

# INNOVATIONS IN EDUCATION

Klemen Širok & Marja-Liisa Kakkonen (eds.)



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# **INNOVATIONS IN EDUCATION**

**XAMK DEVELOPMENT 24**

**SOUTH-EASTERN FINLAND UNIVERSITY OF APPLIED SCIENCES  
MIKKELI 2017**

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Cover picture: iStock

Layout and printing: Grano Oy

ISBN: 978-952-344-046-3

ISBN: 978-952-344-047-0 (PDF)

ISSN: 2489-2467

ISSN 2489-3102 (ebook)

[julkaisut@xamk.fi](mailto:julkaisut@xamk.fi)

# THE FUTURE OF EDUCATION LIES WITHIN INNOVATIONS

The world is changing at tremendous speed, generating pressure to rather conservative and tradition bound education principles and methods. Education often struggles to catch up with the pace of changes in the global, economy and technology driven world which is accompanied by the diversification of stakeholders' needs the education system should address. Today, innovativeness, connectivity and individuality are much more needed and required than just 10–20 years ago and one size fits all approaches doesn't work anymore. After all, as is often appealed nowadays, while students represent 25% or more of our population, they are 100% of our future.

This book, as a result of the Innovation in education seminar, held on 17th and 18th of October 2017 at South-Eastern Finland University of Applied Sciences in Mikkeli, Finland, presents good practices and research results from three areas related to innovations in education: new – innovative education programs, innovative approaches to teaching and role of marketing in educational setting.

In the first part of the book the innovative education and training programs are presented. In the article titled "Preparing social entrepreneurs to realize the circular economy" Heiko van der Blonk presents and evaluates an innovative approach of integrated (social) entrepreneurial training in the Bachelor programme 'Global Project and Change Management' as it is offered by the Honours College of Windesheim University of Applied Sciences in Zwolle, the Netherlands. Next, Tim Kampe and Stefanie Pannier present the concept of region wide entrepreneurship education program called InnovationLab OWL, which represents an innovative inter-university project aimed to strengthen the academic entrepreneurship education in the German region of Ostwestfalen-Lippe.

The second part of the book is dedicated to innovative teaching approaches and methods. In the first article, Tereshchenko et al. present the Russian experience with the introduction of INNOEVENT as a mechanism of cooperation between business and education, viewed as an opportunity to organize educational process based on business demand. In the next contribution, Kangasniemi-Haapala and Jääskeläinen present co-teaching as an innovative approach to teaching that addresses some relevant challenges of contemporary business management courses, whereas the article by Beskrovnaia et al. discusses evaluation criteria applied for assessment of distant learning on selected cases from Russia and Finland.

In the last part of the book, two contributions are presented, outlining the importance of marketing in the (future) educational setting. First, Jääskeläinen presents the necessity of

applying the inbound marketing approach to market education programs. In the last article, based upon the study of how SMEs implement multichannel marketing in their business, Aaltonen presents the importance of including multichannel marketing into marketing higher education curricula.

These seven articles received from experts and lecturers from Russia, Germany, Netherlands and Finland demonstrate the breadth of research on several critical dimensions of the innovative aspect of education. The editors are pleased to feature these interesting contributions in the XAMK Development 24 issue informing and motivating those who are convinced that students represent 100% of our future.

Mikkeli, 7.12.2017

*Klemen Širok*

Visiting Lecturer in  
South-Eastern Finland  
University of Applied Science,  
University of Primorska, Slovenia

*Marja-Liisa Kakkonen*

Head of Department  
of Business, Mikkeli,  
South-Eastern Finland  
University of Applied Science

## AUTHORS

**AALTONEN, HELI**

South-Eastern Finland University of Applied Sciences

**ATRUSHKEVICH, ELENA**

Saint-Petersburg State University of Industrial Technologies and Design

**BESKROVNAIA, VERA**

Saint-Petersburg State University of Industrial Technologies and Design

**FREIDKINA, ELENA**

Saint-Petersburg State University of Industrial Technologies and Design

**JÄÄSKELÄINEN, PIA**

South-Eastern Finland University of Applied Sciences

**KAMPE, TIM**

FH Bielefeld University of Applied Sciences

**KANGASNIEMI-HAAPALA, MARIA**

South-Eastern Finland University of Applied Sciences

**NEMILENTSEV, MIKHAIL**

South-Eastern Finland University of Applied Sciences

**PANNIER, STEFANIE**

FH Bielefeld University of Applied Sciences

**TERESHCHENKO, SVETLANA**

Saint-Petersburg State Forest Technical University

**TERESHKINA, TATIANA**

Saint-Petersburg State University of Industrial Technologies and Design

**VAN DER BLONK, HEICO**

Windesheim University of Applied Sciences

**ZAGORSKAYA, MARIA**

Saint-Petersburg State Forest Technical University



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# PREPARING SOCIAL ENTREPRENEURS TO REALIZE THE CIRCULAR ECONOMY

Heico van der Blonk

## INTRODUCTION

The aim of this paper is to describe and evaluate experiences with and suggestions for improvement of an innovative approach to integrate (social) entrepreneurial training in the Bachelor program 'Global Project and Change Management' as it is offered by the Honours College of Windesheim University of Applied Sciences in Zwolle, the Netherlands.

At the Windesheim Honours College (WHC) we have developed a constructive and innovative line in the curriculum to develop social entrepreneurial skills that young student entrepreneurs need to develop in order to set up their own Social Enterprise for the Circular Economy. In the second year of their Bachelor's program, students are trained in various sustainable business approaches including the Circular Economy, and working in teams in which they set up realistic social enterprises with complete business plans. During the third year of their studies, students are given the choice to enrol in a highly innovative program, developed by and for the WHC, which is called the Value Creator program. One of the themes students can focus on is Social Entrepreneurship, and this program presents students with the opportunity to realize the social enterprise that they have always wanted to create or to contribute to a social enterprise that they feel passionate about. In this innovative educational Value Creator program the student entrepreneurs are expected to link their social enterprise to their key partners and develop the necessary social and professional networks needed for realizing the social enterprise. In their 4th year, students will be given the opportunity to use their thesis project for finalizing their business plans or to do the necessary research (such as market research, competitor analysis or an international needs analysis) for setting up the social enterprise after their studies.

The question of this paper is: How can we evaluate the structure, the theoretical contents, and the competences and skills of the WHC Social Entrepreneurship program line, and what kind of suggestions for improvement can be made? In order to address this question we will describe the program line as a case study of good practices that we subsequently will evaluate in order to conclude and present recommendations. The innovative character contains three aspects: (1) the build-up of the structure of the program line within the

curriculum (section 2), (2) the theoretical underpinning of the program to New Economy approaches (section 3), and (3) the connection of the educational program line to regional start-ups and businesses and to regional governmental bodies (section 5).

## THE WHC SOCIAL ENTREPRENEURSHIP PROGRAM LINE

This section describes the WHC Social Entrepreneurship program line as a good practice case study of innovative education. In the 2<sup>nd</sup> year course *Sustainable Business* students learn how to apply different approaches and methods of strategic management and sustainable business approaches, such as Circular Economy, Triple Bottom Line, Cradle-to-Cradle and Social Entrepreneurship. Students also learn how to identify and deal with dilemmas and how to evaluate the consequences of certain decisions for various stakeholders and the environment. In teams, students need to apply this knowledge and their skills to a real-life sustainability-related global problem linked to one of The Global Goals. In this project assignment, students need to find a business solution for this problem and write a business plan for a social enterprise. Students need to use and integrate knowledge and methods from previous courses (such as International Business, Organizational Behaviour, Project Management, Marketing and Management Accounting) and apply them to their specific business solution. The business plan is also evaluated by a panel of outside experts, and assessed in a competition for business plans. To assist in the development of the business idea and business plan, the free MOOC “New Business Models – Working Together on Value Creation” from Jan Jonker (published by iversity) is currently being used.

In their 3<sup>rd</sup> and 4<sup>th</sup> year students are offered to opt for the *Value Creator course, specializing in Social Entrepreneurship*. This open and unstructured program invites students to become agents of change and to steer their own learning process. Students analyse complex questions and contribute to the co-creation of societal value. The Value Creator program attempts to challenge the constraints of traditional education, allowing for self-definitions of learning content, on-demand education, and an exciting collaborative space to work together with professionals from different networks. Specializing in the work field of Social Entrepreneurship students explore their own social entrepreneurial ideas to complex social and/or ecological issues. Realizing a social enterprise implies collaboration to discuss creative ideas and to complement one’s expertise by building up relevant networks. A social enterprise and a sustainable business model may be the pathway to create societal impact and to change the world.

As will be introduced in the academic year 2017–2018, students can choose to direct their *Internship and Bachelor thesis to the theme of Social Entrepreneurship* (see Table 1). Working on an assignment from a social entrepreneur, or working on their initiated idea for a social enterprise, students can do the necessary research for a business plan, market needs, or social impact definitions and measurements. Based on these research-related activities a Bachelor thesis can be developed and students can graduate on their own social enterprise.

**Table 1.** WHC Course Manual Bachelor Internship & Capstone, WH.Bachelor 1718, September 2017 (draft version).

	WHC Bachelor Internship Tracks		
	Academic	Professional	Social - Entrepreneurial
Example of Assignment	Analysis of situation, (new) knowledge/ insight into a specific topic	Provision and development of advice for a change, improvement or Evaluation	Development of a (new) design for a change – Modelling
Example of professional product	(Potentially publishable) Academic article (article or case study). E.g. meets the criteria set by Glocality	Advisory report, Implementation report, Evaluation or Impact assessment report.	Business Plan, Internal case statement or Development of Business case
Example of Future orientation	Plan to attend Master education or working at research or academic institution in which having published an article may be an important asset.	Plan to work as junior consultant, technical officer at NGO, Government institution or private sector in which having a professional portfolio may be an important asset.	Plan to work as junior consultant/ business associate at companies/private sector or start up own business. In this sector, knowledge of market situation, business model and business case may be an important asset.

## THEORETICAL BACKGROUND OF THE WHC SOCIAL ENTREPRENEURSHIP PROGRAM LINE

Based on widening general knowledge and skills of management and organization, the 2nd year course Sustainable Business intends to introduce students to various existing approaches regarding sustainable business that they can use and apply in their first project of Writing a business plan for a social enterprise. Three basic approaches are used that students present with theoretical concepts as well as practical methods.

First, students were requested to set up a free account for the Massive Open Online Course (MOOC) “New Business Models – Working Together on Value Creation” authored by Jonker (2016). In this course, students systematically explore and build their own New

Business Model around their idea (cf. Jonker, 2012). In a systematic manner five building blocks are presented to help develop a viable and valuable model. Second, the adapted version of the business model CANVAS for social enterprises was used to cover all aspects of business plan or a business case (Burkett Knode, 2013). Third, an extensive approach to social enterprise planning that includes the development of social indicators and social impact measurement was included (Wolk & Kreitz, 2008).

These more methodical approaches were complemented by theoretical approaches regarding sustainable business development, some of which are mentioned here. Prahalad & Hammond's (2002) famous approach to see the world's poorest people as a huge untapped potential market for various products and services, thereby empowering them and giving them access to international markets. In his well-known contribution, John Elkington (2004) has introduced the triple-P bottom line, which draws attention to the three spheres of people, planet and profit as the three performance orientations of sustainable businesses.

The Ellen MacArthur Foundation has introduced an interesting roadmap and description towards the Circular Economy (EMAF, 2012), however one of the major starting ideas regarding the circular economy and sustainable redesign of products and services has been the Cradle-to-Cradle Design approach as outlined by Braungart & McDonough (2002) and McDonough et al (2003). Recently, an interesting and comprehensive book has been published called 'New Economy Business' by Marga Hoek (2016) but actually written by an international network of authors. This book basically covers classical themes of management and organization (such as customers or the value chain), but develops it in an innovative way to describe the emergence of the New Economy and all the interrelated changes for sustainable business it implies. This text currently forms the theoretical core of the 2nd year course.

The start of the course and the project of 'Writing a business plan for a Social Enterprise' is put into perspective by using the 'The Global Goals for Sustainable Development' which is explained on The Global Goals website as: "In September 2015, 193 world leaders agreed to 17 Global Goals for Sustainable Development. If these Goals are completed, it would mean an end to extreme poverty, inequality and climate change by 2030. Our governments have a plan to save our planet...it's our job to make sure they stick to it. The Global Goals are only going to work if we fight for them and you can't fight for your rights if you don't know what they are. We believe the Goals are only going to be completed if we can make them famous." These Global Goals are an inspiration to many, including numerous social entrepreneurs as well as more established businesses (Hoek, 2017). Moreover, as Hoek (2017) discusses, the involvement of all sorts of commercial businesses and multinational enterprises are necessary for realizing these goals, while the inspiring and disruptive role of start-ups and scale-ups is necessary for exploring innovative routes to new products and services.

The 3rd year specialization program Value Creator Social Entrepreneurship is supported by two books on social entrepreneurship. The *Social Entrepreneur's Playbook* (MacMillan & Thompson, 2013) quite extensively addresses the process of setting up a social enterprise elaborating the start-up idea into an implementable idea. It addresses the proposed solution and social value and performance of the organization next to more conventional issues like target population, competitor analysis and operational setup. Next, it describes how to frame and position the enterprise, and how deliverables and social impact should be specified and measured, as well as ways to manage and scale-up the social enterprise. In *Beyond Getting Better* Martin and Osberg (2015) investigate the nature of the subject matter of social entrepreneurship, and attempt to understand and explain how societies are shifting towards an active role in addressing and handling social problems by social organizations that actively seek to improve societies' future and change reality for the good.

Using this palette of theoretical and methodological approaches the WHC Social Entrepreneurship program line is quite well embedded. However, a deeper analysis of skills and competences related to the WHC Social Entrepreneurship program line might reveal opportunities for improvement.

## **EVALUATION OF THE WHC SOCIAL ENTREPRENEURSHIP PROGRAM LINE**

This section sets out to reflect on the coverage of skills and competences in the WHC Social Entrepreneurship program line. In order to make such an evaluation we contrast the designed competences of the WHC Social Entrepreneurship program line with the framework of entrepreneurial competences (see Table 2) as introduced by Kakkonen (2012).

This comparison reveals that the majority of the generic and subject-specific competences as outlined in Kakkonen's framework are covered in the WHC Social Entrepreneurship program line. However, two basic differences between Kakkonen's framework and the realized competences in the WHC Social Entrepreneurship program line can be discerned.

**Table 2.** Framework of the entrepreneurial competences (Kakkonen 2012, 15).

	Entrepreneurial competences	
	Generic competences	Subject-specific competences
Learned Knowledge and skills during the studies	<ul style="list-style-type: none"> <li>• learning competence</li> <li>• ethical competence</li> <li>• communication and social competences</li> <li>• development competences</li> <li>• organizational and societal competences</li> <li>• international competence</li> <li>⇒ generic personal competences which create a foundation of subject-specific competences (ARENE 2006)</li> </ul>	<ul style="list-style-type: none"> <li>• competences of business operations, entrepreneurship and business environment</li> <li>• competences of marketing and customer relationships, organizations and management, financial administration</li> <li>• competences and development in business</li> <li>⇒ knowledge and skills to set up and run a new venture as well as develop the business/company (Learning objectives of the programme)</li> </ul>
In-born personality traits and learnt features through personal growth and up-bringing	<ul style="list-style-type: none"> <li>• values and attitudes</li> <li>• self-esteem and self-image</li> <li>• self-confidence</li> <li>• need for achievement</li> <li>• approach to work</li> <li>• entrepreneurial attributes</li> <li>• uncertainty-bearing attitudes (e.g. Ko &amp; Butler 2007; Kyrö &amp; Ripatti 2006; Zempetakis 2008)</li> <li>• motivation</li> <li>⇒ implicit and underlying personal characteristics which are related to the entrepreneurial behaviour of an individual</li> </ul> <p>(e.g. Bembenuddy 2010; Chen &amp; Lai 2010; Collins et al 2004; Gibb 2005; Hanhinen 2010; Henry et al. 2003; Shane et al. 2003)</p>	<ul style="list-style-type: none"> <li>• personal maturity skills (self-awareness, accountability, emotional coping and creativity) (Schallenkamp &amp; Smith 2000)</li> <li>• attitudes towards entrepreneurship and entrepreneurial behaviour (e.g. Ajzen 2001; Chen &amp; Lai 2010; Henry et al 2003)</li> <li>• entrepreneurial intention (e.g. Ajzen 2001; Autio et al 2001; Degeorge &amp; Fayolle 2008; Gurel, Altinay &amp; Daniele 2010; Obschonka, Silbereisen &amp; Schmitt-Rodermund 2010; Pihkala 2008; Souitaris, Zerbinatti &amp; Al-Lahamp 2007; )</li> <li>➔ personal characteristics which are related to the entrepreneurial behaviour and actions as well as the likelihood to set up one's own business or other venture</li> </ul>

First, Kakkonen's framework seems to stress quite heavily the categories under 'in-born personality traits and learnt features through personal growth and up-bringing'. Especially elements like 'entrepreneurial attributes', 'uncertainty-bearing attitudes', and 'motivation' seem to be underemphasized in the WHC Social Entrepreneurship program line. This element seems to be supported by literature in the field of social entrepreneurship as well as practical experiences with social enterprises and entrepreneurs that highlight the relevance of having an entrepreneurial vision and developing creative ideas in line with this vision. In the WHC Social Entrepreneurship program line idealist backgrounds and intrinsic motivations of students are presupposed rather than actively developed in a more consistent and focused manner.

Second, the designed competences of the WHC Social Entrepreneurship program line more explicitly emphasize the relation between the design and conduct of academic research and (social) entrepreneurial activity. These competences are most explicitly mentioned during the 4th year internship phase of the WHC Social Entrepreneurship program line, but also during earlier phases in the program a structured style of working through project management techniques and academic research methods is strongly emphasized.

## CONCLUSION AND RECOMMENDATIONS

In this paper we have set out to describe and evaluate experiences with and suggestions for improvement of the WHC Social Entrepreneurship program line. We wanted to explore how to evaluate the structure, the theoretical contents, and the competences and skills of the WHC Social Entrepreneurship program line, and what kind of suggestions for improvement could be imagined.

The structure of the program line, as well as the theoretical contents are coherently described, they follow a logical setup and are reflectively developed and adapted to match evolving needs. The WHC Social Entrepreneurship program line seems to be strongly linked to academic standards of doing research and techniques of project management. Individual skills, competences and personal motivations regarding entrepreneurship, however, is a theme for further improvement, as is suggested by Kakkonen's (2012) framework of entrepreneurial competences. This observation might be linked to the fact that many social entrepreneurship projects are discontinued after the study unit is completed whilst ideas and business plans are generally of good quality.

In order to strengthen the WHC Social Entrepreneurship program line and to further develop it towards entrepreneurship for the New Economy, this section discusses two routes to further improvement: (1) the Tackling Heropreneurship approach, and (2) the connection of the educational program line to regional start-ups and businesses and to regional governmental bodies.

First, based on the 'Tackling Heropreneurship' approach of Papi-Thornton (2016) we propose some improvements to be implemented in our educational line around Social Entrepreneurship and the Circular Economy. Papi-Thornton (2016) refers to our current societal environment as a 'broken system that creates waste' whereas social entrepreneurs are usually committed to ways of fixing this broken system. Moreover, Papi-Thornton (2016) calls for social entrepreneurs to become System Change Leaders whose focus is on understanding the complexity of the causes of the broken system that creates waste, and who will be involved in a full exploration of this problem and all previous attempts that have been undertaken to solve it.

Second, the connection of the educational program line to regional start-ups and businesses and to regional governmental bodies could be strengthened. The danger of running the WHC Social Entrepreneurship program line is that social entrepreneurship remains an academic topic or merely a school project. In order to stimulate the real establishment of social enterprise start-ups during or immediately after the study program, it seems to be essential that students frequently meet with social enterprises and visit their premises and network meetings. Students and the WHC Social Entrepreneurship program line thus



should become even closer connected to real-life networks of social enterprises and their surrounding ecologies of branch organizations, local governmental bodies, stimulation programs, investors and financial institutions. What we intend to further strengthen and realize is a closer cooperation with various experts, governmental bodies and social organizations outside the university to bring in the practical knowledge from the field for the benefit of the student social enterprises, and to assist social enterprises in the region of Zwolle as well and to help them overcoming barriers and solving problems. An important, emergent network is the platform of social enterprises, governmental bodies, knowledge institutions and interest organizations that has been formed around the 1st Social Impact Day Zwolle that has taken place on the 28 September 2017. This event has sparked a research project in which more experienced regional sustainable businesses are willing to share their knowledge and insights with social and circular start-ups both from outside and within Windesheim University of Applied Science, in order to increase the chances of success for the start-up organizations and boost the social impact on a local and regional level. This research project regarding Social Entrepreneurship and the Circular Economy in the region of Zwolle and the province of Overijssel is supported by the municipality and the province. With the prospect of future funding for this research project we hope to be able to start in 2018.

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# ENTREPRENEURSHIP EDUCATION IN A REGIONAL INTER-UNIVERSITY CONSORTIUM: CONCEPTUALIZATION OF AN EU-FUNDED PROJECT

Tim Kampe

Stefanie Pannier

## INTRODUCTION

Nowadays it is generally recognized that entrepreneurial activity is one of the primary drivers of industrial dynamism, economic development and growth (Carlsson et al., 2013). Especially academic entrepreneurship has obtained a growing importance as a mechanism to promote regional employment and social cohesion (Pinto et al., 2016). Therefore, it is quite understandable that the European Regional Development Fund (ERDF), allocated by the European Union, enhances regional competitiveness and employment in the period of 2014–2020 by focusing on innovation and entrepreneurship. In this context the article outlines the conceptualization of the “InnovationLab OWL”, an innovative inter-university project to strengthen academic entrepreneurship education in the German region of Ostwestfalen-Lippe (OWL).

Setting up a business is a complex process which is influenced by environmental factors, business-related factors, and personal factors (Brandstätter, 2011; Bygrave, 2014). The InnovationLab OWL supports academic persons with an interest in founding their own business, i.e. the program focuses on the pre-founding stage. At this point the entrepreneurship process is a course of action that involves all functions, activities and actions associated with identifying and evaluating perceived opportunities and the bringing together of resources necessary for the successful formation of a new venture (van Vuuren, 2008).

Based on theoretical reflections and literature as well as on former experiences of the consortium partners the purpose of this paper is to discuss limitations in entrepreneurship education and possibilities to overcome these limitations by combined efforts in a regional network. As the focus of InnovationLab OWL is on the pre-founding stage, key aspects of the initiative as well as of the paper concern the coaching and mentoring program (Volkman et al. 2017, 660).

## CONSORTIUM INNOVATIONLAB OWL

Ostwestfalen-Lippe (OWL) is a technology region in the east of the German state of North Rhine-Westphalia with several private and state-run universities located, amongst others, in Bielefeld, Paderborn, and Lemgo. Although some major globally operating companies are headquartered in the region, including Bertelsmann (media), Claas (agricultural machinery), Dr. Oetker (food processing), Melitta (retail coffee) and Miele (household appliances), most companies located in OWL are small and medium sized and belong to the so called “German Mittelstand”.

To strengthen the local economy several private and public entrepreneurship initiatives have been started in the last years: E. g. the local chambers of commerce in Bielefeld, Paderborn, and Minden provide information and consulting services for founders with more than 4,000 contacts per year (IHK Ostwestfalen zu Bielefeld, 2017, 20). OstWestfalenLippe GmbH, a public private partnership for economic development, runs a yearly business plan competition. Bertelsmann Stiftung, a private foundation which holds about 80 percent of capital shares in Bertelsmann Group, established in 2016 the “FoundersFoundation”, a Bielefeld based start-up incubator. Nevertheless the number of start-ups in Ostwestfalen declined by 16 percent in the last five years (IHK Ostwestfalen zu Bielefeld 2017, 3).

As all of these mentioned initiatives focus more or less on the direct foundation of a business, there seems to be a lack of entrepreneurship education in the pre-founding stage. Therefore the four state-run universities in OWL (Paderborn University as consortium leader, Bielefeld University, Bielefeld University of Applied Sciences, and Ostwestfalen-Lippe University of Applied Sciences in Lemgo) decided to form a consortium to strengthen entrepreneurship education and to foster an entrepreneurship eco-system in their region. Much more could be accomplished by pooling resources and expertise in an entrepreneurship education consortium (Schmidt & Molkentin, 2015). Together the four network partners have sites in the cities of Bielefeld, Paderborn, Minden, Gütersloh, Lemgo, Detmold, Höxter, and Warburg with approx. 65,000 students and academic staff in various faculties. The initiative will be funded by the European Regional Development Fund (ERDF) via the German state of North Rhine-Westphalia with EUR 1.3 million for three years, starting in September 2017.

The joint program InnovationLab OWL will be established at each of the participating universities to ensure an area-wide offer of activities. Each partner brings existing activities in (e.g. lectures in entrepreneurship, information and consulting services for founders, and infrastructure like co-working spaces), which will be combined and complemented by the activities within the consortium.

Within the InnovationLab OWL each of the four project partners has developed a concept to support the founders’ individual needs. Furthermore, all participants benefit from the

cooperation between the partners, who provide various common activities and arrangements. The projects' intention is to implement sustainable support for regional innovations, to enhance the startup and founders community and to improve the knowledge transfer between universities, companies and entrepreneurs (Harrington & Maysami, 2015). Within the project duration of three years every project partner supports a minimum number of potential founders / entrepreneurs. The Bielefeld University of Applied Science will provide support for at least 2–4 teams of potential founders in three yearly cohorts (a minimum of 6–12 teams in total).

## **ENTREPRENEURSHIP AND PERSONALITY TRAITS**

After the entrepreneurs have passed the program they should be qualified and prepared to start their business. During the pre-founding period the personal attributes have a great impact and are especially taken into consideration: “The crucial driving force of any new venture is the lead entrepreneur and the funding management team”. (Bygrave, 2014).

Due to this the project runs a training, a coaching and a mentoring program to particularly support the entrepreneurs' individual needs, to convey key skills and encourage the founder to shape a unique and substantial profile.

Recent studies have empirically examined a correlation between personal attributes and the intentions of setting up a business as well as business performance (Liang et al., 2016; Brandstätter, 2011; Zhao et al., 2010; Caliendo et al., 2014; Rauch & Frese, 2012). Especially Brandstätter's (2011) meta-analysis has clearly shown the influence of personality traits on entrepreneurial behavior. Particularly the “Big Five” - five-factor model (FFM) of personality has proven to be adequate for the analyses of entrepreneurial intentions. The FFM personality dimensions are neuroticism, conscientiousness, extraversion, agreeableness, and openness (for a detailed description see John et al., 2008; Costa & McCrae, 1992, McCrae & John, 1992) With reference to Brandstätter (2011, 2) personality traits are viewed as causes of mental and behavioral processes.

Zhao et al. (2006) found positive effects of conscientiousness, openness to experience, emotional stability and extraversion. In contrast, agreeableness and neuroticism have negative effects on entrepreneurial intention and performance. (Zhao et al. 2006, 2010; Brandstätter, 2011).

Liang et al. (2016, 166) also show that entrepreneurial intention comprises the dimensions conviction and preparation. These dimensions are positively influenced by the traits of openness and conscientiousness. Besides others the FFM is an appropriate tool to identify the entrepreneurs' ability and can be used as a device for the coaching and mentoring program so that the positive traits can be emphasized and the negative traits moderated. Within

the projects' accompanying research the whole process will be documented, evaluated and adjusted, if necessary.

Although the personality traits are of relevance the entrepreneurs' self-awareness, self-esteem and self-reflective competences play an important role (Jacobsen, 2003). Brandstätter (2011, 8) points out, that from the very beginning learning about their personality structure is of high evidence for the entrepreneur. These key skills will be especially stimulated and enhanced during the mentoring and coaching program.

## **INITIATIVES OF THE INNOVATIONLAB OWL**

In the first instance the InnovationLab OWL will be funded for three years, so that three cohorts of entrepreneurs will be educated. Ahead of each cohort of entrepreneurs a short period takes place for organizational tasks, information services, eligibility checks, acquisition, network events, startup pitches/competitions, and project staff trainings. The cohorts pass a 12-month support program assorted to their needs. For a period of two months two cohorts overlap to stimulate an exchange between those who already gained their first experiences and those who just started.

The program focuses on theoretical and practical trainings, learning with peers and networking and the ability to gain self-reflective competence. Skills required by entrepreneurs fall into three categories: technical skills, management skills and personal skills (Elmuti, Khouri, & Omran 2012, 84). Therefore, the program addresses these skills in five different components or working packages, see Figure 2. Management skills like planning, decision making and marketing, classical contents of entrepreneurship education, will be covered by marketability trainings.

As technical skills and issues will strongly depend on the intended product, technical support is expected to take place in a mentoring program, which will be explained below. Adequate to the product idea and the market, entrepreneurs will be accompanied by experienced managers or former founders. These mentors come from the networks, which each partner of the consortium brings into the project.

The spin-off success will also highly depend on the entrepreneurs' personal skills, i.e. networking abilities and relational skills (Baron & Markmann, 2003). Relational skills include such aspects as communication ability, extraversion, conflict management skills, empathy, emotional stability, self-reflection, sense of justice, and cooperativeness (Walter, Auer, & Ritter, 2006). These personal skills will be strengthened and trained in an individual coaching program as well as during networking events on a regular basis. As the focus of the InnovationLab OWL is on the pre-founding stage, where the development of ideas and persons takes place, the mentoring and the coaching program form key components of the initiative.

## INFORMATION AND APPLICATION SERVICES

The program is intended to be open to every founder in this region, but the focus is on candidates with an academic background, either students/graduates or academic staff who are affiliated to one of the participating universities. Although in OWL several initiatives by different market-players have started in the last years, there is still a lack of an efficient and stable framework that provides support for university spin-offs. In an analysis of entrepreneurial infrastructures and the impact on academic spin-off ventures Degroof and Roberts (2004) came to the conclusion that the usage of high selectivity and strongly supported spin-off policies is most likely to generate successful ventures. Their data also suggest to build creative partnerships to overcome limitations faced by individual institutions.

Academic entrepreneurship programs are often housed in schools of business (Schmidt & Molkentin, 2015) just as the InnovationLab OWL at the Bielefeld University of Applied Sciences. But in contrast a study by Bhide (2000) showed that only 25% of entrepreneurs came from schools of business or engineering. To overcome these barriers and to reach the non-business and non-engineering students and faculty (e.g. design, architecture, applied computer science & mathematics) campus scouts will be appointed in each university department of the partners. These scouts, generally professors and academic staff with high presence and visibility in their department, function as brand ambassadors and agents. They will also be included in information sessions of the program, which take place in all departments on a regular basis.

To ensure that limited resources will be allocated in the best way, prospective entrepreneurs will have to apply for the InnovationLab OWL in a competitive process with resumes, transcripts, essays, and interviews (Finkle et al., 2009). The selection is based on the motivation and the feasibility of the idea. In the further course of the procedure a profile form and a personality-traits-analysis will be conducted.

## MARKETABILITY TRAININGS

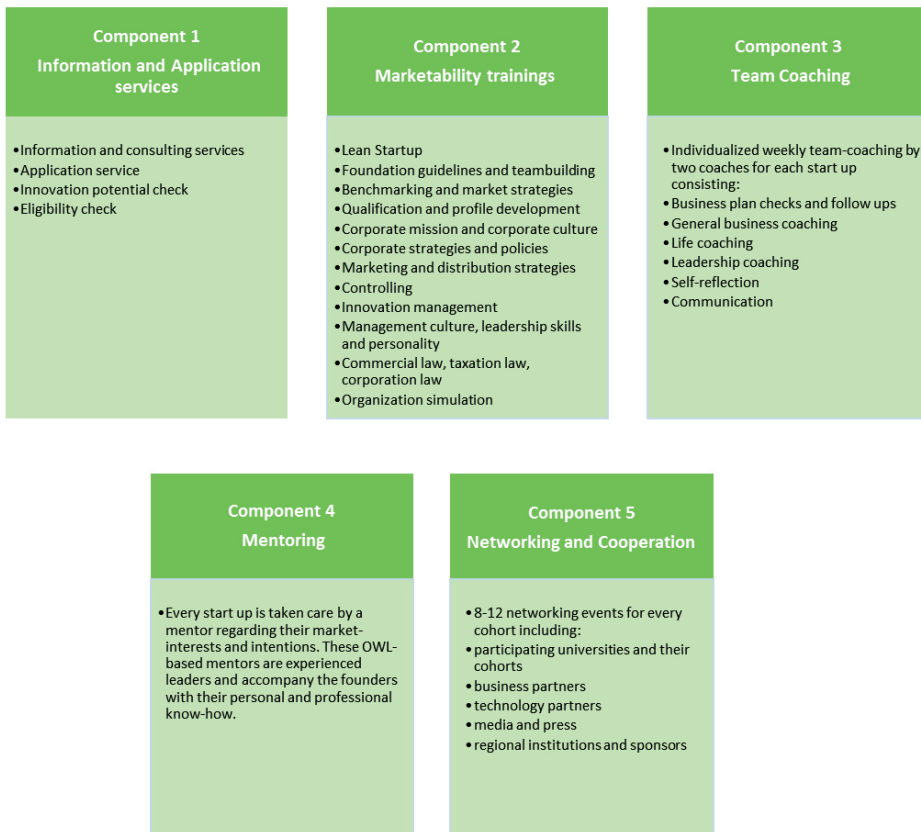
Much has been written on what should be taught in entrepreneurial education (Finkle et al. 2009, 45). As mentioned above, entrepreneurs need a mix of technical, management, and personal skills for a successful venture. In a meta-analysis of surveys in the German speaking area Kailer (2009) came to the conclusion that entrepreneurship education should develop a broad competence portfolio, starting with a more general overview and optional courses depending on the individual interests and challenges of the entrepreneurs.

As resources for courses are limited within the single educational institution, the individual limitations can be overcome by combining efforts within the InnovationLab OWL consortium: Each partner brings in courses which are already offered in the institution or



which are recently developed for the program. By offering a program to all partners and sites, networking between the participants of various faculties will be fostered. This may lead to multi-disciplinary start-up teams with broader competences (Kailer 2009, 219).

The program starts with a modular design of 13 courses, so it can be more easily integrated into different curricula. In particular, these marketability trainings can be found in Figure 2. To pass the program the participants have to select at least six courses. As students and alumni in the German speaking area seem to prefer courses leading to a certificate (Kailer 2009, 219), participants of the program will receive a certificate after completing the program.



*Figure 2. Modular design of the program.*

## COACHING

The pre-founding stage is a phase of orientation, progress, decision-making and rejections, highs and lows. During the first year the entrepreneurs undergo a challenging process and it turned out, that an intensive counselling in form of mentoring and/or coaching leads to greater entrepreneurial success (Cull, 2006; Deakins et al., 1997; Davies, 2004; Hunt, 2016; Kariv, 2011; Sullivan, 2000;). Therefore the Innovationlab OWL runs a coaching and mentoring program as the heart of its initiative (Volkman et al. 2017, 660).

The coaching program is an individualized, weekly team coaching by two coaches (one general coach and one business coach) for each start-up consisting of business plan checks and follow ups, general business coaching, life coaching, leadership coaching, self-reflection and communication skills. The concept is based on reliance, openness, responsibility, transparency and cooperation. Within the InnovationLab OWL coaching is understood as a process that enables an individual and/or team to develop goals and to evolve potential. Thereby the relationship between coach and coachee is of high importance and it is necessary to specify their roles, attitudes and expectations as well as the rules and guidelines for coaching. The relationship between coach and coachee is a partnership in which both sides work together to reach an agreed-upon destination.

Within the project a coaching manual is created and provided including all the mentioned topics. Although the business coach and the general coach work hand in hand, their roles and duties are different and specified by the respective profiles, skills and tasks:

The general coach:

- Facilitates the exploration of needs, motivations, resources and perspectives to assist the individual/team in developing and achieving goals.
- Stimulates the coachee's own thought process and does not give directive approaches.
- Is open for the coachee's attitude, ideas and needs. The coach is supportive and non-judgmental. Critique must always be constructive.
- Encourages the coachee towards (self)reflection and change of perspective.
- Provides tools, methods and techniques.
- Evaluates and discusses the process.
- Reflects the relationship and the coaching concept.

The business coach:

- Assists the coachee in developing a business plan.
- Observes the process and realization of the business plan.
- Provides tools, methods and techniques.
- Prepares and/or accompanies the entrepreneur regarding important meetings/interviews et cetera.
- Provides contacts to institutions, administrations, experts.

The coachee:

- Is motivated to work on himself and the project and is willing to be active throughout the whole coaching process.
- Is willing to reflect on his own actions, perspectives, beliefs and attitude
- Is open to constructive criticism and is critical with himself.
- Is open to share his ideas, thoughts and feelings with the coach.
- Is willing to take the responsibility for his own development and to seek support to secure his own growth.
- Is conscientious and reliable as well as courageous and curious.

## MENTORING

Each start-up is taken care by a mentor regarding the type of business, the products, market-interests and intentions. The mentors provide technical know-how, insights, experiences and their network/contacts. Mentors come from major companies in the region as well as from successful ventures/spin-offs (Bischoff, 2017).

Based on experiences with the Bielefeld University of Applied Sciences' mentoring-program "WiMento" the InnovationLab OWL mentoring will be one-to-one mentoring. Furthermore, the established and approved matching procedure that was developed in this previous program, will be used. This procedure will be complemented with a "Big Five" personality traits assessment. The mentor-mentee relationship is of great importance for a successful mentoring process, therefore it is relevant to have a sustainable and reliable profiling and matching procedure. Furthermore, it is necessary to provide workshops and guidelines for mentors and mentees to prepare and support all participants. Similar to the coaching concept, the key elements of the mentoring program are trust, respect, openness, transparency, responsibility and cooperation. A mentor is an experienced person who can help a mentee to improve his abilities and skills through observation, assessment, modeling, and by providing guidance. Although a mentor is mostly older, more experienced and already successful doesn't mean he stands above the mentee. The mentor-mentee relationship should be on eye level even if there is a difference in age and status. The respective profiles, skills and tasks of mentors and mentees are as follows:

The mentor:

- Provides advice, guidance, and feedback; shares experiences and expertise as appropriate.
- Offers encouragement and support, celebrates successes; helps to cope with throwbacks and to avoid pitfalls.
- Provides resources and networks/contacts.
- Increases the mentee's self-confidence and self-empowerment.
- Is competed in using push and pull methods.
- Provides the mentee with insights and serves as a sparring partner for ideas and plans.

The mentee:

- Identifies goals for the entrepreneurship and the mentoring program.
- Takes an active role in the whole process and relationship.
- Is open for constructive criticism and seeks for feedback.
- Is responsible for the scheduling and mentoring topics.
- Has eagerness to learn and grow.
- Is ambitious and reliable.

## **NETWORKING AND COOPERATION**

To enhance networking between the participants, the consortium partners and beyond the InnovationLab OWL, networking events will take place on a regular basis (between 8–12 times a year). These events particularly foster the exchange of experience among the prospective founders, as well as with alumni, mentors and other regional actors.

The public relations work is carried out cooperatively by the four participating universities. Through a joint publicly effective presence of the InnovationLab OWL, a comprehensive media presence will be achieved, which will promote the overall project and increase the awareness level of the InnovationLab OWL.

## **EVALUATION AND FUTURE RESEARCH**

The InnovationLab OWL as well as the subproject at the Bielefeld University of Applied Sciences and its components will be evaluated on regularly. Single components will be analyzed regarding their efficacy for entrepreneurial education in higher education. An overall assessment will provide information about its impact on the regional startup development and the sustainability of the initiative. Therefore the development of the cohorts one and two will be followed up throughout the whole duration of the program.

As mentioned before, several components deal with the entrepreneurs' personality traits and their impact on founding intentions and performances. The mentoring and coaching program will be especially evaluated to analyze the significance, the process and the entrepreneurs' progress. Besides the personality traits examination the entrepreneurs will be interviewed at the beginning, in the middle and at the end of the program as well as after their first and second year of founding.

Regarding the mentoring program, the mentors will also be interviewed. The coaching process will be documented and evaluated by academic staff. The research design is a triangulation of quantitative and qualitative methods with focus on qualitative interviews and standardized questionnaires (Flick, 2011 & 2017).

## CONCLUSION

As shown above, entrepreneurial education has a higher impact when it is holistic, comprehensive, individualized and sustainable. To overcome previous limitations the consortium “InnovationLab OWL” has evolved an extensive program based on cooperative activities, the usage of high selectivity and strongly supported spin-off policies and the entrepreneurs’ intense assistance regarding their particular needs. The program itself, the project goals, the methods and instruments will be evaluated on different stages and levels. Regarding the program’s milestones, each cohort’s progress will be analyzed and followed up. Nevertheless, the consortium “Innovation Lab OWL” and its joined program of entrepreneurship education will have to show whether they are able to have an impact on developing an entrepreneurship ecosystem in the region of Ostwestfalen-Lippe.

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# INNOEVENT AS MECHANIZM OF COOPERATION BETWEEN BUSINESS AND EDUCATION: EXPERIENCE IN RUSSIA

Svetlana Tereshchenko

Tatiana Tereshkina

Maria Zagorskaya

Elena Atrushkevich

## INTRODUCTION

In the last decade the target and values of the Russian higher education system have changed qualitatively. The creation of a unified educational space has demanded Russia to proclaim the policy of education quality, transparency and academic mobility, based on cooperation between business and education as their main priority. In addition to traditional learning tools, there is a need for new educational technologies, allowing a faster adaptation of the learning process to global changes in the external socio-economic environment and stimulating the motivation of the students for learning. The transition to competence-based models of education and evaluation of learning and educational activities of the students caused the need for continuous improvement of teaching methods, methodological support for the educational process, training of high school teachers and stimulating the active use of the opportunities of business in study process (Nemilentsev, Christiansen, Storm-Henningren, Lund, Tereshchenko & Tereshkina, 2016).

One of the goals guiding the development of education in Russia is the need for a substantial increase in the contribution of higher education to the socio-economic and cultural modernization of Russia and to increase its global competitiveness and relevance to meet the needs of business life. Means to ensure the achievement of these goals are: flexibility and individualization of the learning process, use of innovative teaching methods and strengthening the connection of education with business life (Tereshkina, Tereshchenko & Karna, 2014).

One of the ways is to improve the quality of education in Russian higher education institutions is to organize educational process based on business demand. INNOEVENT or

innovation week is one of such opportunities. The innovation weeks are designed to bring out a significant increase in the students' interest into studying and in their motivation to become a qualified professional in the process of learning.

The aim of the article is to present INNOEVENT as an innovation-oriented method of teaching based on cooperation between business and education for increasing quality of education. The experience of organizing INNOEVENT in two Russian Universities is described and the results of it are analysed. Conclusions are made on the basis of analysis in order to allow improving the implementation of INNOEVENT in the future and spreading this experience to other Russian Universities.

## THE HISTORY OF INNOEVENT

The INNOEVENT (innovation week) approach in teaching was created in 2010 in Odense, Denmark by founder Michael Lundorff-Hansen. It was designed as a mutually beneficial platform for developing new, innovative concepts by connection of people of different educational backgrounds and industry professionals. Nowadays INNOEVENT is organized in different countries: in Finland from 2013, in Spain from 2016, in Russia from 2016. All innovation weeks are based on the same model. Each year in different countries various companies and organisations present new cases that they are currently working on with the students. The students are free in the work for the case and they tackle it from their own perspective. In the INNOEVENT students' curiosity and open-mindedness is always encouraged.

Organization of the INNOEVENT in Russia can be divided into several stages. Firstly the experience of organization of such activities in Tampere University of Applied Sciences (Tampere, Finland) and in Lillebaelt University of Applied Sciences (Odense, Denmark) that occurred during in 2013–2015 was studied. The results showed a high efficiency of using an educational method that allows to deepen the cooperation between University and business. During the INNOEVENT new products, ideas and technologies, part of which can be commercialized, are created. In 2013 and 2014 students from Russian higher education Institutions participated in the INNOEVENT in Tampere as observers and in 2016 they worked as participants of the groups and participated as a Russian team. Teachers also participated the Tampere INNOEVENT as experts several times.

Secondly, the experience gained during the visits to foreign Universities was examined and adapted to the conditions of the Russian higher education institutions. This approach helped to understand how to organize INNOEVENT better in Russian higher education institutions. The students who participated in the INNOEVENT in Tampere helped to promote the innovation weeks in the Universities.

## RUSSIAN EXPERIENCE OF INNOEVENT ORGANIZING INNOEVENT IN SAINT PETERSBURG STATE FOREST TECHNICAL UNIVERSITY

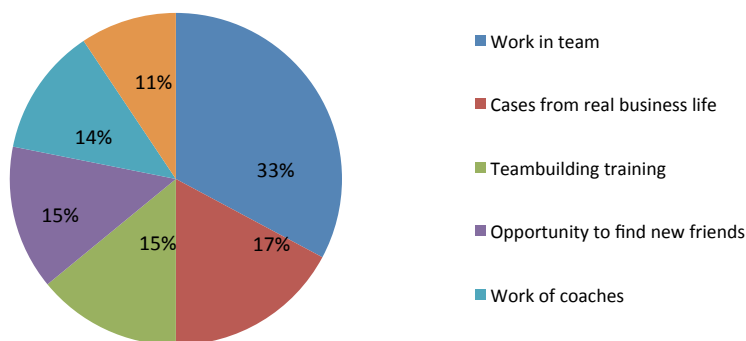
The first INNOEVENT SPbSFTU (Saint Petersburg State Forest Technical University) was organized in April 2017. It connected University students and companies of Saint-Petersburg, representing the forest sector. For four days students were grouped into teams, solved the cases and suggested innovative solutions for the companies.

The event was voluntary for students and business representatives. In the event students of four institutes participated: Institute of forest and environmental Sciences, Institute of landscape architecture, wood processing and construction, Institute of technological machines and wood transport, and Institute of Economics and management of the forest sector. Altogether 66 students participated in the event.

Representatives of business had prepared cases for the students. Company PONSSE, the leading representative of the forestry machines producer provided a case dedicated to finding new approaches in finding new customers. By results of work the whole group of the students of this case was invited for an excursion to the PONSSE factory in Finland. The ILIM group of companies, presented a case dedicated to the sustainable use of forest resources. Case of BLIK company was devoted to the search for the new ways of use for cardboard. A branch of enterprise ROSLESINFORG “SEVZAPLESPROEKT” prepared a case study on the possibilities of land use, forest inventory data of which were provided to the students.

Training center “SINTON” (St. Petersburg), as a partner of the event, provided trainings on team building for students, as well as trained coaches in supervising groups of students during work on the cases.

After finishing the INNOEVENT the students were handed a feedback questionnaire to evaluate the INNOEVENT. Students’ opinion about INNOEVENT SPbSFTU 2017 is showed in Figure 1.



**Figure 1.** Students’ opinions about INNOEVENT.

Most of the students noted in their feedback the importance of the event for the formation of interdisciplinary connections, development of communication skills and teamwork, as well as the ability to present the results of their work.

What did the students like? More than 33 % noticed that they liked to work in teams, 17 % liked to work with real cases, 15 % liked team building training and the opportunity to make new friends and contacts, 14 % liked to work with the coaches and 11 % liked such innovative educational method.

What should be changed by the view of the students? There were not that many students' comments about what they didn't like. The most recurrent problem that was mentioned by the students was connected with the situation that all the groups of one case were working in one room. 30 % of the students stressed that it was not so good decision because it was very difficult to work on the same case in one room with 3 other teams. 20 % of the students mentioned that the duration of INNOEVENT should be more than four days, lasting at least one week. Students also mentioned that they would like to listen to the presentations of the other teams working on the same case. Students also suggested that such event should be organized several times a year.

The coaches were also asked to evaluate the INNOEVENT SPbSFTU 2017. After INNOEVENT SPbSFTU 2017 the meeting with coaches was organized to discuss the results. The opinion of coaches was that such event should be organized for not less than one week. The coaches would like to know about the cases in advance and to have an opportunity to contact the companies beforehand.

On the basis of evaluation results it can be concluded that the INNOEVENT SPbSFTU was a remarkable event in the University's life. All the participants (business, coaches and students) were happy to participate in it.

## **INNOEVENT IN SAINT PETERSBURG STATE UNIVERSITY OF INDUSTRIAL TECHNOLOGIES AND DESIGN**

The first INNOEVENT was organized in Saint-Petersburg State University of Industrial Technologies and Design (SPbSUITD) in March 2016. In 2017, it was decided that INNOEVENT would be included into the curricula as part of the students' practice.

The first innovation week in 2016 involved 56 students from the Institute of Innovation managerial technologies. In 2017, 106 students from three institutes were involved: 17 from the Institute of Technology, 74 from the Institute of Innovation managerial technologies and 15 from the Institute of Energetics and Automation. Inter-institutional groups were formed to solve the problems provided by the companies.

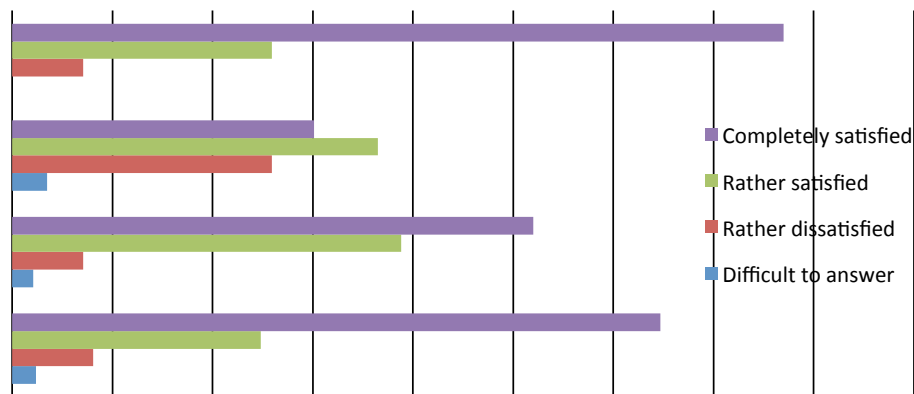
Extensive preparatory work was done to attract businesses. Later on, the business representatives and teachers of the University have designed the cases. Each case was solved at least by four teams of 6–7 people each. All groups dealing with the same case received the same task: to create innovative solutions for specific challenges faced by the company. Before INNOEVENT, workshops on team building, application of various business models and technologies of creation of the video were organized for the students. Companies from different sectors and types of activities have been involved in the innovative week: pulp and paper (Karelia Pulp LLC), food (Pastry enterprise EST), construction (LLC Construction engineering) and logistics (Enterprise OKSET). Representatives of enterprises participated as experts, observed the work of students. Teachers acted as coaches - mentors, consultants and social partners of students.

Within the framework of the innovation week the exhibition of solutions developed by university students was organized. The students of the University were voting which solution was the best. The most interesting scientific solutions were presented at the international students' conference "Youth, education and science of the 21st century". This conference is annually organized by SPbSUITD.

To assess the results of the students' work at INNOEVENT, interviews with focus groups and questioning of students were conducted. Students evaluated the innovation week on several parameters:

1. quality of organization of the innovation week as a whole.
2. level of technical support of the innovation week.
3. informational support of the innovation week.
4. work of coaches.

The evaluation was carried out for each business case. The average results of students' opinions in the frame of each business case are shown in Figure 2.



**Figure 2.** Results of student questionnaire.

All proposals and critical assessments of both students and coaches were analyzed for the subsequent improvement of the organization of the innovation week in April 2018.

Representatives of business highly appreciated the results of the innovation week. They were pleasantly surprised by the high professional level of students. Businesses received useful experience of interaction with students and plans to continue cooperation with the University.

The business representatives also pointed out that it was a pleasant discovery for them that modern forms of education are used in universities. They saw that the students have real interest in the results of their work. Businesses support further development of this format of relationship between business and higher education.

## THE MAIN RESULTS OF INNOEVENT IN RUSSIAN UNIVERSITIES

Organization of INNOEVENT in Russia proved the effectiveness of using such teaching method for the students of higher education institutions. Implementation of Innovation weeks showed that they may bring different opportunities for stakeholder groups such as students, teachers, Universities, businesses and society. The opportunities and solutions received by different stakeholders during INNOEVENT are presented in Table 1.

*Table 1. Opportunities and solutions received by different stakeholders during INNOEVENT.*

Stakeholder	Opportunities and solutions received during INNOEVENT
Students	<ul style="list-style-type: none"> <li>• to educate and at the same time form an innovative and creative approach in solving business problems;</li> <li>• to apply inductive and deductive methods of knowledge, identify the logical relationship between processes and phenomena, broadening students' horizons;</li> <li>• to give an opportunity to learn teamwork and search forms of effective interaction in groups (brain storming, mental map, Delphi method);</li> <li>• to develop the ability not only to solve the problem, but also to submit it to the investor;</li> <li>• to enhance the employment of the students.</li> </ul>
Teachers	<ul style="list-style-type: none"> <li>• to develop an extensive database of practical examples that can be used in the educational process;</li> <li>• to introduce to the educational process the advanced methods, techniques, technologies and forms of learning that were tested during the innovational weeks, allowing to obtain a significant advancement in the quality of education;</li> <li>• to give an opportunity to become a mentor and a social support for the student.</li> </ul>

Universities	<ul style="list-style-type: none"> <li>• to increase innovation and practical orientation of educational process;</li> <li>• to enhance the capacity of project work of students within educational process;</li> <li>• to advance professional development of teachers;</li> <li>• to organize internship of students in enterprises;</li> <li>• to introduce an additional motivational component (competitive effect) in practical training;</li> <li>• to increase students' interest in the learning process through communication with a potential employer.</li> </ul>
Business	<ul style="list-style-type: none"> <li>• to test the students at work and to identify young professionals with practical problem-solving skills during their University studies;</li> <li>• to reduce the adaptation period of a young professional in the workplace;</li> <li>• to solve actual business tasks, to look at business from a new angle.</li> </ul>
Society	<ul style="list-style-type: none"> <li>• to create new forms of effective interaction between business/labour market and higher education;</li> <li>• to increase the level of employment among graduates by creating new jobs and improving the quality of training specialists.</li> </ul>

The results of INNOEVENT, organized in SPbSFTU and SPbSUITD, show the feasibility and relevance of such educational method, because it allows to improve the quality of education and increase the opportunity for employment of graduates in the labour market. of this format of relationship between business and higher education.

## SUMMARY AND CONCLUSIONS

Innovation week has brought new trends to the educational process, making it a sought-after, meaningful, enforceable and understandable to the modern generation and motivating students for ongoing acquisition of knowledge. There is a continuous and consistent implementation of advanced educational technologies and innovations in the educational process due to the developed educational and methodical support of the innovation weeks.

Developed training and methodological support to the process of innovation week leads to a substantial modernization of higher education, improvement of its quality, the integration of Russian education into the international educational space as well as promotes the integration of Russian education with global business.

The positive experiences of the innovative weeks in SPbSUITD and SPbSFTU give possibilities for further expansion and dissemination of this format to other educational institutions in Saint-Petersburg and other regions of the Russian Federation because it has ensured the effective solution of the joined tasks of business and higher education and is already positively appreciated by the business community.



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# LEADING BY EXAMPLE: CO-TEACHING ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND NEW COMMUNICATION SKILLS ESSENTIAL IN BUSINESS WORLD

Maria Kangasniemi-Haapala

Pia Jääskeläinen

## INTRODUCTION

A great number of drivers are reshaping the nature of careers and learning. The rise of smart machines, automation of repetitive tasks and new communication tools together with globally connected world are changing the future work skills needed. When combining the new computational world with increasing global longevity of humans and new forms of production and value creation in organizations, the future workforce – our students – are under a lot pressure to establish entirely new skillsets for their upcoming careers (Davies et al., 2011).

Davies et al. (2011) have divided the new working skills needed into three different categories. The first category represents basic skillset, which enables the employee to be employed. These would be typically communication and personality related skills, such as openness, honesty and trustworthiness. The second category combines three different skillsets; professional competencies such as accounting or welding, process management, problem-solving and personal competencies such as confidence, leadership and judgement. The third category is strategic capability, which maximizes the success of the organization. Items like systematic thinking, teamwork, self-management, result-orientation and customer-focus would also fall into this category.

Like Davies et al. (2011) acknowledge in their publication the strategic ability, which is a key factor determining whether the organization will succeed or not, the ability of business thinking is one of the essential cornerstones of every employee in the future. That said, all future professionals – our students – should understand that the way they behave in business life, what kind of decisions they make, how they communicate, etc. will have an impact on the company's performance. Doing things right the first time is critical, and Kahneman et al. (2016, 3) discuss the challenge of inconsistency in decision-making and how much hid-

den costs the inconsistency causes to the company. Typically, students are enhancing their professional skillsets throughout their educational time, however often different professional subjects are taught in isolation by different lecturers without combining the objectives of the course together with the business-driven objective. However, the operations in business world do not work in isolation. The question comes down to the lecturers being able to tie separate topics together into wider themes, and creating a clear bridge from those wider themes to real business world examples. This is called leading by example. The authors of this article used leading by example in co-teaching during the International Week in May 2017 at Lillebaelt Academy University of Applied Sciences located in Odense, Denmark.

Teamwork and collaboration are the future work skills required. Keeping the topic of the lecture in mind, co-teaching was a natural choice for lecture implementation in this case. In fact, co-teaching as a teaching approach certainly demands more attention in the future thanks to the future work skills educated to the students. In this case, co-teaching displayed the students the message of leading by example, not just lecturing separately on two different topics of future organizational behavior and multichannel internal communication. In addition, the main topic of the lectures was designed to introduce to the students how the activities of employees within an organization affect companies' performance from the decision-making level to financial implications.

The authors' lectures at Lillebaelt Academy University of Applied Sciences Odense, Denmark in May 2017 began with the Organization Citizenship Behavior (OCB) theme. OCB is seen as part of a company's results, productivity and well-being. When it comes to OCB, communication and co-operation are seen more as learnable skills than given properties. That means that the skills can be systematically strengthened as part of the teams' development within an organizational. (Bateman & Organ 1983, 591.)

## **GOOD OCB SKILLS ENHANCE COWORKER AND MANAGERIAL PRODUCTIVITY**

OCB is talked about and its importance emphasized for multiple reasons. Firstly, due to constant change being a permanent phenomenon in working life, the psychological commitment has changed its form – unlike the employees committing themselves to the company for a long period of time in exchange for long-term financial stability and continuity as before, it is now more common to commit to the short-terms projects and work itself instead. This often includes a larger social network than just the people from your company. Work has become more complex and constantly changing social relationships and the difficulty to predict the future are forcing people to view their own work and their commitment to it from a completely new perspective. It is no longer sufficient for the employee to simply do his or her job well. It is crucial to be able to adjust one's actions and be able and willing to learn new skills and adapt to the changing environment.

Learning to learn is a familiar concept, but its significance is increasing. A work environment where the employees are committed to developing themselves is clearly a more resilient work environment than one in which people are content to maintaining their own duties, without seeing a need to learn new skills. As with everything, moderation is a crucial factor. There are limits to how much people are able to learn in a certain period of time after which trying to make people learn and adapt will have more negative effects and be harmful considering the original goals. Consequently, the challenge now is to maintain innovation and dynamics without ignoring sustainability and the employees' well-being. Here the OCB plays a major role helping both the management and the employees remain able to do their work and develop themselves.

OCB is a complex phenomenon now emerging as an important aspect of human behavior at work. According to Bateman and Organ (1983) and Organ (1988) good citizenship behavior is characterized by four dimensions: altruism, conscientiousness, sportsmanship, and courtesy.

Based on existing research, Podsakoff (2000) has defined seven dimensions of OCB: Helping Behavior, Sportsmanship, Organizational Loyalty, Organizational Compliance, Individual Initiative, Civic Virtue and Self-Development:

- *Helping Behavior* involves voluntarily helping others with, or preventing the occurrence of, work-related problems.
- *Sportsmanship* is defined as “a willingness to tolerate the inevitable inconveniences and impositions of work without complaining.” “Good sports” are people who do not complain when they are inconvenienced by others, but also maintain a positive attitude even when things do not go their way.
- *Organizational Loyalty* entails promoting the organization to outsiders, protecting and defending it against external threats, and remaining committed to it even under adverse conditions.
- *Organizational Compliance* is manifested as acceptance of the organization's rules, regulations, and procedures.
- *Individual Initiatives* include voluntary acts of creativity and innovation designed to improve one's task or the organization's performance, persisting with extra enthusiasm and effort to accomplish one's job, volunteering to take on extra responsibilities, and encouraging others in the organization to do the same.
- *Civic Virtue* represents commitment to, the organization as a whole. This is shown by a willingness to participate actively in its governance to monitor its environment for threats and opportunities. These behaviors reflect a person's recognition of being part of a larger whole.
- *Self-Development* includes voluntary behaviors that employees engage in in order to improve their knowledge, skills, and abilities.

Fundamentally, all changes aim to improve practices and productivity. However, no change is simply a technical matter, but in order to ensure success, the organization needs to accept it and act accordingly. OCB plays a key role in managing change successfully. It is important to understand how people interact, how decisions are made, how the innovativeness is maintained and how clients can be served better. The managers have their own role in building and maintaining an environment of trust through effective communication and giving the employees confidence to try new things and exit their comfort zones. The manager's persona and competence are key factors, but it is hard if not impossible to lead change without having the employees backing it. Best results are always achieved when everyone is willing to take responsibility for themselves and their skills in the changing environment.

OCB mainly deals with effective communication and social functionality. It is no longer sufficient for the employee regardless of the rank, to simply be good technically. Without the ability and willingness to communicate with others, the performance will be far from optimal. The person is required to do their work, but also to develop their skills and spread the knowledge to others. The old-fashioned way of keeping to one's own tasks and withholding information is coming to an end and is rarely encouraged in modern companies.

Good OCB skills enhance coworker and managerial productivity. They are also freeing up resources so they can be used for more productive purposes. If employees help each other with work-related problems, then manager can spend more time on productive tasks, such as planning. OCB skills are reducing the need to devote scarce resources to purely maintenance functions. Employees who exhibit courtesy toward others reduce intergroup conflict, thereby diminishing the time spend on conflict management activities. They are also helping to coordinate activities both within and across work groups. Helping behaviors may enhance morale, group cohesiveness, and the sense of belonging to a team, all of which may enhance performance and help the organization to attract and retain better employees. Demonstrating sportsmanship and not complaining about trivial matters sets an example for others and thereby develops a sense of loyalty and commitment to the organization that may enhance employee retention.

Great OCB skills thus increase the stability of the organization's performance. Conscientious employees are more likely to maintain a consistently high level of output, thus reducing variability in a work unit's performance.

## **NEW COMMUNICATION SKILLS ARE ESSENTIAL IN BUSINESS WORLD**

The second part of the lectures focused on multichannel internal communication topic from the point of view how digitalization has changed the communication and how critical the future work skills in communication are. When it comes to communication technologies,

the only constant is change and corporate behavior tends to follow what happens outside the work, not the other way around. If we take Facebook for example, people were using Facebook first outside the work to connect and communicate with their friends and family members. After the great success in private life communication usage, the use of Facebook has increased as one competitive channel of internal communication at work. The line between external and internal is blurring. Digital transformation includes the strategic and technological choices of the company, as well as the entire organization and individual's behavior and skillsets. In the forefront of digital transformation are the companies and individuals, who are innovative and excited about what the new tools and methods can bring. In other words, the employees and organizations are expected to have an attitude of learning new things constantly, and internal communication is the heart of constant change. The digital transformation itself may not be such a challenge for generations who are born with digital skills and are now entering business world. Tapscott (2010, 32) describes in his book that these digital natives consider technology a natural part of their living surroundings, and therefore digital transformation and technological developments are not the major item for these individuals. For older generations who are working in the same company, the story is totally the opposite.

Multichannel internal communication brings organization members closer to each other, breaks down organizational communication barriers, and lowers the threshold between the employees and executives. It provides an essential avenue to influence and change people's attitudes, share internal news and updates, and connect the members of the organization on a new level. The communication skills are still core competences in terms of managerial and sub-ordinate skills point of view (Isotalus & Rajalahti 2017, 55). Digital communication tools enable collaborative sharing, learning and innovation on a brand new level. New digital channels are available whenever and wherever. People share their experiences nowadays more openly and they are encouraged to participate. For example, social Intranet, chats, and gamification enable employees to contribute to internal communication effectively. New internal communication offers forums to discuss, debate issues and solve challenges with peers, but also with employees on the other side of the globe and who you may not even know.

Today's business world requires people to work more and more in hybrid organizations, contributing their expertise to various projects simultaneously. Teams come and go. Digital tools enable interaction and innovation while communicating and sharing experiences. Let's take blog posting as an example – as simple a communication method as it is – blog posting can very easily enable mutual problem-solving discussion and brainstorming within a company and throughout the organizational teams. In addition to live conversation and information sharing opportunities, digitalization offers an opportunity to have on-demand communication, too.

Not only the channels and methods of internal communication have changed, but also the tone of communication has transformed. Thanks to the sharing culture, communication is nowadays more personal, diverse and up-to-date. Social media communication has brought brief, instant and easy to understand messaging to corporate world. In addition, internal communication has adopted new forms, such as visual and graphic forms; different symbols, memes, icons and emojis are used. Instead of producing polished, scripted corporate videos, “behind the scenes” videos would be competitive solutions today.

This new way of having internal communication is in essential role enabling vertical and horizontal communication within a company. It provides efficient tools and methods to ensure employees are informed on the instructions and procedures to minimize noise, share best practices and inspire innovation. Agile, data-driven organizations enable efficiency and sharing information. Thanks to more open communication culture, the personnel of the company is able to perform more consistent decisions and minimize the hidden costs of doing things inconsistently.

## **TEAMWORK ASSIGNMENT COMBINING THEORY AND BUSINESS LIFE**

After the theoretical part of the lectures, the next step was to move on to a teamwork assignment, in which the students were asked to read the article “Noise – How to Overcome the High, Hidden Cost of Inconsistent Decision Making” (Kahneman et al., 2016) and especially the Performing a Noise Audit part in the article. In that example two employees are making the same work task, however causing a different amount of noise – and costs – to the company by delivering the tasks very inconsistently regardless of the pre-given instructions. After getting familiar with the content of the article, the teams of 4–6 students were asked to choose an industry in which similar situation could take place, and put themselves into a position of the director of that company. After doing that, the students were asked to come up with possible shortcomings in OCB and multichannel internal communication, which would cause hidden costs for the company. After thinking about the shortcomings, the teams were asked to brainstorm tools and activities they could use in order to minimize the hidden costs of noise.

The goal of this assignment was to demonstrate the teamwork within the team of 4–6 students working together on a pragmatic, real-life business world example, and combine the theory and pragmatic work together. In addition, the students had to use their communications skills in terms of negotiating within the team and present the final piece to other groups.

Both lecturers were coaching the student teams throughout the teamwork. The coaching approach worked well in terms of getting the students briefed, involved and coached on the

task in a short and limited period of time. The students felt that they could ask questions and receive guidance when working on the assignment from the coaching lecturer. In the end of the last lecture, the students presented their teamwork for the other teams. All team members were involved in the presentations.

After the teamwork presentations, the students were asked to provide feedback on the content of the lectures as well as to the lecturers. The feedback received was extremely positive. The verbal feedback from students was appraising how extremely useful it was for them to have an ensemble of two separate topics put together. The team members of one specific group stated, “A lot of things are dependent on the employee and the way he or she behaves at the workplace. It is an eye-opener for us how much an employee can influence things at work with his or her own performance.” In addition, for these first year students, co-teaching was a new, yet extremely positive experience. Finally, the students considered seeing a clear connection from theory to business life thanks to the article used at the lectures.

## **SUMMARY AND DISCUSSION**

Just as the saying goes “walk the talk”, the best approach to demonstrate the effects of organizational citizenship behavior and multichannel internal communication on company performance was to create a co-teaching implementation of lectures enabling proactive participation of students and to combine two different topics together as a wider theme and link that to a real-life example from the business world.

The co-teaching lecturers received a lot of positive feedback. The students found this implementation style a modern, proactive and energetic way of delivering the lectures and involving the students. In addition, both lecturers were able to provide complementing information simultaneously to the students keeping them occupied with thinking about the organizational behavior and multichannel internal communication from different angles.

The co-teaching approach was an extremely positive and energizing experience also for the lecturers. Creating an entity of joint lectures encourages the lecturers to step out of the individual comfort zone, bring together their separate areas of expertise, and collaboratively work with a colleague to assemble an overall, business-oriented picture of the topic for the students. This way of working created innovation, proactive communication and out-of-the-box brainstorming. In addition, when involved with co-teaching colleagues are able to see and experience what the others are working on in their area of expertise. That information and experience sharing would not happen in an isolated working mode.

On the content of the lectures, the biggest eye-opener for the students was the major role each and every employee plays within an organization and for the company performance. In addition, they mentioned that they had never even thought about on how many things



they could influence personally by being aware of the impact of their own actions within an organization and especially making the right choices the first time. After receiving a lot of positive feedback and no objections to the co-teaching method, it is most likely fair to say that co-teaching was the right choice to perform the lectures in this case.

Having said that, the authors realize that co-teaching approach does not suit all lectures nor lecturers. The teamwork of lecturers must play well together to succeed in co-teaching. The question comes down to what kind of problems and challenges are related to the widespread use of co-teaching? In fact, as the business world together with the education moves determinedly towards virtual surroundings, the evolution of co-teaching within the pedagogical setting of this new surroundings should be discussed and developed further.

During the International Week the authors also used coaching approach with the assignment teamwork. Coaching worked well in that particular exercise and suited nicely the future work skills theme, too. It triggered a thought in the authors' mind for a more widespread use of coaching method in education. In the assignment of the lecture, coaching approach enabled the students to be innovative and come up with their own ideas instead of lecturers providing them with solutions. The authors consider that coaching as an innovative pedagogical method should be discussed in more detail in terms of what kind of effects and benefits would be achieved by the coaching approach. Finally, virtual coaching will be increasing most likely during the upcoming years, and therefore the opportunities and challenges of virtual coaching should be discussed and evaluated, too.

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# EFFECTIVENESS OF DISTANT EDUCATION

Vera Beskrovnaia

Elena Freidkina

Mikhail Nemilentsev

## INTRODUCTION

The aim of the article is to explain the evaluation criteria applied for assessment of distant education in Russia and Finland. In particular, it is shown in the empirical cases that qualitative and social indicators are prioritized in evaluation of the effectiveness of distant learning in the Finnish case. In addition, the Finnish case is explained at the micro-level by means of one online course provided by South-Eastern Finland University of Applied Sciences (XAMK). Compared to the Finnish example, assessment of distant education in Russia is presented at the macro-level with two examples of distant education programmes in Saint-Petersburg State University of Industrial Technologies and Design (SPbSUITD). The distant education programs in the Russian cases are evaluated mostly by using quantitative and economic criteria. As such, the two ways for measurement of effectiveness of distant education – (1) qualitative and social in the Finnish case at the micro-level and (2) quantitative and economic in the two Russian cases at the macro-level – are presented in the article.

## DISTANT LEARNING AND CRITERIA FOR MEASUREMENT OF ITS EFFECTIVENESS

Distant learning technologies have spread in Europe and developed countries. Distant learning allows to:

- reduce the cost of training (no cost for renting premises, trips to the place of study for both students and teachers, etc.);
- reduce training time (scheduled lessons, travel time);
- grant the participant an independent choice of time, place and duration of classes;
- train a large number of people;
- improve the quality of education using modern tools, voluminous electronic libraries, etc. (Rumbler, 2012).

The law 273-FZ “On Education in the Russian Federation” (2012) provides for the possibility of implementing educational programs using e-learning and distant educational technologies

(art. 16). Modern distant learning is based on the use of information transfer media (mail, television, radio, information communication networks) and methods dependent on the technical environment for information exchange. Distant educational technologies using the Internet are used both for mastering separate courses for improving the skills of users and for obtaining higher level of education (Grokhhberg et al., 2016).

In Russia, conditions have been created for the wide application of distant educational technologies. According to the sample survey of the Federal Service for State Statistics of the Russian Federation in 2014, 72.5% of households in Russia used personal computers and Internet networks; more than 20% of households are equipped with broadband Internet (Regions of Russia 2016). After the universities have improved their equipment by purchasing personal computers for training purposes in five years (2009–2014), the number of such computers increased by 18.8% (Grokhhberg et al., 2016).

Official statistics on universities providing educational services using distant learning technologies are not available. Yet, a selective search showed that the websites of almost all universities contain information on the opportunities for obtaining education using technologies for distant learning.

In the broadest context, the evaluation of the effectiveness of training can be conducted with the help of tests, questionnaires filled by trainees, examinations, etc. Students, managers, specialists of training departments, teachers, experts or specially created target groups can evaluate the effectiveness of the training. We can distinguish five criteria commonly used in assessing the effectiveness of training:

- the opinion of students;
- assimilation of educational material;
- behavioural changes;
- working results and
- cost efficiency (Kirkpatrick, 1998).

When evaluating different forms of distant learning, the efficiency indicators can be categorized into two broad groups: qualitative and quantitative (Kislyi, 2016). The first group includes the number of training courses to be developed and accepted, the number of people trained (as students) for each training course, the number of permanent users of the remote module, among others. Qualitative indicators are the change in the level of knowledge before and after the electronic training course, the evaluation of the quality of the training courses done by the students (in the form of anonymous feedback) and the managers' assessment of the quality of staff training (Kislyi, 2016).

Separately, we should consider a methodical approach to assessing the effectiveness of training, which allows us to characterize specific pedagogical technology at all stages of

the training course, including the design stage (Abakumova, 2002). Possible indicators of evaluation at the design stage may be algorithmic, functional completeness and technological sequence.

The approach most used in practice to assessing the effectiveness of training is the four-level assessment by Kirkpatrick (1998). Kirkpatrick views evaluation as an integral part of the training cycle, which in most cases is limited to the use of questionnaires – by studying the direct response of listeners to learning. Depending on the situation the specific criteria can be divided into social, economic, quantitative and qualitative (Kislyi, 2016).

As an example of the social criteria and indicators related to distant education system, one can consider accessibility and convenience common indicators of the various forms of distant learning (Kislyi, 2016): it is an opportunity for the education of adults and the elderly, the possibility of education for people of different social strata, the overcoming of settlement inequalities, the implementation of the principles of continuing education and the growth of the student's social capital.

According to Chris Curran, there is economic profitability in distant education, as “the cost of a remote student at an Open University, compared to the cost of a student enrolled in basic programs for a full week, is about one-third to one-half of the same costs for ordinary universities” (Curran, 1989). At the same time, the economic efficiency of costs for distant learning is explored in the following areas: 1) analysis of the breakeven provision of educational services; 2) assessment of the rate of return; 3) comparison of the cost of distant learning and other forms of education (Pakhomova & Vasyukova 2009, 138–144). This group includes related costs (i.e. the expenses of the university on educational activities), an increase in wages after graduation, and a demand in the labour market.

The quantitative indicator related to distant education system is the percentage of certified participants in the training out of their total number. According to Rumble, the proportion of students who received a diploma as a result of distant education is between 39% and 85% in different universities (Rumble 2002, 86–92).

Qualitative indicator – compliance with the labour market requirements, can be assessed both by the list of knowledge and skills of the graduate and by the esteem of this educational institution among employers. This approach is realized through the study of the educational effects associated with the activity of the trainee and the analysis of the final personal data (Abakumova 2002, 339–347). Assessment of the effectiveness of education encompasses the following aspects: the desire to continue learning (in this course or in other courses); the development of a new stereotype of interaction in the learning process; reorganization of one's own activity, mastering the new forms of educational work; mastering the methods of work on the computer and in the online environment, etc.

Below is a presentation on the three cases of online education courses or programs from Finland and Russian Federation. The Finnish case describes only one course mostly qualitatively and explains the evaluation criteria used for assessment of the course's effectiveness in XAMK. It should be pointed out that mostly qualitative and social indicators are given weight in evaluation of the effectiveness of distant learning in this case. In comparison with the Finnish case, the two Russian cases are explained at the macro-level taking into consideration not the single distant course, but rather the complex of distant education programs, with the priority mostly on the quantitative and economic criteria in evaluation of effectiveness of these programs. As such, the two sides of the effectiveness of distant education – (1) qualitative and social in the Finnish case at the micro-level and (2) quantitative and economic in the two Russian cases at the macro-level – are used in the present article.

### **CASE 1: THE ONLINE COURSE "FROM IDEA TO INNOVATION" (5 ECTS), XAMK**

The aim of the below-presented case is to illustrate online education in XAMK at the micro-level – i.e. at the level of one course, and explain the criteria used for measurement of the course's effectiveness. The online course was implemented by the two partner universities of applied sciences (currently two campuses of XAMK) in Mikkeli and Kouvola. The course was held in the Spring semester 2016 and is repeated annually.

The targets of the online course were to help students use professional terminology systematically; to define the essential sources of information utilized in development work; to use relevant methods of development work and apply creative operations models; and to promote creativity and productivity in a team. The core content of the course was based on several key areas:

- innovation and innovativeness as a tool for business development;
- product and service development process;
- student's own creativity and creative group action;
- collective and multi-disciplinary creativity;
- the key methods for development;
- combining the internal and external information and using it in development work.

The core content of the course features the major qualitative criteria used in the evaluation of the course's effectiveness. The course met the quality requirements set by the Finnish labour market, professional development of students, and development of their capabilities to work in result-oriented teams and provide value for customers on the example of real work-driven cases.

Students from various faculties and with different background and professional history were expected to form study groups with maximum 3 students in each. The idea of study

groups is that the group members should remain the same during the whole course and learn principles of teamwork and develop skills of conflict resolution in teams if applicable.

The online course required active independent learning of all participants, timely progress with the weekly assignments, self-organization of work at a reasonable pace by every study group, generation of ideas and management of innovation projects performed for specific Finnish and international companies, compliance with the ethical and reporting guidelines of XAMK.

Two teachers from the two campuses of XAMK with complementing knowledge, competences and skills in innovation management and creative work were selected for leading this course. Their work was interdependent and well-articulated due to regular online meetings, joint evaluation of the students' tasks and planning of the course content prior the course, regulation of the course format during the course and evaluation of the course results afterwards. The course teachers also shared their responsibility in uploading the course material by defining the areas of competences of each teacher in advance. For instance, each task required students to get familiar with several lectures, and these lectures were prepared by two teachers either jointly or separately.

Students were provided with all materials and information concerning completion of tasks and links to external sources for teamwork in the beginning of the course. The total number of points (100) was divided into 5 larger tasks and the schedule for its completion and necessary guidance were given prior to the first lectures.

It can be stated that the social indicators of assessment of effectiveness of this course are well-articulated and dominated in such assessment. With high accessibility of the course for the registered students and the user-friendly environment for both teachers and students, the course develops the social potential of students, especially those who passed the course.

The online course lasted 10 weeks with the specific material and related links and tasks for each two-week period. In total, five creative tasks were given for students' study groups. The first two weeks were devoted to understanding innovation and creativity. Students trained idea generation through building a mind map of a creative individual and worked on improvements of a product or a service that they use in their everyday life. They also needed to name 6 innovations and describe their types, results and selection criteria. During the third and fourth weeks students innovated with business models, capabilities and social aspects. For example, they were asked to create a new business model of a "smart hospital" on one A4 sheet and analyse the life and career of the American pop singer Madonna with the model of dynamic capabilities. As such, students adopted the live nature of the innovation process, its interconnectedness in our life and career development. The fifth and sixth weeks students trained principles and methods of new product development and new service



development (also called a service innovation process). By using associative methods, they needed to imagine and create new products and services in compliance with the existing global challenges. During the seventh and eighth weeks, the processes of open and closed innovations as well as innovation ecosystems were presented to the students, and they practically planned for the future innovation and developed their own innovation ecosystem economically, socially, technologically and culturally. Finally, during the last two weeks of the course (the ninth and tenth weeks), the students were bringing their ideas into real life by running concrete development projects for one of the several proposed companies in need.

The quantitative indicators of the course's effectiveness can be described by the number of students who registered (28 students) and passed the course (20 students), by the number of hours each student spent in the Moodle course environment (81 hours on average that equals 3 ECTS and presuming that students worked in the study groups with minimum 2 members and maximum 3 members), by the number of development projects (2) and practical tasks (5) solved for the work community, and by the number of learning circles made by the students (10). However, these quantitative measures given in brackets were used not as the main indicators of effectiveness of the online course, but rather as the complementary measure for clarification of the students' activity and suitability of the course content to the students' needs.

As for the infrastructure of the online course, the students used Moodle as their virtual environment where they could get personal or group feedback from their peers, receive evaluation and advice from their instructing teachers, read articles and books via hyperlinks, watch or listen to prominent entrepreneurs and innovators and proceed with their course tasks step by step. The teachers also used e-mail reminders for students if the Moodle messages did not reach the target student group. It should be added that both teachers discussed the course progress and gave evaluation and constructive written feedback to every student's task or question in the Moodle environment.

The economic indicators for measuring the course's effectiveness were not given major importance in this case. However, the accessible infrastructure of the course, the online Moodle environment available for the students and teachers of XAMK and the free online pedagogical environment made the course highly productive and economically beneficial for its main customers – the students of XAMK.

In conclusion, the course provided excellent virtual opportunities of teamwork for students as well as for two lecturers in charge. The process of distant learning was nevertheless active, ongoing and team-led. The course feedback showed that students were generally satisfied with the course content and the range of interconnected tasks. However, some students representing different faculties and campuses reflected on the need for independent work in the future thus criticizing the necessity to complete all tasks in the study group.

## CASE 2: DISTANT LEARNING IN RUSSIA

Saint-Petersburg State University of Industrial Technologies and Design (SPbSUITD) offers distant support for the education of distant and evening students (see Table 1). Students, who teach in the distant and evening departments, do not have the opportunity to listen to the full course of lectures and to fulfil all the practical tasks provided by the program in the classroom. To fully master the training courses, the elements of distant learning are designed.

*Table 1. Education Programs offered by SPbSUITD in distant learning.*

Direction (baccalaureate)	Number of students, people
Chemical technology	75
Technological machinery and equipment	143
Energy and resource-saving processes in chemical technology.	79
Automation of technological processes and productions	206
Heat power engineering and heat engineering	297
Electrical Power Engineering and Electrical Engineering	94
Management	83
Economy	66

The work began two years ago. During this time, an array of training materials was compiled, their approbation was carried out, and corrections were made, if necessary. At present, sets of training materials for 29 first-year disciplines and 52 second-year disciplines have been formed. The development of training materials on the subjects of the third course is continuing, and hereto as many as 10 have been developed. At the moment there is an ongoing development of training materials for the master's program in Heat power engineering. Currently, the site has registered 107 groups, 1043 student users and 74 teachers (see Table 2).

**Table 2.** *Statistics of visitors of the site (made by the authors).*

Date	Site visits
31/08/2017	224
31/07/2017	317
30/06/2017	1055
31/05/2017	2008
30/04/2017	2390
31/03/2017	2059
28/02/2017	1308
31/01/2017	1211
31/12/2016	2247
30/11/2016	1533
31/10/2016	1002
30/09/2016	533
31/08/2016	154

The set of training materials includes the lecturer's introductory video, lecture notes, a set of practical tasks, and a section of knowledge testing (tests, computational and graphic tasks, and control cases). All tasks are carried out in accordance with the course schedule. Knowledge testing is performed online with present time and limited number of efforts. Students have the opportunity to quickly obtain information about the assessment of knowledge. In the process of studying online consultations are provided, they are held three times a month.

For conducting online conferences the SPbSUITD site features the installation of "Big Blue Button" software, but Skype or Meetings.io can also be used. The recordings are on the server of a specialized site and on the site itself. Furthermore, there is an automatically generated Activity report and Assessment report for participants of the program, which provides continuous monitoring of the learning process.

Within two years, 65 students have quit training. The main reasons for the termination of studies are that it is difficult to maintain a time schedule due to employment; lectures are not very clear, difficult test tasks, problems with the Internet (unstable reception).

For the academic year 2017/2018, the admission of students for distant learning was opened and it is continuing now. The enrolment order will be issued on October 1, so there is no final data yet, the applicants showed great interest in this form of training. Students are attracted by the flexibility (they can be educated at the appropriate time and place), long-distance activities (the students are not limited to one location and can study regardless of their place of residence) and economy (the cost of long trips to the place of study is significantly reduced).

The evaluation of the effectiveness of the distant learning process is fragmentary and is limited to the automatic generation of reports and the clarification of students' opinions during the interview.

### **CASE 3: DISTANT LEARNING IN RUSSIA**

Within the framework of the project “Creation of educational content, organization and conduct of educational activities” on the topic “Energy Saving and Energy Efficiency of Buildings”, the “Interregional Centre for Vocational Training and Retraining of Personnel for Energy Efficiency” was established and successfully operates in SPbSUITD.

In the Interregional Centre, thirteen educational modules, twelve training programmes and nine advanced training programmes were developed fully online (i.e. fully distant education) for the following categories of the target audience:

- population of the Russian Federation (homeowners);
- employees of budgetary organizations and institutions (engineers and managers for energy saving and energy efficiency improvement (employees of budget organizations appointed responsible for energy saving and energy efficiency), heads of the energy sector of the organization, supervisors for energy supervision (persons engaged in internal energy audit), managers of organizations and institutions.
- employees of housing and communal services, management companies and other organisations;
- specialists in the field of design and construction of buildings and
- specialists engaged in educational activities (teachers of schools and colleges).

According to the developed training programmes and advanced training programmes on the basis of the Interregional Centre, in the period from November 2, 2016 to December 2, 2016, training was conducted both full-time and using distant learning technology provided on the Portal <http://rueelp.ru>. To ensure the effectiveness of training using distant learning technologies, the methodical and consulting support of the Listeners was organized, which was carried out by allocating the Hot Line channel, which is active throughout the entire period of study.

To ensure expediency, the interaction of the consulting support service with the development team is organized to solve more complex issues that go beyond the competence of consulting support specialists. Consultations were provided by the Hotline phones and by e-mail. To ensure the promptness, the interaction of the consulting service with the CMD development team is organized to address more complex issues that go beyond the competence of consulting support specialists. The consultations were provided by the Hotline phones and by e-mail.

With the use of the Portal: <http://ruelp.ru> the translations of lectures were conducted by the programs of advanced training “Energy management in a budgetary institution for heads of organizations and institutions”, “Organization and ensuring the effective use of energy resources in the operation of buildings for engineers and energy efficiency and energy efficiency managers”, as well as an additional training program “Energy saving in a residential house for the population of the Russian Federation”. Registered users of the Portal could download educational material that consisted of lectures (21 video lectures were recorded and uploaded), presentations; practical tasks to perform and tasks for the final check.

890 Listeners from the regions of Arkhangelsk, Vologda and Pskov and from St. Petersburg were trained. The trainees successfully passed the final tests and received the relevant certificates of completed education. Three people (from the Arkhangelsk region) did not pass the final tests and accordingly did not receive certificates of education.

In conclusion, quantitative indicators were used to assess the success of projects in both cases presented above, in particular for site visits, activities, assessments based on the results of a knowledge test, the proportion of students who stopped training, the costs of creating distant learning materials and the payment of tuition fees.

## CONCLUSION

This article aims at considering practical differences used in the evaluation of effectiveness of distant education in Finland and Russian Federation. To evaluate the effectiveness of various forms of distant learning such criteria as social, economic, quantitative and qualitative are initially described in the theoretical framework. Then in the practical cases, the applicability of such criteria is considered in the Finnish and Russian cases. In particular, the leading role of the qualitative and social criteria in the evaluation of the Finnish micro-case of distant learning is presented, while in the Russian cases the two other criteria – quantitative and economic – are described at the macro-level as the leading measures in the evaluation of the effectiveness of distant learning.

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# CAN EDUCATIONAL INSTITUTIONS AFFORD NOT TO EMBRACE INBOUND MARKETING?

Pia Jääskeläinen

## INTRODUCTION

Today when customers have a need or desire and they are thinking about making a purchase, the first place to search the market and look for various options or additional information is to do an online search. The customers “google” the problem or solution they have in mind, or alternatively write specific keywords to expand their knowledge on the topic prior to the purchase. According to Forrester Consulting (2014, 2), 66% of business-to-business (B2B) buyers do research on the products online before purchasing them online. According to 2015 B2B Buyer’s Survey Report by Demand Gen (2015, 4), an average B2B buyer progressed nearly 60% of the purchase process online before speaking with a sales representative and making an offline purchase. In fact, more than half (53%) of survey respondents reported that social media plays a strong part in their research process, and 86% of respondents reported that content such as case studies and product data sheets influence purchase decisions. Social media and vendor-focused content are two key places where buyers turn to in order to conduct research. B2B world has followed the radical shift, which happened first in business-to-customer (B2C) world.

Digital inbound marketing is about reaching and converting the website visitors into qualified leads and eventually customers by creating and pursuing organic marketing tactics in digital world. A qualified lead is a potential customer, who has expressed an interest towards the company or its product or service by searching the product or service, filled in a form on company’s website, and the customer’s details have been validated by the company. The cornerstones of digital inbound marketing are interactivity, engagement and providing valuable content to the customer. The key is to know your customers and build the digital inbound marketing activities based on what the potential customers are looking for and how the company can help them, and eventually get the customer to do the purchase.

The same shift in searching for answers on the Internet and buying behavior has happened in education world. The future students “google” the educational institutions and educational programs online, read what the others are saying about them in social media, and only after that make a decision on which institution or program they will choose. That



said, more advanced educational institutions with a desire to keep up with the digital world need to change the way they market their services, not only educate the students on how to do inbound marketing. The change requires a major adjustment from the teachers and marketing people, too. Forward-looking teachers will have to work closely with marketing people within the organization to build effective inbound marketing activities in order to attract future students more proactively.

## **A SHIFT IN BUYING BEHAVIOR**

Following the tremendous change in buying behavior both in B2C and B2B worlds, it is obvious that marketing needs to change, too. Coming back to the Forrester statistics, B2B buyers have progressed over 60% of the purchase decision-making process searching online before they even approach a sales representative. In other words, over 60% of buying decisions is made before the prospect even talks to a company. With this incredible change in buying behavior, marketing has a greater impact on the actual sale than ever before. Sheridan (2017, 17) discusses in his book the change in behavior regarding how all consumers go to Internet for answers. They go to Google and type in the question or challenge they have. Google provides the answer, and all of the sudden the uninformed consumer has all the information available on the Internet at his fingertips. Marketing has an opportunity to attract the consumer to find the offering of the company and make sure that the consumer considers the company's offering competitive and worth contemplating. Marketing is also able to influence what information and data the consumer receives prior to making the decision, and which company (or companies) the consumer will contact when considering the purchase. Marketing plays a major role in making sure the consumer hears the voice of loyal customers and promoters.

Keeping in mind all these changes in behavior and the power shift to consumers, marketing plays an essential role helping sales staff to sell. The State of Inbound 2017 report published by HubSpot (2017) compiles the data from over 6000 respondents worldwide on the insights of marketing and sales challenges and plans for future strategies. According to the State of Inbound 2017 report (2017), the biggest challenges for marketing are converting potential customers and leads to customers (70%), growing traffic to website (55%), and increasing revenue derived from existing customers (45%). Organizations are focused on attracting visitors to the website, turning visitors into qualified leads and converting qualified leads into customers. In addition, one of the biggest priorities also included enabling customers to become promoters and increasing revenue from existing customers.

Technology and analytics have provided brand new marketing tools to utilize the data available and build data-driven marketing activities to target audience. Marketing is focused on improving customer experience, and data is in the heart of customer experience. The role of marketing is to understand the customer better with the data available, and harness that data to address the customer's challenges in the various stages of purchasing process. In the

best-case scenario, the customer opens up a dialogue with the company simply because he values the content the company provides, not thinking about the future purchase needs he may have. Customer is in the heart of all activities.

## TRADITIONAL VS. INBOUND MARKETING

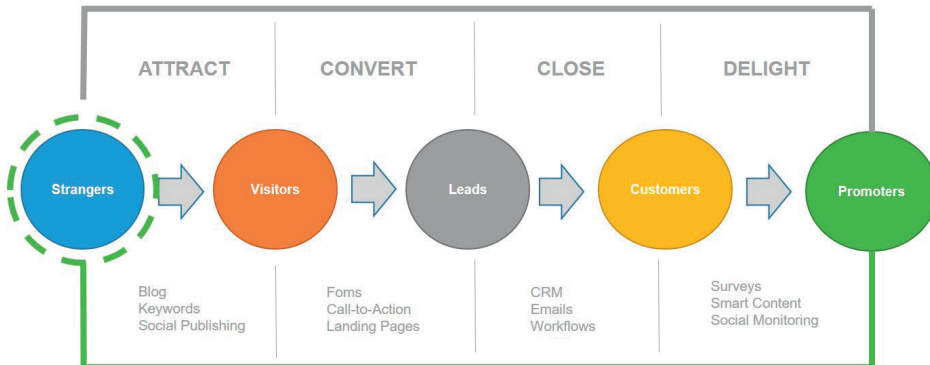
In traditional marketing, marketers create the marketing messages and materials based on the product and service information within the company. Companies push the messages to large audiences in a centralized manner via intrusive media such as TV, magazines and outdoor advertising. In this case, the conversation is initiated by the company to the audience, where the consumers have only limited amount of possibilities to communicate back to the company, for example in a case of direct mailing campaign. Reaching a positive end-result, the company has disturbed a large group of individuals in order to find few interested prospects. The traditional marketing activities are no longer effective due to the customer's ability to choose their object of interaction. The digital arena has made it possible for customers worldwide to search for information on any product or service anywhere and anytime.

In inbound marketing, the power shifts from companies to individuals. The consumers are proactively seeking for information for their needs, and interactions with brands are attracted through content, online search and social media marketing. The company can have different messages to each customer segment, personalized content for each individual customer and a dialogue with the customers. On the other hand, in digital world customers also communicate with each other more providing either for or against communication about the brand. Table 1 illustrates the differences between traditional and inbound marketing (Opreana & Vinerean, 2015, 29).

**Table 1.** Differences between traditional and inbound marketing.

	<b>Traditional Marketing</b>	<b>Digital Inbound Marketing</b>
Basis	Interruption	Organic
Focus	Finding customers	Getting found by potential, existing and aspirational consumers
Aim	Increased sales	Creating long lasting relationships by reaching and converting qualified consumers
Target	Large audiences	Interested prospects
Tactics	Print advertisements TV advertisements Outdoor advertisements Cold calling Trade shows Email lists	Blogs, Ebooks, White papers Videos on Youtube, vimeo, etc. Search engine optimization tactics Infographics Webinars News feeds Social media marketing tactics

Inbound marketing methodology can be demonstrated with a process chart available in Figure 1 (HubSpot, 2017). Inbound marketing focuses on creating valuable content that pulls individuals towards the company and the product or service. Aligning content that the company produces with customers’ interests, the company naturally attracts inbound web traffic that can be converted into leads, leads can be nurtured to become customers, and customers can be nurtured to become loyal customers. The inbound marketing process consists of four states – attract, convert, close and delight – developing the strangers to visitors, leads, customers and finally promoters.



*Figure 1. Inbound marketing methodology (HubSpot, 2017).*

## EDUCATION WORLD NEEDS TO FOLLOW THE SAME TREND

In educational institutions, teachers of various subjects are the ones who know their area of expertise the best. At the same time, the marketing teachers educate the students how to do inbound marketing correctly in addition to all other marketing approaches. The question is, are the institutions applying the same inbound marketing approach to their own marketing activities approach or are they just educating the students about it? Can they afford not to? The consumer behavior of future students reflects exactly the same pattern of searching answers online, reading and reviewing discussions, searching for additional information from other digital sources and making a decision based on knowledge built in digital world. Educational institutions must understand the needs and the wants of their target audiences - future students - in order to build credible marketing content, which provides an answer to individual’s needs and wants when the potential student does a search in Google.

This requires defining and analyzing the target audience. In other words, what kind of individuals the future students are, what are their needs and wants, where do they search for information, what are the keywords in searches, etc. Based on this analyzed data, one of the major foundation of inbound marketing – content strategy – can be built. The content

strategy should include the persona analysis, customer journey, resources to create and update content, objectives, operational content plan, channels and content publication calendar. In the content strategy, the education institution defines its own media objectives and methods how these objectives are achieved, according to Aaltonen (2017, 19). In terms of content, the strategy should provide answers to questions why, to whom, what and how. Kurvinen and Seppä (2016, 201) also highlight the importance of understanding the purchase process stage of the customer and create valuable and relevant content for each stage of the process. This means providing more and more valuable content for the future student on their path when deciding on the educational institution or programs.

Doing inbound marketing successfully – producing attractive content and getting it in front of the wanted potential customers – is a teamwork. In business world, marketing and sales teams would be working together with content matter experts (eg. R&D or customer service personnel) in order to create great content. Sheridan (2017, 153–155) highlights the importance of insourcing the inbound marketing content in-house as a team effort to create incredible content. That is the foundation of successful inbound marketing approach. In education world, the innovativeness applies in teamwork. Experts from different areas should work together to enable a complete, well-functioning inbound marketing process.

At the education institutions, typically marketing people work on their activities in isolation from the lecturing staff. In this new approach, it would be critical for teachers to work closely and aligned with marketing people to provide more information about the educational programs, trends in each industry, setting correct keywords, and producing content for different phases of inbound marketing process. Marketing personnel are experts in doing marketing, but for content creation, they should be working with subject matter experts, and in education world, that means teachers.

On the other hand, teachers should be not just following the trends in the industry they are teaching, but rather be part of the activities and discussions on future trends and the innovations in the industry and bringing those trends as part of educational programs and courses. That means revising the content of the programs and courses constantly, and also making sure the program and course descriptions are written in a manner that the future student would be attracted to them. It is all about knowing what the future student is looking for and which keywords the individual would be using when “googling”. To certain extend, this means making sure certain commercial terms are used also in the language of education institutions to make the content more appealing.

## SUMMARY

Inbound marketing in education world is a new thing. Teachers are educating students on how to do inbound marketing, but are the institutions applying this marketing approach themselves with their own marketing activities? Old-fashioned educational institutions must change the marketing efforts in order to attract the future students. To certain extent, the education world must commercialize the way of doing marketing and make themselves interesting in the eyes of these individuals. That requires knowing how the individuals search for information using Google and what kind of content attracts them, and making sure that the social media discussions are favorable to the institution. All this requires embracing proactively inbound marketing approach into education world.

However, marketing people at educational institutions cannot do that by themselves. They are not the subject matter experts when it comes to the content of educational programs and building messaging around it. The shift in doing inbound marketing requires a fundamental change from all lecturing staff to work more closely and aligned with marketing people. Teamwork above and beyond organizational boundaries is a brand new way of working in educational institutions. All these reshape the way things have been done for decades at the educational institutions.

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# LEAPS AND LAGGARDS – MULTI-CHANNEL MARKETING IN SMES

Heli Aaltonen

## ABSTRACT

Marketers are increasingly relying on multiple channels to sell and distribute goods and to communicate with their customers and audiences. This implies that multichannel marketing should play a more important role in higher education marketing curriculum. The main objective of this paper is to gain knowledge about multichannel marketing practices in SMEs. The topic is extremely timely since the progress of digital technology forces SMEs to improve their service. The research question is: *How do SMEs implement multichannel marketing in their business?* To gain empirical material, 21 managers were interviewed. The results indicate that there are a big number of SMEs who have basic level readiness to implement multichannel marketing. A small number of firms seem to be at an advanced level in multichannel marketing. Among those, some proactivity – or even a leap compared to other firms – came up in the interviews. In summary, interviewed firms seem to be more reactive than proactive in their channel decisions. The results indicate that the majority of SMEs will make a significant leap in channel development only after inescapable external pressure really forces them to do it. This implies that there is a vast number of laggards among SMEs.

## INTRODUCTION

This paper discusses multichannel marketing and customer service in small and medium sized enterprises (SME). The topic is extremely timely since the progress of digital technology forces SMEs to improve their service. Demanding customers and partners, fast-moving competitors (Chen & Lamberti 2016, 604), as well as emerging business models speed SMEs up to improve their operations.

Multichannel marketing is a widely studied field with rich insights. In their analysis, Young and Merritt (2013) found that recent marketing channels research examined, in most cases, the channel members' relationships, then channel structures and thirdly, channel theory issues. Empirical research, however, has mainly focused on retailing business in large firms (Chen & Lamberti 2016, 595). For this reason, more attention should be given to multichannel marketing in SMEs, and also in the B2B segment (Stojkovic et al. 2016, 124). Moreover, the SME sector provides employment for a significant number of graduates and



therefore marketing education should reflect SMEs' real business environment.

Some research shows a difference between multichannel distribution and multichannel communication (Sharma & Mehrotra 2007, 22). In fact, separating these two issues is unnecessary. Channels of distribution and communication are blended together and firms should focus on integrating both transactions and relationships with customers (Keller, 2010), in order to create a seamless customer experience (Bruce et al. 2009, 333). In this paper, multichannel marketing encompasses both components, that is, distribution and communication.

## **OBJECTIVES OF THE STUDY**

The main objective of this paper is to gain knowledge about multichannel marketing practices in Finnish SMEs. The research question is: How do SMEs implement multichannel marketing in their business? The paper contributes to the research area of channel structures in SMEs. Furthermore, the paper attempts to exhibit the relation between marketing teaching in higher education and SMEs' marketing needs.

The next section discusses the previous research on motivations and the implementation of multichannel marketing. Then, the results of a preliminary empirical study are presented. The final section provides conclusions arising from the results.

## **PREVIOUS RESEARCH**

Multichannel marketing blends a range of direct and indirect channels such as call centers, webstores, social media, chat services, websites, brick and mortar or personal selling. A channel means a customer contact point, or a medium through which the firm and the customer interact (Neslin et al. 2006, 96; Wilson et al. 2008, xviii).

Previous research has produced a generalization that all multichannel customers would buy more than single-channel customers (Neslin et al. 2006, 100–101). Kushwaha and Shankar (2013), however, show that multichannel customers are the most valuable segment only for hedonic product categories. Similarly, in their banking services study, Cambra-Fierro et al. (2015) found that fully multichannel customers are not the most profitable. Instead, they suggest that, for instance, specific dual-channel combinations may improve the profit margins. Neslin et al. (2006, 100–101) suggest that multichannel customers may receive more marketing and contacts and therefore respond more strongly by buying.

## MOTIVATIONS TO ADOPT MULTICHANNEL MARKETING

In their literature review, Sharma and Mehrotra (2007, 23) summarize that firms need to adopt multichannel strategies for increased presence, awareness, trial, and sales. Studies also suggest that there are three main motivations in firms to implement multichannel marketing in practice. They are economic benefits, customer benefits, and pressure of competition (Chen & Lamberti 2016, 606; Wilson et al. 2008.)

Economic benefits may be achieved by expanding markets, increasing the number of points of sales, or reducing costs. Customer benefits mean an enhanced customer's hedonic experience and emotional stimulation as well as better capacity for information and interaction. Competition or industry standards may force a firm to adopt a multichannel strategy (Chen & Lamberti 2016, 603–606). At the same time, competition is seen as an obstacle to improve operations in SMEs (SME Barometer, 2016).

In their study, Chang and Zhang (2016, 89) suggest that channels have different roles. An offline retail store channel typically provides rich sensory experiences and thus activates inactive customers and serves “educational” or “revival” purposes. An online channel, instead, is effective in keeping the existing active customers active and, thus serves a “retention” purpose.

## CHALLENGES OF ADOPTING MULTICHANNEL MARKETING

Marketers face many challenges when implementing multichannel management. Rosenbloom (2007) summarizes a variety of challenging issues including integration of traditional channels and e-commerce in order to create synergy and avoid “channel cannibalization”; designing an optimal channel portfolio, securing cooperation to avoid conflicts, and managing more complex supply chains.

Valos (2009) studied managers' views especially focusing on implementation challenges. They were classified into four themes. The first theme, rewards, culture and motivation, covers human resources aspects. For example, sales people need to adopt new skills and roles. Service quality and consistency as well as effective reward systems need more attention. The second theme, structural issues and control, concerns how centralized or fragmented decision-making and responsibilities are. Full decentralization may lead to a “silo view” and channel competition.

Thirdly, conflict and cohesion theme discusses conflicts between channels resulting in poor customer experiences and lost opportunities for profitable sales. The final challenge focuses on external relationships. It covers issues such as how to maintain external channel support,

find win-win outcomes, and when to outsource service and sales channels (Valos, 2009).

Valos et al. (2010) identified quite similar implementation difficulties. They brought out challenges to understand and foresee customer channel usage, behavior, and preferences. This requires ongoing adaptation and faster decision-making. Valos et al. (2010) also highlighted dealing with organizational politics and conflict caused by emerging channels. They said that traditional channel managers may feel threatened if they are unsure of digital channels and media. They suggest, for example, that employees facing customers should be more empowered.

## RESEARCH METHOD

The aim of this empirical study was to examine how SMEs implement multichannel marketing in their business. The study was preliminary by nature. In all, 21 managers from SMEs were chosen by convenient sampling (Eriksson & Kovalainen 2008, 52) and interviewed. Respondents' contact information was taken from a list of SMEs in one region. The respondents were entrepreneurs, CEOs, marketing managers, or other managers who were supposed to know about channel strategies and their implementation in the company (Table 1). The companies' "state of multichannel marketing" was not known in advance.

The interviews were semi-structured (Eriksson & Kovalainen 2008, 82) and conducted by phone. Each call took 16–20 minutes. A list of questions was prepared in advance and all phone interviews followed a similar order. Notes were written in a word processing program during the interview. The questions focused on the following issues:

- What channels does the company use in sales, delivery, and communication?
- How are digital channels utilized?
- What kind of customer data is monitored and gathered?
- How is customer data utilized?
- How do companies intend to improve their business?

The respondents represented various industries. The majority of companies targeted their offering to businesses (B2B) or government (B2G).

**Table 1.** Title, industry, target customers, and turnover of the respondents.

Title of respondent	Industry	Main target	Turnover M€
1. Entrepreneur, CEO	Printing industry	B2B	0.5
2. Entrepreneur	Staffing services	B2B	1.0
3. Entrepreneur, CEO	ICT services	B2B	0.9
4. Entrepreneur	Metal industry	B2B	1.0
5. CEO	Accountancy services	B2B	0.6
6. CEO	Accountancy services	B2B	0.45
7. Store Manager	Wholesale and retail	B2B	0.7
8. Sales Director	Food industry	B2B/ B2C	24.0
9. Marketing Director	ICT services	B2B/ B2C	27.0
10. Entrepreneur	Renovation	B2B/ B2C	1.5
11. Entrepreneur, CEO	Printing industry	B2B/ B2G	1.5
12. Service Manager	ICT services	B2B/ B2G	10.5
13. Entrepreneur, CEO	Construction industry	B2B/ B2G	25.0
14. Entrepreneur, CEO	Sports and fitness services	B2C	0.3
15. Entrepreneur	Tourist industry	B2C	0.3
16. CEO	Car trade	B2C/ B2B	10.5
17. Sales Manager	Accommodation & hospitality	B2C/ B2B	2.2
18. Entrepreneur	Joinery industry	B2C/ B2B	0.9
19. Entrepreneur, CEO	Renovation	B2C/ B2B	1.0
20. Entrepreneur	Arts and crafts	B2C/ B2B	0.2
21. HR Manager	ICT services	B2G	40.0

Abductive approach (Eriksson & Kovalainen 2008, 23) and a channel chain model (Wilson et al. 2008, 81–84) were applied in the analysis of empirical material. The model combined a company's current channel chains and stages of a customer's buying process and means of interaction. A model was illustrated for each respondent's company. Then a view based on each illustration was written and the similarities and differences were examined. Finally, conclusions were drawn.

## RESULTS OF THE INTERVIEWS

Based on the empirical material it seems that in the majority of interviewed firms the marketing communication is somewhat multichannel, however, actual purchase usually is realized by a single channel.

### MULTICHANNEL FIRMS

Only a few interviewed firms stood out from the crowd as taking advantage of multichannel marketing. In these firms, the customers had several channels, for example, to order, reserve or pay service, or acquire information through various channels before purchasing. In addition, customer data and information on the buying history were gathered and exploited.

In their customer service these firms exploited digital technology rather diversely. They also seemed to have visions on how to develop further both their service offering and customer service. Although the term *omnichannel* was not mentioned, the mindset of omnichannel marketing was reflected in their answers. These respondents included both B2B and B2C firms.

### “SLIM CHANNEL” FIRMS

The majority of interviewed firms seemed to implement “slim channel” marketing. A transition to multichannel marketing was not yet performed and the topic did not seem to invoke any enthusiasm among respondents. When they were asked about the issues that were important to be improved in their business, topics covered for example acquiring new customers, increasing sales, improving services, and gathering and exploiting customer data. Obstacles to realize improvements appeared, such as lack of time, need for large system changes, or supposed internal resistance to change. Lack of knowledge or competence did not come up as obstacles.

These firms’ websites seemed to be rather static and the content of their websites was basic information on the company and its business. Interaction with customers occurred by e-mail and phone and also in appointments. A few respondents mentioned also events, trade fairs, and social media as their channels. Use of inbound content marketing did not appear in the empirical material. Customer data was not particularly gathered or systematically exploited. Some firms used a CRM system but did not emphasize exploiting the data in their marketing. The most often monitored pieces of customer information were sales data, requests for quotes, credit ratings, or claims.

When respondents were asked about opportunities for digital technology in their marketing, most of them highlighted increasing the use of social media in their marketing communications. Among the respondents were a few firms who described their industry

as very traditional. For them, traditional convention seemed to mean that there was no need to develop a course of action. Opportunities of digital technology were not necessary to be considered because “this has always been the convention”. These respondents mainly included B2B firms, but also some B2C firms.

## CONCLUSIONS AND LIMITATIONS

The state of multichannel marketing in SMEs in the region and invocation of related digital technology can be evaluated as a conclusion. The results indicate that there are a big number of SMEs in the region who already have basic level readiness to implement multichannel marketing.

It also seems that multichannel opportunities are somewhat more often applied in marketing communications than in sales and delivery. Web pages and social media services seem to be the most common channels. These results also support the results of the SME Barometer (2016). In addition, there seem to be firms who use purely single channel both in marketing communications and delivery.

A small number of firms seem to be at an advanced level in multichannel marketing. None of them, however, did stand out as a forerunner of multichannel marketing. Some proactivity – or even a leap compared to other firms – came up in a few interviewed SMEs. In summary, the interviewed firms seem to be more reactive than proactive in their channel decisions. Furthermore, reacting seems to require strong external pressure.

The results give an appearance that the majority of SMEs will make a significant leap in channel development only after inescapable external pressure really forces them to do it. According to Chen and Lamberti (2016, 604), the pressure may result from customer expectations, economic factors or competition. Managers in the interviewed SMEs seem to identify the needs to improve business, but the pressure to start the job does not yet seem to be strong enough. This implies that there is a vast number of laggards among SMEs.

Interestingly, SMEs deem competition to be a significant obstacle for development, instead of being a driver (SME Barometer, 2016). In traditional industries, however, a feeling of stability – “*this has always been the convention*” – may dramatically change along with a new entrant or a forerunner who challenges conventions.

The results bring out the need for updated skills and competence of multichannel marketing in SMEs. Local business needs could be more closely taken into account in higher education marketing teaching. Courses and projects regarding multichannel marketing could be carried out with companies in order to improve both students’ skills and companies’ business opportunities.

To summarize, multichannel marketing cannot be an end in itself, nevertheless. The starting point must be how a customer wants to be served and what is an efficient way to produce customer service. Although delivery would be executed through a single channel, marketing communications and customer service should afford customers various contact points to interact with a company. Further research could focus on the benefits of multichannel strategies in SMEs, especially in B2B context.

This study was preliminary by nature and has many limitations. One weakness in this study arises from the fact that the interviewed sample is small. Respondents, however, represent various industries and B2C, B2B and B2G selling. As another weakness, some respondents replied to a few questions with ambiguous answers, seemed to be busy during the interview and thus, might not have fully focused on answering. It is also possible that the respondents understood the questions or terms differently. Finally, analysis may also be limited since notes were written, but the phone calls were not recorded and fully transcribed. Therefore, the results cannot be generalized to SMEs but they can be suggestive for further research. In all, the results of this study were parallel to the results of the SME Barometer (2016).

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