sea Region Studies, European Heritage and the Information Society and IMMIT are joint course programs with international partner universities. In addition, LLEES can be completed as a double degree program in UTU and University of Regensburg in Germany. (Build your career with us 2013, 9–10; 35)

Third, supporting and enabling internationally competitive research is seen fundamental for the University of Turku. UTU's six internationally distinguished areas of strength in research are: molecular biosciences; cardiovascular and metabolic research; ecological interactions and ecological genetics research; learning and education; futures research and institutional design and social mechanisms (Strategia 2013–2016, 6). Although research is already international by its nature, activities such as *establishing international research projects and groups*, international Doctoral Programs and organizing and participating in *international conferences* enhance the internationalization of research in UTU. Empirical data suggests that especially international cooperation in research as well as the number of international academics should be increased in the near future to ensure UTU's competitiveness in the academic world.

The next category, people-related internationalization, includes the strategies of student, staff and research mobility. *Exchange programs* are one of the most visible parts of UTU internationalization and also one of the most important international activities in UTU. University has both bilateral and multilateral agreements with foreign universities to enhance international mobility. In addition to exchange students, UTU is active in *recruiting international degree students and foreign personnel* including visiting professors. Even if the number of exchange students is seen adequate, the interviewees agree with the university strategy documents that more efforts are needed in recruiting international teachers and research personnel. In addition to exchange possibilities, the university encourages students to attend in international internships.

Finally, organizational strategies include the policies and procedures that the university has done in the institutional level to facilitate the international dimension (see Knight 1999, 25–26). Internationalization has been part of the UTU's strategy planning

for the past 20 years, although its significance has strengthened over the years. The new strategy plan for the years 2013–2016 includes a separate section for internationalization emphasizing developments at e.g. international recruitment, quality of international study programs and the inclusion of international study modules for all degrees (Strategia 2013–2016, 9). The administrative mindset today is that internationalization should penetrate throughout the whole organization and be a natural part of all activities. According to Ms. Paakkanen, this means that internationalization should cover all three levels of the triangle: personal level, faculty level and administrative level, which are illustrated in figure 6.

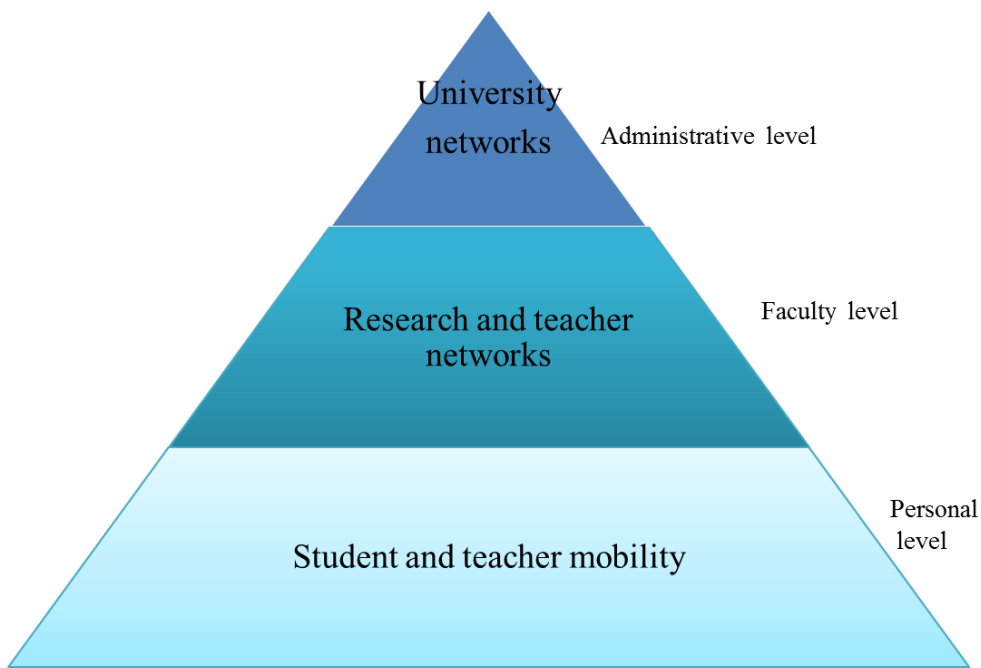


Figure 6. Internationalization triangle of the university

Personal level refers to the needs of students and personnel, such as exchange programs, internationalization of research and visiting professors. Faculty level, the again, covers the international networks of teachers and researchers that are important for university operations. Administrative level including university networks is important in ensuring that the development cuts through all levels on internationalization. For UTU, the strength in internationalization is its diversity on all levels.

Concrete examples of organizational strategies used by UTU are e.g. *active cooperation with international networks and partner universities, establishing support services for international activities, and recruitment of international staff*. For instance, to help promote internationalization and academic collaboration, UTU is actively part of five networks: Coimbra Group, The Baltic Sea Region University Network, University of the Antarctic network, The Nordic Center at Fudan University and The Southern

African Nordic Center In order to enhance the possibilities for exchange, UTU is also a member in Nordplus program, Erasmus Mundus, Finnish Russian Student Exchange Programme (FIRST) and Center for International Mobility (CIMO). (International Network Cooperation 2013) Not only internationally, but UTU also cooperates with national and regional partners such as Academy of Finland, Åbo Akademi University and Turku city in order to enhance internationalization. Selecting the right partners is considered a significant strength for UTU in internationalizing.

The above discussed internationalization activities of UTU are summarized in figure 7. University of Turku has integrated the international dimension into its curriculum and research, although the level and extent of internationalization still varies between different faculties and subjects. UTU seems to have invested in both student exchange and “internationalization at home” activities, which refer to campus-based internationalization activities such as language courses, international studies, foreign teachers and extracurricular activities such as tutoring of exchange students. The education export activities discussed in the next chapter are also included in the internationalization activities of UTU.

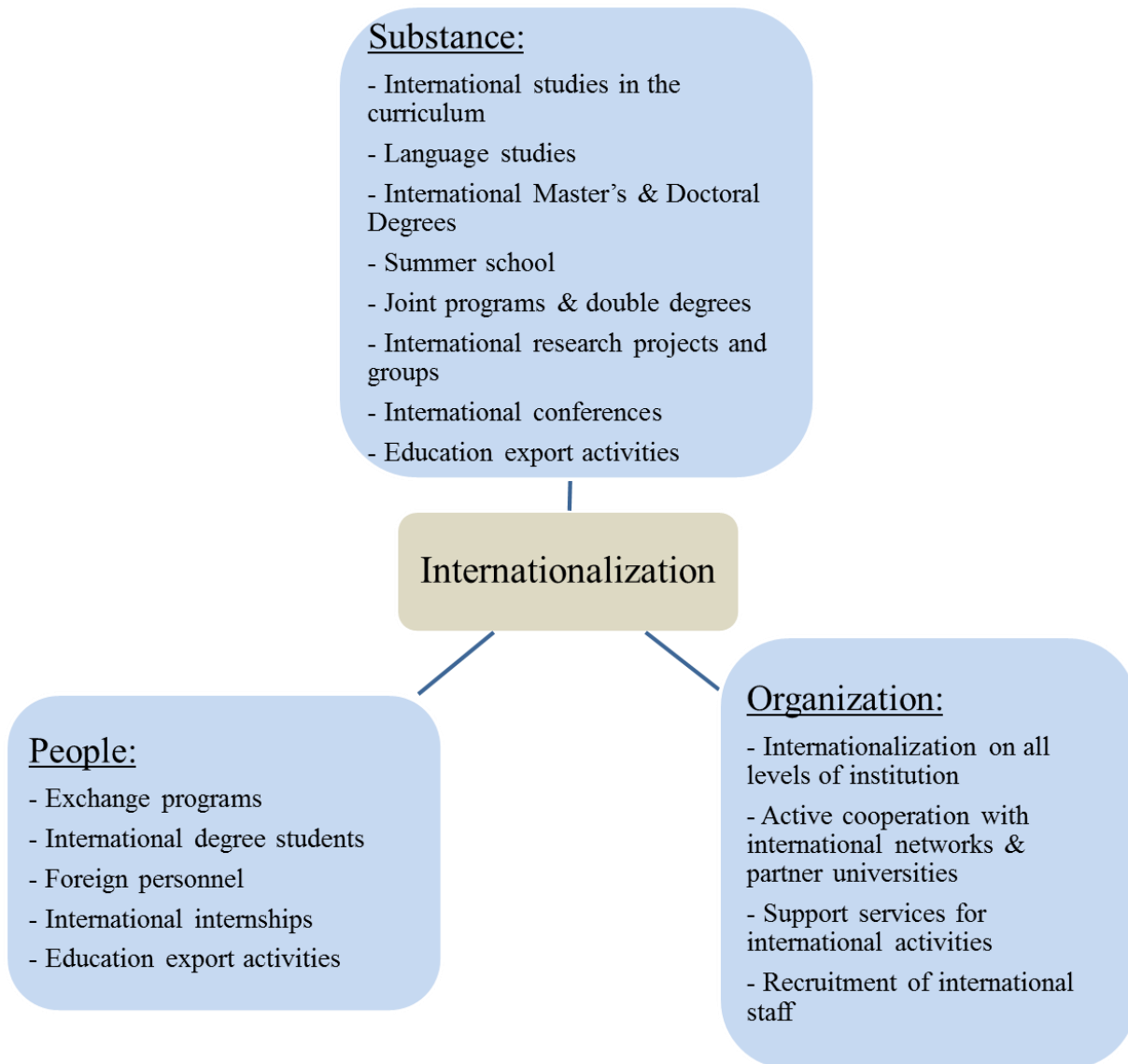


Figure 7. The main areas of internationalization in UTU

What is evident in the empirical data and also illustrated in figure 7 is that UTU internationalization is based on cooperative approach through academic networking and cooperative agreements (see van der Wende 2003,199). This is demonstrated in joint degrees, international research projects, exchange agreements and membership in various networks. Cooperative strategy is especially important for a small non-profit university such as the University of Turku, which does not necessarily have resources to pursue competitive international strategies.

All in all, although UTU is marketed as “a highly international university, where education and research are closely intertwined” (Studying at the University of Turku 2013), the interviewees agree that the UTU is not yet as international as it could be on the Nordic or European level. Internationalization covers many areas of the university, but it is not very visible yet. Some faculties in UTU are highly internationalized, while others have few international activities. According to the empirical data, UTU is falling

behind especially in the number of international degree students and personnel compared to other Nordic universities.

5.3 Driving forces behind internationalization and commercialization

This chapter aims to investigate the motivational factors behind international and commercial activities in the University of Turku in order to explain how the university can benefit from internationalization and education export. The empirical material revealed that the motivating factors behind internationalization of UTU are mainly political, academic and socio-cultural. Also financial drivers as well as the role of EU were emphasized. On the contrary, commercial activities related to education export seem to be motivated mainly by political and financial factors. All in all, the drivers for internationalization were more explicit than the drivers for commercialization. Next, the rationales and their relevance in the context of University of Turku are discussed in more detail.

Starting with the political factors, all the interviewees emphasized *the role of national strategy and policies* in driving university to internationalize. National hype and national benefits were also mentioned as drivers in relation to education export activities. The public mindset around universities seems to be that the institutions have to internationalize and be fixed a part of international networks in order to develop the operations. In other words, what is discussed in public and decided at the national level affect the institution's strategy. This seems to be one of the key factors affecting the international operations of UTU.

There is a political drive in internationalizing the society, and universities are the most natural way. Universities should basically be there where the other part of society is hoped to be in ten years' time.
(Kalervo Väänänen 2013)

Thus, the government strives to draft policies that direct universities to internationalization as well as to commercialization. The new funding model for Finnish universities is an example of the government mechanisms to induce internationalization in the universities (see Laadukas, kansainvälinen - - 2011, 34). Another political driver mentioned for internationalization of UTU was the *needs and demands of global companies* for internationally skillful graduates and future employees. This was emphasized by the UTU strategy and two of the respondents. The employers are

expected to value e.g. diverse language skills and the readiness of graduates to work as part of multinational teams.

Moving into academic incentives, *reputation and competitiveness* are clearly important external drivers for internationalization and commercialization in the University of Turku. Internationalization is a tool for “spreading the word” about the university and successful export education activities could help in bringing additional value to the schools’ reputation and image. The reputation and recognizability is especially important in doing research as it is difficult to get the best international partners if the university is not known in the academic world. Then again, the reputation of the university is often built on the quality and international visibility of its research. The importance of reputation is well captured by Mr. Reponen:

A university can be as good as ever, but if nobody knows the institution, it cannot really make use of it.

Networking also becomes easier if the university is known globally, and networks then help the institution to internationalize even further.

Other academic and social factors motivating UTU to internationalize are the *demands of students and personnel*. The respondents agreed in believing that students today need and want international experiences as part of their studies. The students want, for instance, complement their studies abroad through student exchange programs as well increase their cultural awareness in international courses. Internationalization is important in order for UTU to attract both domestic and international students and personnel. The international exchange is also a good way for the institution to improve the quality of education and enhance internationalization in general. From the education export perspective, international exchange students are seen as a good recruitment channel for the international Master’s Programs.

Moreover, *the European Union* is considered to impact the internationalization in UTU at some level. According to the empirical data, EU has no actual power over international activities, but it uses its instruments effectively to make the European higher education internationalization more consistent. Erasmus Mundus network is an example of a European financial instrument that defines what kind of cooperation is developed in the higher education field. Since joining the Erasmus network in 1992, University of Turku has witnessed a rapid growth in student exchange due to the funding assistance from EU. The EU is thus important also from financial perspective. International mobility funds in the form of exchange scholarships account to EUR 0.5–1 million annually in UTU, which enables the increased volume in international exchange.

In addition to international mobility funds, other financial drivers could be recognized from the empirical data. As discussed above, an internationally notable university can have better access to research initiatives, and consequently, to *international financing*. UTU strategy emphasizes the need for increasing the share of external financing in the total funding of the university. International funds are crucial for different research and education projects in UTU. As there seems to be a constant need for additional funding in the university, export education activities are generally considered as a possible channel for filling in the gaps in reducing public financing. However, the financial impact of education export activities invoked differing opinions between the respondents. The documents seemed to agree that the trade in educational services and products could well prove to be a channel for additional financing for the universities, but the interviewees were more skeptical in stating that at least in its current form, the education export activities have no significant financial effect for UTU.

Although the financial effect of the commercial activities in UTU is yet to be seen, the *unexploited potential of Finnish educational know-how* is one of the biggest motivator for education export activities.

Why shouldn't we utilize the educational capital that we have accumulated when there clearly is demand for it? (Kalervo Väänänen 2013)

This idea is further emphasized in the national level as the government has been drafting a national export education strategy, which highlights the role of universities as leaders in exporting education (Finnish education export strategy - - 2010, 13). Thus, there is definitely political pressure for the universities to develop commercial activities. As for the internal motivations, export education activities are seen as a possibility to *enhance the quality and the level of internationalization of the education and research* in UTU.

5.4 Commercialization activities in UTU

5.4.1 Challenges and possibilities in education export

This part of the study analyses the commercial development of the University of Turku and the current state of education export activities. As was discussed in the previous chapters, trade in educational services and products in UTU is still a new and emerging phenomenon compared to internationalization, but surely a continuum for it. According

to the interviews and documentary material, export education is still a marginal part of UTU operations, but the institution has interest in developing export activities further. This is mainly because the university is believed to have a significant amount of specific know-how, which could be offered to international markets.

The respondents agree that the biggest potential for the university in education export would be in the sales of international degrees as these are fundamentally the core services of the university. Due to the legislation in Finland, charging for degrees in a more general level is not possible, however. This leaves Finnish HEIs in an unequal position compared to some other countries:

If you compare the situation to a timber forest, we can sell needles, cones and pieces of braches, but not the actual product, which would be the degrees. - -. We are growing a forest, but we settle for selling cones.
(Kalervo Väänänen 2013)

Consequently, the current discussion or hype about export education is considered partly irrelevant considering that 95 per cent of the higher education trade globally is still based on the tuition fees of international students. Instead of directly commercializing the primary operations, UTU needs to be more active in actually creating educational products.

Productizing and marketing educational services is not free, however. These activities take up already scarce resources and require that the university ensures the adequate content and quality of these services and products. Resources are considered a challenge, as the main mission of the university is not to productize services for trade, but to conduct academic and scientific research and provide higher education based on it. Thus, an important theme occurring in the empirical data is the connection of export education activities with other university operations:

In the best case scenario, the university benefits from export education, when the export activities are connected to the management of research, teaching and social impact. The university should specialize in exporting know-how in those fields where it already has significant research, competent teachers and where this sort of development serves the societal and educational purpose of the institution. (Koulutuksen viennin selvittämishanke - - 2012, 8)

This idea is further confirmed by the UTU strategy and interviewees. The starting point for every export activity should be that the exports strengthen the university's core

mission and that they are financially profitable (Strategia 2013–2016, 10). UTU should not just sell something, but at the same time further develop its areas of strength.

In addition to limited resources, University of Turku may not have all the required skills or knowledge to produce service offerings to international education markets. Thus, cooperation with other higher education institutions, companies and organizations is essential.

All universities in Finland are still small players in the global education export market and so we must cooperate. - - I believe that together with other higher educational institutions we could create a company with a high enough profile to plan marketing over the long haul. (Kalervo Väänänen 2013)

Cooperation enables dividing the costs and responsibilities in the service process, sharing the best know-how and creating an integrated service package that would serve even larger development needs of the customers.

Client needs for e.g. teacher training are enormous and single HEIs are too small for answering this need. Instead of competing each other, the Finnish actors should be able to form partnerships and cooperate between HEIs, cities and companies. (Koulutuksen viennin selvittämishanke - - 2013, 4)

Establishing consortiums, partnerships or joint enterprises will also enable the creation of new educational products. While the consortiums take care of the marketing and promotion of the educational services, HEIs can concentrate on provision of education and research as usual. UTU is already part of some education export consortiums, which are introduced in more detail in the next chapter.

5.4.2 The existing services and products

According to Mr. Juntunen, the most profitable commercial activities for Finnish HEIs would be the sales of degrees, school operations, consulting services, continuing training and the sales of different educational technologies. The universities can basically export these services directly or via the companies they own. Today, the emphasis has shifted from consultation projects and follow-money type of competitive bidding to more demand-based exporting: institutions are not waiting for consultation projects to appear, but are actively pursuing the markets. So far, University of Turku has

engaged in several commercialization initiatives together with other educational institutions and several companies, and some of the solutions have already been marketed and sold internationally. Next, the existing services and products and related productizing activities are introduced in more detail.

Starting with the most traditional form of export education, University of Turku currently offers *two Master's Degrees and one executive MBA program for charge*. The Master's Degree Program in Future Studies is a two-year degree offered by Finland Futures Research Center together with UTU and Turku School of Economics. The tuition fee for students outside the EU or in the European Economic Area (EEA) is EUR 7000 for an academic year. (Master's Degree Program in Futures Studies 2013) The second degree with tuition fees is the International Master's Degree in Management of Information Technology (IMMIT), which is a joint degree program with UTU, Tillburg University in the Netherlands and Université Paul Cezanne Aix-Marseille III in France. In this program, the students complete half-year semesters in all three educational institutions and receive a degree from each university. The tuition fees charged for IMMIT program are EUR 9,970 per academic year for students outside EU/EEA (IMMIT 2013; Tuition fees and Scholarships 2013). As the legislation requires, UTU offers a limited number of scholarships for the non-EU/EEA students in these programs. The eMBA program, then again, is internationally accredited executive program offered by Turku School of Economics. The program is intended for leaders, experts and entrepreneurs with demonstrated business talent. The tuition fee is EUR 34,500 for the program including the sessions, materials, books and meals. (Executive MBA 2013)

The productizing activities related to international degrees include marketing materials and web pages in English. Currently, UTU has a brochure in English and Finnish promoting all 16 international Master's Degrees including the two programs in charge (Build your future with us 2013). The eMBA program is also marketed with a brochure and web pages in English. Considering that most of the internationalized universities market their degrees in this way, it can be concluded that UTU has not made any additional efforts in promoting its degrees. Also, as the Master's Degree Program in Future Studies enrolls 20 students per year and IMMIT is organized together with other institutions, the financial impact of these degrees is still very marginal.

In addition to the three programs above, UTU has been developing educational products especially in its areas of strength in education, learning and medicine. Most of these commercial activities have been conducted together with other education institutions or companies. First, UTU has developed a service package on *continuing training for teachers and principals* together with the University of Helsinki, University of Tampere and University of Eastern Finland. This solution includes seminars, visits to Finnish schools and continuing training programs. The consortium has promoted its offering to e.g. Singapore, Saudi Arabia, Russia, Algeria, Chile and China. Similarly,

UTU has cooperated with Turku University of Applied Sciences, Sanako, Lingonet and Isku to produce *solutions for language teaching*. This product package has been marketed to potential customers in Algeria, Singapore and Russia. The collaboration between HEIs and companies with technological know-how enables the provision of offerings, which include the technological product together with supplementary training. In order to market these services abroad, the consortiums have made promotional visits to foreign universities, embassies and Ministries of Education and also participated in seminars and education fair abroad. Supporting marketing material such as web pages, product cards and brochures have also been created. (Koulutuksen viennin selvittämishanke - - 2012, 1–2)

Second, University of Turku is part of a newly established consortium called FinnWayLearning, which is a joint enterprise between UTU, City of Turku, Turku University of Applied Sciences and Turku Adult Education Center. The services offered by FinnWayLearning focus on education and cover three areas: learning and pedagogy solutions, linking education with working life and chains of education. Product brochures have been created for six different products: (1) Innovation Pedagogy, (2) Training Guarantee; (3) ICT as a Language Learning Tool; (4) KiVa School Antibullying Program; (5) Project Aces; and (6) Workplace Instructor Training. These products are solutions that include e.g. seminars and workshops, training programs, expert lectures, learning projects, consultation and online materials related to the specific topic. (FinnWayLearning 2013; Turun kaupunki - - 2013) Table 2 further explains the content of these products.

Table 2. Products by FinnWayLearning (FinnWayLearning 2013; Innovation Pedagogy -2013; Training Guarantee Model 2013; ICT as a Language Learning Tool 2013; KiVa Antibullying Program 2013; Project Aces 2013; Workplace Instructor Training 2013)

Product	Description	Offering
Innovation Pedagogy	New learning approach, which defines how knowledge is gathered, produced and used in a way that creates innovations. It includes for example multidisciplinary learning environment, flexible curricula, innovative learning and teaching methods, entrepreneurship and internationalization.	<ul style="list-style-type: none"> • Innopeda services such as orientation seminar, Change Management training and Hatchery learning method training • Seminars and workshops for teachers, education planners and students • Hands-on learning projects for students • Tutoring and evaluation • Expert lectures • Consulting
Training Guarantee	The idea is that each young student completing basic education has the chance to attend further education. The program can help decreasing social exclusion, providing equal opportunities and answering the demands of aging population.	<ul style="list-style-type: none"> • Consulting in implementing the model, increasing cooperation and implementing new practices • Seminars and workshops for e.g. teachers and management • Expert lectures • Technical visits to Finland for education planners, management or teachers
ICT as a Language Learning Tool	This product provides solutions and training for developing ICT-based language teaching and learning.	<ul style="list-style-type: none"> • Training for teachers and schools in developing pedagogical models for teaching and learning languages • Online materials • Consultation • Blended learning solutions
KiVa School Antibullying Program	Research-based program that offers knowledge and tools to prevent bullying in comprehensive schools.	The program involves teachers, students and parents by providing <ul style="list-style-type: none"> • information about bullying and how to prevent it • material for school meetings and parents' evenings • student lessons and exercises • computer game for students.
Project Aces	The scheme provides a model for creating student assignments, which connect businesses, public sector and universities. It creates contacts and helps students to find employment in their region.	<ul style="list-style-type: none"> • Connecting a multidisciplinary group of students with employers, who provide development assignment to the students • Training for students • Development for the university in a guidance, feedback and evaluation system
Workplace Instructor Training	This product offers training for persons, who want to gain workplace instructor skills.	<ul style="list-style-type: none"> • A three-day training package for trainers • Consulting in implementation and planning of the training • Technical visits to Finland for education planners, teachers or management

Out of the solutions in table 2, KiVa School Antibullying Program is probably the best-known educational product developed by the University of Turku. In addition to the 90 per cent of the Finnish comprehensive schools, KiVa program is currently in use in numerous schools in the Netherlands, Wales, the United States and Sweden. The program has its own web page available in five different languages and its products are also available online. (KiVa school 2013)

In addition to education and learning, University of Turku is also actively involved in developing educational services in the field of medicine and health care. For example, UTU has created *online learning models for teaching medicine and dentistry* and provided *consultation services in curriculum planning for dentistry*. Also, the Department of Nursing Science in UTU has developed *training and consultation services in the area of mental health work*, which have already been marketed abroad. (Hyytiäinen 2013; Koulutuksen viennin selvittämishanke - - 2012, Appendix 2) Combined with the specialized know-how of other educational institutions or hospitals, for example, medicine, dentistry and mental health work could prove a significant business area for export in the University of Turku. Other educational services and products developed in the University of Turku include *consultation and research services in futures research; education programs in innovation management; and research, product development and continuing training in the areas of sustainable development, responsible business and biotechnology* (Koulutuksen viennin selvittämishanke - - 2012, Appendix 2).

Table 3 compiles some of the above introduced educational services and products. Export services can be quite simple, such as arranging teaching for the executive MBA program in the home institution, or more complicated solutions that combine seminars, training and consultation services abroad, for instance.

Table 3. Examples of educational services and products by UTU

What?	How?	Who?
International Master's Degree Program in Futures Studies	Lessons & online studies	UTU, Finland Futures Research Center and Turku School of Economics
Executive MBA	Lessons & online studies	Turku School of Economics
Continuing training for teachers and principals	Seminars Visits to Finnish schools Continuing training programs	UTU, University of Helsinki, University of Tampere and University of Eastern Finland
Solutions for language teaching	Online technology Training	UTU, Turku University of Applied Sciences, Sanako, Lingonet and Isku
Innovation Pedagogy	Seminars Expert lectures Training Consultation	FinnWayLearning
KiVa School Antibullying Program	Materials for teachers and parents Materials for lessons Online game	FinnWayLearning
Medicine and dentistry teaching	Online learning models	UTU

In the case of UTU, most of its educational products have been developed and promoted together with cooperative partnerships and joint enterprise as can be seen in table 3. In addition to FinnWayLearning, UTU is now planning to establish a joint company together with the University of Tampere and University of Eastern Finland. This company would first concentrate on offering continuing training, made-in-order education and training modules of these three universities and it enables the institutions to promote their educational offering internationally. The company is to start exports in 2014. (Hyytiäinen 2013)

As the commercialization phenomenon is still rather new for the University of Turku, it is difficult to predict whether the university will actually become one of the big players in the market. As well stated by Mr. Juntunen:

What will happen in a next few years, I think, will be that some will start doing this (education export) for real and more professionally and others will kind of give up and do it just for some expert services or subcontracts.

It is yet to be seen whether UTU chooses to further develop its education export activities or withdraws from the competition. Considering that it intends to establish another joint enterprise still this year, commercialization may well prove a new direction for the internationalization.

6 CONCLUSIONS

6.1 Key strategies for university internationalization

In this study, higher education internationalization was understood as “the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education, and the efforts aimed at making the institution and policy responsive to the changes in the higher education field” (Knight 2004, 11; van der Wende 1997, 18). Both of these aspects are evident in the internationalization of the University of Turku. The university has integrated internationalization in the purpose of its education as is confirmed in the university strategy and in the inclusion of international courses and languages on all areas of study. Also, the university has developed its operations according to the changes in higher education field: it has responded to the re-internationalization phase in the 21st century (see Nokkala 2007, 15) and to the new developments in the commercial side of education.

According to the current literature on university internationalization, both program strategies, related to learning, teaching and research, and organizational strategies, related to policies, systems and procedures, are needed for the HEI to be properly internationalized (Knight 1999, 23–26; Söderqvist 2002, 54–60). In this study, *the most important program strategies used for university internationalization were a) internationalized curricula; b) student exchange and international students; c) research collaboration and d) international cooperation agreements*. Internationalization was also considered in the organizational level of the institution. *The most important organizational strategies were a) the articulated goals for internationalization; b) support services for international activities and c) recruitment activities for international staff*. Although internationalization is a fixed part of Finnish university strategy and vision, more focused organization strategies should be implemented to ensure the international mindset throughout the institution.

The key strategy for the Finnish non-profit university to enhance its internationalization appears to be the cooperative approach, which means internationalization through academic networking, cooperative agreements and institutional alliances (see Bennet & Kottasz 2011, 1089). According to the internationalization model by Johanson and Vahlne (2009, 1411; 1423–1425), insidership in relevant networks is the necessity for successful internationalization for any organization. This study demonstrates that being part of different international networks and forming partnerships with foreign universities and organizations increases the level of internationalization in universities. They help increasing the number of international students and academics in the home institution and providing more

opportunities for student and teacher exchange. Also, the networks and partnerships help creating international research cooperation between different partners and bring in external funding for student mobility and research initiatives.

6.2 Key drivers for commercial development

A sound body of literature has identified various push and pull factors for university internationalization and commercialization at different levels (Gu 2009, 632). In the current literature, motivations for internationalization and commercial activities are sometimes overlapping as to some countries, higher education represents market driven educational services in the first place (see e.g. Adams 2007, 410). Thus, motivations to both activities were investigated in the Finnish context as well. As the main objective of this study was to find the key factors in transforming university internationalization into commercial activity in the Finnish educational context, the main drivers behind this development are next concluded.

First, *national policies and benefits seem to be the key push factor for Finnish universities to internationalize and commercialize their activities*. Government policies can have considerable effect on the level of internationalization and commercialization of universities via different incentives and mechanisms such as visa policies, financing, scholarships, marketing campaigns and national strategies (OECD 2004, 14; Koch & Green 2009, 2, 9). The Finnish government has encouraged universities to engage in higher education trade by making amendments in the University Act and supporting and funding cooperation between different partners in the Finnish education sector (Kiinnostuksesta kysynnäksi - - 2010, 5). Also, the new national export strategy for education by the Ministry of Education and Culture emphasizes the role of universities as leaders in exporting education. The national policies and public discussion definitely affect the university strategy as well.

Even if the government encourages the universities to exporting educational services and products, the institutions have to have internal motivation to commercializing as well. It seems that the decision makers in universities *believe that there is a significant amount of unexploited potential in the Finnish educational know-how that could be offered to international markets*. This belief is confirmed by various studies, which explain that, first; there is a massive global demand for international academic qualifications (Bennel & Pearce 2003, 227) and second; there is a significant demand for especially Finnish knowledge on education (Kiinnostuksesta kysynnäksi ja tuotteiksi - - 2010, 4). The challenge remains in getting the adequate resources and developing the right products for export.

According to the current literature, the main reasons for traditional universities to internationalize are often the enhanced reputation of being an international institution (AUCC 2007, 1) and competitiveness in the national education market (Altbach and Knight 2007, 293). This study revealed that *reputation and competitiveness are one of the most important drivers for Finnish universities to internationalize and engage in export education activities*. The international reputation and competitiveness of the institution is important in getting the best international partners for research and for receiving external financing for university projects. Internationalization is also important for the university to stay competitive and attractive in the eyes of Finnish and foreign students and academics. Successful export education activities could bring additional value to the university's reputation and also help to market the international degrees and education services of the university internationally.

Finally, the current literature (see e.g. Gu 2009; Altbach & Knight 2007) present the generating of economic revenue as one of the main motives for marketing-oriented internationalization of universities. This is mainly due to the changes in funding higher education, which include the cutbacks of state funding, dependence of funding on output indicators and the growing number of students (Beerkens 2002, 300; Altbach et al. 2009, 4). There is a need in Finland as well to increase the share of external financing in the total funding of the universities. Thus, *further internationalization and export education activities are considered as a possible source of additional financing for the universities*. Internationally active university can have better access to external research financing and profits from education export could be used to replace the reducing public financing. However, the trade activities are not believed to have significant financial effect as long as tuition fees are prohibited in Finland.

6.3 Key factors in transforming higher education into export articles

For the leading countries in higher education trade, such as Australia, the United Kingdom and New Zealand, higher education represents market-driven educational services that may provide a surplus to the institution and export income to the nation (Adams 2007, 410). For the universities in these countries, commercial export approach has been part of university internationalization from the start. In Finland, universities have not traditionally been for-profit or internationalized in order to collect additional profits. Only in the past decade has the idea of export education emerged in the Finnish higher education landscape as well. This is mainly due to the legislation in Finland, which has so far prohibited the charging of tuition fees from the university level degrees.

The main finding of this study is that *university internationalization cannot be directly transformed into commercial activities in the Finnish educational context*. Internationalized curriculum, such as international Master's Degree Programs, and internationally distinguished research create a good foundation for the university to develop educational services and products, but these cannot be traded as such in the higher education market. Due to the limited resources and legislative environment, the Finnish universities have not yet engaged in strategies such as commercial presence, viz. the establishment of facilities such as branch campuses abroad, either. *What is particular in the Finnish context is that the universities need to be more active in actually creating and productizing educational services*.

Considering the educational knowledge can be sold in an ad hoc way such as consulting or packed in products and services (Skyrme 2001, 133), there is a wide variety of different educational services in addition to the traditional degrees. Also, due to developments in information technology, know-how can be increasingly delivered online or via different technological solutions (see e.g. Chowdhury 2010, 936–937). Juntunen (2009a, 3–4; 2009c) divided the educational services into different areas of business including degrees, consultation services, continuing training, learning environments and e-learning, teaching materials, research services, school operations and institutional infrastructure. Out of these, *the most profitable commercial activities for Finnish HEIs would be the sales of degrees, school operations, consulting services, continuing training and the sales of different educational technologies*. From the service trade perspective (see Larsen, Martin & Morris 2002, 851 and Knight 2003, 3) these require the strategies of cross-border supply, consumption abroad or the presence of natural persons abroad. The case university has provided educational services e.g. in the form of continuing training, seminars, consultation services and online learning.

One of the key factors in productizing higher education and helping the universities focus their operations is that *the university should specialize in exporting know-how in the areas where it already has significant research and competent teachers*. Focusing on the areas of strength, the commercial activities are better connected to the other university operations and the benefits are greater. For instance, the case university has successfully capitalized its strong know-how in learning and education by developing products and continuing training in the areas of teacher training, innovation pedagogy and language studies. Successful exports then help in building the international reputation of the university in these areas as well.

Another key factor in transforming higher education into services and products in the Finnish context is the importance of cooperation in producing and marketing educational solutions. The study demonstrates that *networks and collaborative agreements have critical role in developing both international and commercial activities of the Finnish universities*. Joint enterprises or consortiums bring together the

specific know-how of the partners and enable the creation of more comprehensive educational solutions for demanding customers. Finnish HEIs are still small players in the international education market. Thus, in order to market the services more effectively, joint efforts are needed. Cooperation can take place between the different higher education institutions, companies, cities or other actors such as hospitals, research centers and NGOs.

What seem to be the most potential business areas for the University of Turku are continuing training, consultation and technological solutions in the field of education. The next step in internationalization for UTU is to find out how to combine the different forms of internationalization, such as research, teaching, mobility and export education, so that they improve each other. Also, in order to start new exporting activities, it is important for UTU to plan how the operations are organized, how the responsibilities are divided in the networks, to which themes should be concentrated at and which support services do the export operations require. Defining the roles and service processes is vital in developing education exports for the long haul. According to the study, more support and financial assistance should be offered to higher education institutions, which have the potential and willingness to start exporting.

6.4 Limitations and suggestions for further studies

The aim of this study was not to form a theoretical framework on the commercialization process of Finnish universities, but to generate an understanding of the phenomenon of education export as part of internationalization in the Finnish context. The focus of this study is on contemporary issues, which are constantly evolving. Thus, making an illustrative case study was considered the best option to find the key factors behind university commercialization. Due to concentrating on one case institution with limited empirical data, the study is with many limitations regarding the theoretical contribution or thorough generalizations. As the emphasis of this study is in the Finnish higher education environment, the results are limited mainly to Finnish context.

Future research would be interesting to carry out on the different forms of educational products. Current literature on student mobility, the sales of degrees and e-learning is comprehensive compared to the studies on educational products such as continuing training, seminars and school operations. More comprehensive research on the different business areas could provide a better understanding on the possibilities of Finnish actors in the education market. Also, further studies could be addressed on the current state of education export activities in the whole of Finland.

Due to the limited scope and data of this study, the issues related to service productization were covered quite superficially in this study. Service development and

productization process are broad concepts that require more profound analysis. Thus, more research could be conducted on the processes of productizing the educational services and how these activities enhance the market potential of the services. Additionally, it would be interesting to analyze the roles of different HEIs in collaborative partnerships and joint enterprises.

7 SUMMARY

The higher education sector throughout the world has experienced significant changes during the past few decades. Globalization and the emergence of knowledge-society have generated a massive demand for higher education. Also, the developments in the information and communication technology have led the way for new providers, forms of delivery and collaborative partnerships in the global educational market. Education is gradually transforming into a commodity-like product that can be traded. These changes have urged universities to engage in more marketing-oriented internationalization, which means the inclusion of commercial dimension into the purpose and delivery of higher education. The possibilities of the global educational market have been acknowledged by Finnish government and higher education institutions as well.

The ever increasing demand for higher education, marketing-oriented internationalization of foreign universities and the current hype of export education in Finland create an interesting setting for analyzing the possibilities for commercialization from the Finnish university perspective. Therefore, the research question of the study is: *What are the key factors in transforming university internationalization into commercial activity in the Finnish educational context.* This question is answered through three sub-questions:

- How can a university internationalize?
- What are the motivational factors behind university internationalization and commercialization?
- How can higher education be developed into export services and products?

The theoretical part of the study is constructed on the three themes of the sub-questions. First, the theory presents the different strategies for university internationalization in the light of current literature. These are divided into more traditional strategies of firm internationalization, such as Uppsala model and international entry modes, and to the strategies developed specifically for the university context. These strategies are then summarized into three components of internationalization: substance, people and organization. Second, the theories on different incentives behind internationalization and commercialization are presented from the institutional viewpoint. These drivers include financial, political, academic and social factors as well as push and pull factors from the EU and WTO. The third part of the theory concentrates on the topic of educational services and products. It first presents the characteristics of knowledge and services and then turns into the issue of productization. Finally, the different areas of business on educational services are introduced to establish an understanding of the actual products or services.

The research was conducted as a single case study of an average-sized Finnish university. Data for the study was collected through four personal semi-structured interviews and secondary sources such as reports, articles and web pages. The empirical data was littered, organized into themes and analyzed in order to answer the research questions. The themes for analysis were a) motivations, b) internationalization activities and c) education export activities. The trustworthiness of the study was also evaluated in order to provide credibility for the research.

The results provide explanation for the sub-questions through the case university. The internationalization strategies and motivational factors of the University of Turku differ somewhat from the strategies and incentives presented in the theoretical part of the study. The historical examination of the international development revealed that internationalization in UTU is largely based on the gradual inclusion of international courses, exchange programs and networks into the university operations. The concrete internationalization strategies used include the internationalization of curriculum, establishment of international research groups, mobility of students and academics, international networking and support services. The rationales behind university internationalization, which were mainly political, academic, sociocultural and financial, were more evident and partly overlapping with the drivers behind commercial development. The commercial development seems to be mainly motivated by the national policies, reputational factors and the unexploited potential of the universities. The financial relevance of education export was found controversial in the data

The last part of the results analyzes the commercial development of the university. Education export is both a challenge and a possibility for educational institutions in Finland. Biggest challenges are the legislative environment, resources, productization processes and finding the right partners for export activities. Despite the challenges, educational products have already been developed and marketed for international markets by the Finnish HEIs. The different products and services developed by the case university are presented in the last part of the results. These include e.g. an executive MBA, service package on continuing training for teachers and principals and KiVa School Antibullying Program. Most of the offerings have been developed in cooperation with other HEIs or companies.

Finally, the study concludes that university internationalization cannot be directly transformed into commercial activities in the Finnish educational context. Internationalized curriculum and research create a good foundation for the university to develop educational services and products, but the universities need to be active in actually creating educational products. The key factors in transforming university internationalization into commercial activity found in this study include: 1) the Finnish government policies behind the current hype of export education; 2) the potential and knowledge capacity of universities for exports; 3) need for additional profits; 4) further

internationalization through commercial activities; 5) recognizing and exploiting the specific areas of strength and 6) establishing of cooperative partnerships for better products.

REFERENCES

- About Erasmus Mundus 2009–2013 (2010) The Education, Audiovisual and Culture Executive Agency, European Commission. <http://eacea.ec.europa.eu/erasmus_mundus/programme/about_erasmus_mundus_en.php>, retrieved 28.11.2012.
- Adams, T. (2007) The development of international education in Australia: a framework for the future. *Journal of Studies in International Education*, Vol. 11 (3/4), 410–420.
- Administration and Finance (2013) The Ministry of Education and Culture. <http://www.minedu.fi/OPM/Koulutus/yliopistokoulutus/hallinto_ohjaus_ja_rahointus/?lang=en>, retrieved 8.2.2013.
- Altbach, P. – Knight, J. (2007) The internationalization of higher education: motivations and realities. *Journal of Studies in International Education*, Vol. 11 (3/4), 290–305.
- Altbach, P. – Reisberg, L. – Rumbley, L. (2009) *Trends in global higher education: Tracking an academic revolution*. A report prepared for the UNESCO 2009 World Conference on Higher Education. Paris: UNESCO.
- Ammattikorkeakoulutus (2013) Reporting service Vipunen, Finnish National Board of Education. <<http://vipunen.csc.fi/fi-fi/yliopistokoulutus/Pages/default.aspx>>, retrieved 9.2.2013.
- AUCC (2007) *Knowledge exports by Canadian universities*. A survey update, August 2007. <http://www.aucc.ca/_pdf/english/publications/knowledge_exports_2007_e.pdf>, retrieved 10.4.2011.
- Ball, D. – Lindsay, V. – Rose, E. (2008) Rethinking the paradigm of service internationalization: less resource-intensive market entry modes for information-intensive soft firms. *Management International Review*, Vol. 48 (4), 413–431.
- Beerens, E. (2002) International inter-organisational arrangements in higher education: towards a typology. *Tertiary Education and Management*, Vol. 8 (4), 297–314.
- Bennel, P. – Pearce, T. (2003) The internationalization of higher education: exporting education to developing and transitional economies. *International Journal of Educational Development*, Vol. 23 (2), 215–232.
- Bennet, R. – Kottasz, R. (2011) Strategic, competitive, and co-operative approaches to internationalisation in European business schools. *Journal of Marketing Management*, Vol. 27 (11–12), 1087–1116.

- Binsardi, A. – Ekwulugo, F. (2003) International marketing of British education: research on the students' perception and the UK market penetration. *Marketing Intelligence & Planning*, Vol. 21 (5), 318–327.
- Bleiklie, I – Powell, W. (2005) Universities and the production of knowledge – introduction. *Higher Education*, Vol. 49 (1–2), 1–8.
- Build your career with us. International Master's Degree Programs at the University of Turku, Finland* (2013) Online brochure. <<http://www3.utu.fi/tiedostot/nakoislehdet/masters/index.html>>, retrieved 1.8.2013.
- Cai, Y. – Hölttä, S. – Kivistö, J. (2013) Finnish higher education institutions as exporters of education – are they ready? In: *Higher education research in Finland: Emerging structures and contemporary issues*, eds. Ahola, S. – Hoffman, D., 215-233. Jyväskylä: Jyväskylä University Press.
- Chadee, D. – Naidoo, V. (2009) Higher education services exports: sources of growth of Asian students in US and UK. *Service Business*, Vol. 3 (2), 173–187.
- Chen, L. (2008) Internationalization or international marketing? Two frameworks for understanding international students' choice of Canadian universities. *Journal of Marketing for Higher Education*, Vol. 18 (1), 1–33.
- Chowdhury, C. (2010) Carbon footprint of the knowledge sector: what's the future? *Journal of Documentation*, Vol. 66, 934–946.
- CVCP (2000) *The Business of Borderless Education: UK perspectives*. Summary report, 10–13. London: CVCP.
- Denzin, N – Lincoln, Y (2005) Introduction. The discipline and practice of qualitative research. In: *The Sage Handbook of Qualitative research*, 3rd ed., eds. Denzin, N – Lincoln, Y., 1–32. Thousand Oaks: Sage Publication.
- Ekeledo, I. – Sivakuma, K. (2004) International market entry mode strategies of manufacturing firms: a resource-based perspective. *International Marketing Review*, Vol. 21 (1), 68–101.
- Eriksson, P. – Koistinen, K. (2005) *Monenlainen tapaustutkimus*. National Consumer Research Centre, publications 4:2005. Kerava: National Consumer Research Centre.
- Eriksson, P. – Kovalainen, A. (2008) *Qualitative Methods in Business Research*. London; Sage Publications.
- Erramilli, M. – Rao, C. (1990) Choice of foreign market entry modes by service firms: role of market knowledge. *Management International Review*, Vol. 30 (2), 135–150.
- Executive MBA (2013) University of Turku. <<http://www.utu.fi/fi/yksikot/exe/emba/Sivut/home.aspx>>, retrieved 1.8.2013.

- Export Education in New Zealand: A Strategic Approach to Developing the Sector* (2001) Publication by Export Education Policy Project, International Unit, New Zealand's Ministry of Education, August 2001, 1–65. Wellington: Ministry of Education and Culture <http://www.educationcounts.govt.nz/_data/assets/pdf_file/0015/15117/exported.pdf>, retrieved 27.4.2013.
- Financing of Education (2012) The Ministry of Education and Culture. <<http://www.minedu.fi/OPM/Koulutus/koulutuspolitiikka/rahoitus/?lang=en>>, retrieved 16.10.2012.
- Finnish education export strategy: summary of the strategic lines and measures* (2010) Publications of the Ministry of Education and Culture 2010:12. Helsinki: Ministry of Education and Culture. <<http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2010/liitteet/okm12.pdf?lang=en>>, retrieved 15.10.2012.
- FinnWayLearning (2013) <<http://www.finnwaylearning.fi/en/home>>, retrieved 1.8.2013.
- Fontana, A. – Frey, J. (2005). The interview: From neutral stance to political involvement. In: *The Sage Handbook of Qualitative Research*, 3rd ed., eds. Denzin, N. - Lincoln, Y., 695–728. Thousand Oaks: Sage Publication.
- Frazer, K. – Patterson, P. (1998) Internationalization of services: the service exporting decision. *The Journal of Services Marketing*, Vol. 12 (4), 294–311.
- Ghuri, P. (2004) Designing and conducting case studies in international business research. In: *Handbook of Qualitative Research Methods for International Business*, eds. Marschan-Piekkari, R. – Welch, C., 109–124. Cheltenham: Edward Elgar.
- Gibbs, P. – Maringe, F. (2008) *Marketing higher education: Theory and practice*. Berkshire: Open University Press.
- Grönroos, C. (2007) *Service Management and Marketing: Customer Management in Service Competition*. 3rd ed. West Sussex, England: John Wiley & Sons Ltd.
- Gu, J. (2009) Transnational education: current developments and policy implications. *Frontiers of Education in China*, Vol. 4 (4), 624–649.
- Hansen, M. – Nohria, N. – Tierney, T. (1999) What's your strategy for managing knowledge? *Harvard Business Review*, March–April 1999, 106–116.
- Higher Education (2011) Finnish National Board of Education. <http://oph.fi/english/education/higher_education>, retrieved 9.2.2013.
- Hirsjärvi, S. – Hurme, H. (2010) *Tutkimushaastattelu: teemahaastattelun teoria ja käytäntö*. Helsinki: Gaudeamus Helsinki Universtiy Press.
- Hirsjärvi, S. – Remes, P. – Sajavaara, P. (2002) *Tutki ja kirjoita*. Helsinki: Tammi.

- Holtermann, S. (1996) Strategies for internationalization of higher education. A case study – The Nordic Centre at Fudan University, Shanghai, China. *Higher Education Policy*, Vol. 9 (4), 329–331.
- Hyytiäinen, E. (2013) Turku ryhtyy koulutusviennissä yhteistyöhön Tampereen ja Itä-Suomen kanssa. Press release 12.6.2013. <<http://www.utu.fi/fi/Ajankohtaista/Uutiset/Sivut/turku-ryhtyy-koulutusviennissa-yhteistyohon-tampereen-ja-ita-suomen-kanssa.aspx>>, retrieved 15.6.2013.
- ICT as a Language Learning Tool. Utilising 21st century methodology in teaching digital native students (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_IC_T_as_a_LANGUAGE_LEARNING_TOOL.pdf>, retrieved 25.9.2013.
- IMMIT (2013) Homepage, <<http://www.immit.eu/>>, retrieved 1.8.2013.
- Innovation Pedagogy. Planting the seed for business innovations (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_INNOVATION_PEDAGOGY.pdf>, retrieved 25.9.2013.
- Institutions (2013) Study in Finland. <<http://www.studyinfinland.fi/institutions>>, retrieved 9.2.2013.
- International network cooperation (2013) University of Turku. <<http://www.utu.fi/en/university/international-university/networks/Pages/home.aspx>>, retrieved 11.7.2013.
- Jaakkola, E. – Orava, M. – Varjonen, V. (2007) *Palvelujen tuotteistamisesta kilpailuetua. Opas yrityksille*. Tekes: Helsinki.
- Järvinen, R. – Lehtinen, U. – Vuorinen, I. (2003) Options of strategic decision making in services. Tech, touch and customization in financial services. *European Journal of Marketing*, Vol. 37 (5/6), 774–795.
- Johanson, J. – Vahlne, J. (1977) The internationalization process of the firm – a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, Vol. 8 (1), 23–32.
- Johanson, J. – Vahlne, J. (2009) The Uppsala internationalization process model revised: from liability of foreignness to liability of outsidership. *Journal of International Business Studies*, Vol. 40 (9), 1411–1431.
- Juntunen, T. (2009a) *Selvitys suomalaisen koulutusaamisen viennistä. Ajatuksia viennin edistämisestä perustuen "Future Learning Finland" -verkoston kokemuksiin*. A report for Finpro's "Future Learning Finland" -project. <<http://194.100.159.181/NR/rdonlyres/F5ED062F-CD51-4E36-9B3D-6AD9BE0C2AC1/13038/FutureLearningFinlandselvitysFINAL3.pdf>>, retrieved 16.3.2012.

- Juntunen, T. (2009b) Selvitys suomalaisen koulutusosaamisen viennistä. Ajatuksia viennin edistämisestä perustuen "Future Learning Finland" –verkoston kokemuksiin. Presentation at a seminar "Koulutusosaamisen vienti" by The Ministry of Education and Culture. Helsinki 27.11.2009.
- Juntunen, T. (2009c) Head of Education Export in JAMK University of Applied Sciences, Interview 8.6.2013.
- Kiinnostuksesta kysynnäksi ja tuotteiksi – Suomen koulutusvientistrategia* (2010) Suomen koulutusvientistrategia -työryhmäesitys 16.2.2010. Helsinki: Ministry of Education and Culture. <<http://www.minedu.fi/OPM/Koulutus/artikkelit/koulutusvienti/liitteet/koulutusvientistrategia.pdf>>, retrieved 15.10.2012.
- KiVa Antibullying Program. Research- and evidence-based knowledge, tools and solutions to prevent bullying (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_KiVa_ANTIBULLYING_PROGRAM.pdf>, retrieved 1.8.2013.
- KiVa School (2013) <<http://www.kivaprogram.net/>>, retrieved 1.8.2013.
- Knight, J. – Wit, H., de (1995) Strategies for internationalisation of higher education: historical and conceptual perspectives. In: *Strategies for the internationalisation of higher education. A comparative study of Australia, Canada, Europe and the United States of America*, eds. Wit, H., de, 5–32. Amsterdam: EAIE Secretariat.
- Knight, J. (1994) *Internationalization: elements and checkpoints*. CBIE Research no 7. Ottawa: Canadian Bureau for International Education.
- Knight, J. (1999) Internationalisation of higher education. In: *Quality and internationalization in higher education*, eds. Knight, J – de Wit, H., 13–28, Paris: OECD.
- Knight, J. (2003) *GATS, trade and higher education. Perspective 2003 – Where are we?* The Observatory on borderless higher education, May 2003, London.
- Knight, J. (2004) Internationalization remodeled: definition, approaches, and rationales. *Journal of Studies in International Education*, Vol. 8 (5), 4–31.
- Koch, K. – Green, M. (2009) *Sizing up the competition: the future of international postsecondary student enrollment in the United States*. Issue Brief, September 2009, American Council on Education. <http://www.acenet.edu/Content/NavigationMenu/ProgramsServices/cii/pubs/ace/SizingUptheCompetition_September09.pdf>, retrieved 17.4.2011.
- Korkeakoulujen lukukausimaksukokeilun seuranta ja arviointi* (2012) Temporary report of the working group 30.4.2012. Helsinki: OKM.
- Kotler, P. – Keller, L. (2009) *A Framework for Marketing Management*. New Jersey: Prentice Hall.

- Koulutuksen viennin selvittämishanke Varsinais-Suomessa 8.2.2011–30.4.2012* (2012) Report by University of Turku, Ådo Akademi and Turku University of Applied Sciences. Turku: Varsinais-Suomen liitto.
- Laadukas, kansainvälinen, profiloitunut ja vaikuttava yliopisto – ehdotus yliopistojen rahoitusmalliksi vuodesta 2013 alkaen* (2011) Opetus- ja kulttuuriministeriön työryhmämuistioita ja selvityksiä 2011:26. Helsinki: OKM.
- Larsen, K. – Martin, J. – Morris, R. (2002) Trade in educational services: Trends and emerging issues. *The World Economy*, Vol. 25 (6), 849–868.
- Lehtinen, U. – Niinimäki, S. (2005) *Asiantuntijapalvelut. Tuotteistamisen ja markkinoinnin suunnittelu*. Helsinki: WSOY.
- Lovelock, C. – Wirtz, J. (2007) *Services marketing: people, technology and strategy*. 6th ed. New Jersey: Pearson Prentice Hall.
- Luostarinen, R. – Pulkkinen, T. (1991) *International business education in European universities in 1990*. European International Business Association, FIBO project, D-138. Helsinki: Helsinki School of Economics.
- Macdonald, I. (2006) Offshore university campuses: Bonus or baggage? In: *Critical Visions: Proceedings of the 29th HERDSA Annual Conference*, Western Australia, 10-12 July 2006, 207–215.
- Martin, M. (2007) The context of the study. In: *Cross-border higher education: Regulation, quality assurance and impact*, eds. Martin, M., 8–57. Paris: UNESCO.
- Master's Degree Program in Futures Studies (2013) University of Turku, <<http://www.utu.fi/en/units/ffrc/studying/FutureMasters/Pages/home.aspx>>, retrieved 1.8.2013.
- Metsämuuronen, J. (2008) *Laadullisen tutkimuksen perusteet*. 3rd ed. Helsinki: Gummerus kirjapaino.
- Morey, A. (2004) Globalization and the emergence of for-profit higher education. *Higher Education*, Vol. 48 (1), 131–150.
- NAFCA (2011) *The economic benefits of international education to the United States for the 2009–2010 academic year: A statistical analysis*. <http://www.nafsa.org/_/File/_/eis2010/usa.pdf>, retrieved 12.4.2011.
- Naidoo, R. – Jamieson, I. (2005) Knowledge in the marketplace: the global commodification of teaching and learning in higher education. In: *Internationalizing Higher Education: Critical explorations of pedagogy and policy*, eds. Nannes, P. – Hellstén, M., 37–51. Dordrecht, Netherlands: Springer.
- Naidoo, V. (2009) Transnational higher education: A stock take of current activity. *Journal of Studies in International Education*, Vol. 13 (3), 310–220.

- Nokkala, T. (2007) *Construction the ideal university – The internationalization of higher education in the competitive knowledge society*. Academic dissertation. Tampere: University of Tampere.
- OECD (2004) *Internationalization and trade in higher education - Opportunities and challenges*. OECD, Paris.
- OECD (2011) *Education at a glance*. OECD, Paris.
- OECD (2012) *Education at a glance*. OECD, Paris.
- Osta nyt tutkinto meiltä! (2002) *Helsingin Sanomat* 28.4.2002.
- Pan, Y. – Tse, D. (2000) The hierarchical model of market entry modes. *Journal of International Business Studies*, Vol. 31 (4), 535–554.
- Payne, A. (1993) *The essence of service marketing*. New York: Prentice Hall
- Project Aces. Multidisciplinary assignment bringing together employers and students close to graduating (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_PROJECT_ACES.pdf>, retrieved 25.9.2013.
- Robertson, S. – Bonald, X. – Dale, R. (2002) GATS and the education service industry: the policies of scale and global reterritorialization. *Comparative Education Review*, Vol. 46 (4), 472–496.
- Seawright, J. – Gerring, J. (2008) Case selection techniques in case study research: a menu of qualitative and quantitative option. *Political Research Quarterly*, Vol. 61 (2), 294-308.
- Silverman, D. (2000) *Doing qualitative research: A practical handbook*. Thousand Oaks: Sage Publication.
- Sipilä, J. (1996) *Asiantuntijapalvelujen tuotteistaminen*. Porvoo: WSOY.
- Sipilä, J. (2003) *Palvelujen hinnoittelu*. Porvoo: WSOY.
- Skyrme, D. (2001) *Capitalizing on knowledge from e-business to k-business*. Oxford: Butterworth-Heinemann.
- Smith, A. (1994) *International education – a question of quality*. EAIE Occasional Paper No. 7, Amsterdam: European Association for International Education.
- Söderqvist, M. (2002) *Internationalisation and its management at higher-education institutions. Applying conceptual, content and discourse analysis*. Helsinki School of Economics and Business Administration, HSE Print 2007.
- Stake, R. (1995) *The art of case study research*. Thousand Oaks: Sage Publications.
- Strategia 2010–2012* (2010) University of Turku Strategy. Turku: University of Turku.

- Strategia 2013–2016* (2013) University of Turku Strategy. <http://www.utu.fi/fi/Yliopisto/Documents/TY_strategia_2013-16.pdf>, retrieved 22.4.2013.
- Strategia ja arvot (2013) University of Turku. <<http://www.utu.fi/fi/Yliopisto/strategia-ja-arvot/Sivut/home.aspx>>, retrieved 22.5.2013.
- Studying at the University of Turku (2013) University of Turku. <<http://www.utu.fi/en/studying/Pages/home.aspx>>, retrieved 11.7.2013.
- Suddaby, R. – Greenwood, R. (2001) Colonizing knowledge: commodification as a dynamic of jurisdictional expansion in professional service firms. *Human Relations*, Vol. 54 (7), 933–953.
- Teichler, U. (2004) The changing debate on internationalization of higher education. *Higher Education*, Vol. 48 (1), 5–26.
- Tervetuloa opiskelmaan! (2013) Estonian Business School. <<http://www.ebs.ee/fi/ebs-helsinki-3/>>, retrieved 1.8.2013.
- The Bologna Declaration on the European space for higher education: an explanation (2000) Prepared by the Confederation of EU Rectors' Conferences and the Association of European Universities, 29.2.2000. <<http://ec.europa.eu/education/policies/educ/bologna/bologna.pdf>>, retrieved 28.11.2012.
- The Erasmus Programme - studying in Europe and more (2012) European Commission, 10.10.2012. <http://ec.europa.eu/education/lifelong-learning-programme/erasmus_en.htm>, retrieved 28.11.2012.
- The Magna Charta Universitatum (1988) The Magna Charta of the European Universities, signed in Bologna 18.9.1988. <http://www.magna-charta.org/library/userfiles/file/mc_english.pdf>, retrieved 28.11.2012.
- The Magna Charta Observatory of Fundamental University Values and Rights (2012) Home page. <www.magna-charta.org>, retrieved 28.11.2012.
- Training Guarantee Model. Educating every youngster for the equal benefit of society and the individual (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_TRAINING_GUARANTEE_MODEL.pdf>, retrieved 25.9.2013.
- Tuition fees and scholarships (2013) IMMIT home page. <<http://www.immit.eu/tuition-fees/>>, retrieved 1.8.2013.
- Tuomi, J. – Sarajärvi, A. (2009) *Laadullinen tutkimus ja sisällönanalyysi*. Helsinki: Kustannusosakeyhtiö Tammi.
- Turun kaupunki: Suomen suurin koulutusvientikonsortio FinnWayLearning lähtee valloittamaan maailmanmarkkinoita (2013) *Mainialalehti: Varsinaissuomalainen talousaikakausilehti*. <<http://www.manialehti.fi/fi/content/view/1934/83/>>, retrieved 6.5.2013.

- Turun yliopiston historia (2013) University of Turku. <<http://www.utu.fi/fi/Yliopisto/historia/historia/Sivut/home.aspx>>, retrieved 22.5.2013.
- Turun yliopiston opiskelutilastot (2013) University of Turku. <<http://www.utu.fi/fi/Yliopisto/avaintiedot/opiskelutilastot/Sivut/home.aspx>>, retrieved 25.5.2013.
- Turunen, H. (2009) *The internationalization of location-bound service SMEs – Resources and networks in Finnish tourism companies*. Doctoral Thesis, series A-12:2009, Turku: Turku School of Economics.
- Tynjälä, P. (1991) Kvalitatiivisten tutkimusmenetelmien luotettavuudesta. *Suomen kasvatustieteellinen aikakauskirja Kasvatus* 22, Vol. 5–6, 387–398.
- Universities and University Networks (2012) The Ministry of Education and Culture. <<http://www.minedu.fi/OPM/Koulutus/yliopistokoulutus/yliopistot/?lang=en>>, retrieved 16.10.2012.
- University Act (2010) Finlex database, Ministry of Education and Culture 1.1.2010. <<http://www.finlex.fi/fi/laki/alkup/2009/20090558>>, retrieved 16.10.2012.
- University Education in Finland (2012) The Ministry of Education and Culture. <<http://www.minedu.fi/OPM/Koulutus/yliopistokoulutus/?lang=en>>, retrieved 15.10.2012.
- University of Turku (2013) Future Learning Finland. <<http://www.futurelearningfinland.fi/what-is-future-learning-finland/all-members/members/university-of-turku>>, retrieved 22.5.2013.
- University of Turku Annual Report 2012 (2012) <http://www3.utu.fi/tiedostot/nakoislehdet/vuosikertomus/2012/UTU_vuosikertomus_2012_verkko.pdf>, retrieved 22.5.2013.
- Urich, J. – Hoffenberth, D. (2012) The next generation of professional services: Service production. *Professional Services Journal*, May 2012. <<http://www.internetviz.com/psjblog/2012/05/the-next-generation/>>, retrieved 22.5.2013.
- van der Wende, M. (1997) Missing links: The relationship between national policies for internationalisation and those for higher education in general. In: *National policies for the internationalization of higher education in Europe*, eds. Kalvermark, T – van der Wende, M., 10–31. Stockholm: Hogskoleverket Studies, National Agency for Higher Education.
- van der Wende, M. (2003) Globalization and access to higher education. *Journal of Studies in International Education*, Vol. 7 (2), 193–206.
- van der Wende, M. (2007) Internationalisation of higher education in the OECD countries: challenges and opportunities for the coming decade. *Journal of Studies in International Education*, Vol. 11 (3/4), 274–289.

- Williams, G. (1997) The market route to mass higher education: British experience 1979-1996. *Higher Education Policy*, Vol. 10 (3–4), 275–289.
- Wit, H., de (2010) *Internationalisation of higher education in Europe and its assessment, trends and issues*. Publication by Accreditation Organizations of the Netherlands and Flanders (NVAO). <http://www.nvao.net/page/downloads/Internationalisation_of_Higher_Education_in_Europe_DEF_december_2010.pdf>, retrieved 1.12.2012.
- Wit, H., de (2011) Internationalization of higher education: Nine misconceptions. *International Higher Education*, Vol. 64, 6–7.
- Workplace Instructor Training. Expertise for vocational learning on-the-job (2013) Product brochure by FinnWayLearning. <http://www.finnwaylearning.fi/misc/brochures/pdf/FinnWayLearning_WORKPLACE_INSTRUCTOR_TRAINING.pdf>, retrieved 25.9.2013.
- World Trade Organization (2004) *International trade statistics report 2004*, Geneva, Switzerland.
- Yin, R. (2003) *Case study research: design and methods*. 3rd ed. Thousand Oaks: Sage Publications.
- Yliopistojen rahoitus uudistuu vuoden 2013 alussa (2012) Finnish Ministry of Education and Culture, Press release 19.4.2013. <http://www.minedu.fi/OPM/Tiedotteet/2012/04/yliopistojen_rahoytus.html>, retrieved 9.5.2013.
- Yliopistokoulutus (2013) Reporting service Vipunen, Finnish National Board of Education. <<http://vipunen.csc.fi/fi-fi/yliopistokoulutus/Pages/default.aspx>>, retrieved 9.2.2013.
- Zahria, S. – Ernest, G. (2005) The entrepreneurial university in the knowledge society, *Higher Education in Europe*, Vol. 30 (1), 31–40.

APPENDIX 1 THE INTERVIEW OUTLINE

Interview Questions

1. Could you tell me about your background?

Internationalization

2. How has the university internationalized during the years?
 - a. What are the most important phases?
3. How international is the University of Turku today?
4. Which international operations do you see most important and why?
5. What motivates the university to internationalize?
 - a. External factors?
 - b. Internal factors?
6. What are the strengths for Finnish universities in their internationalization?
7. What are the weaknesses for Finnish universities in their internationalization?

Education export

8. How important do you see the education export operations to the university?
9. What motivates the university to exporting education?
 - a. External factors?
 - b. Internal factors?
10. How can university education be productized?
11. What are the most important education export services or products for Finnish universities?
 - a. How about for the University of Turku?
12. Has the university cooperated with other organizations or companies in education export?
 - a. With whom?
 - b. How?
13. What are the strengths for Finnish universities in exporting education?
14. What are the weaknesses for Finnish universities in exporting education?
15. How does the education export affect university internationalization?

