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# **Applying gamification in student coaching industry**

A competitive environment analysis

School of Management  
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**ABSTRACT:**

The purpose of this study is to explore if gamification can create competitive advantage in student coaching industry in Finland. Using "game-like" elements in services can engage and motivate customers, which leads to several other positive behavioral patterns. Lately, this phenomenon has attracted the attention of both academia and practice.

The aim of this thesis is to explore gamification and its benefits in the context of student coaching in Finland and more specifically the high school students in Finland. To give a foundation for this study and to gain better understanding of the context a competitive environment analysis is conducted of the student coaching industry in Finland. Current state of the industry is analyzed, and different strategic groups are recognized. This analysis takes the perspective of how attractive the market is. The empirical part of the study was conducted by interviewing experts in the student coaching industry in Finland. The data was collected through semi-structured interviews from professionals in the industry, who worked in different companies, which provided different viewpoints on the object of this study. I combined the data from the interviews with secondary data found online and analyzed them together.

The findings indicate that using gamification and executing it correctly in educational context it can create positive behavioral patterns in students and further competitive advantage in the market. When gamification is implemented the right way, it has the potential to improve educational experiences, increasing user engagement, activity, social interaction, and other positive behavioral patterns.

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**KEYWORDS:** Gamification, Competitive environment analysis, Student coaching industry

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## 1 Introduction

Most services strive to maximize their user engagement, improve the user experience and further positive behavioral patterns. Especially the education industry has been struggling with demotivated students. Traditional education system is often perceived as dull or ineffective. (Lee and Hammer, 2011.) Using “game-like” elements in teaching can improve learning significantly. Games have this motivational power, which comes from interactive experience where the user is having fun playing. (Kapp 2012.) While there is still a lack of thorough assessment, several authors of the examined articles hold the opinion that gamification has the ability to enhance performance in learning, as long as it is well planned and properly implemented. (Dicheva, Dichev, Agrev and Angelova, 2015.)

In the past years, gamification has become a trend-setting theme and a subject to much speculation as a way of promoting customer engagement and reinforcing further positive behavioral patterns in service use, such as social networking, user activity or productivity and quality of actions. The way gamification invokes these positive behavioral patterns is through “gameful” experiences brought to a service by adding motivational affordances to them. (Hamari, Koivisto and Sarsa, 2014.) This can be done in many ways, and often we find that especially in educational context the execution of the gamification is crucially important. Gamification can be implemented poorly, or it can be done well. Firms that just try to copy successful implementations of gamification without understanding the stakeholders and their needs are destined to fail (Deterding, 2012).

Coaching students in Finland is an interesting industry. Based solely on numbers the industry is on a rise. In this study the industry is restricted to companies that offer training for high school students. With these limitations the industry is relatively small with only six prominent companies. This study seeks to find if gamification can bring competitive advantage to

this industry. In order to approach gamification in any context, it is essential to have a thorough understanding of the business goals (Deterding, 2012). Thus, the goal of this thesis is to gain a deep understanding of the student coaching industry and how gamification can be utilized in the industry.

## **1.1 Research gap**

There is definitely some evidence on the effectiveness of gamification in practice and academia. Gamification has become a trending topic in academia as a way to support service activities like user engagement and other positive patterns that are beneficial for the service provider. According to Gartner's (2011) estimate, over 50 percent of companies that manage innovation processes will gamify some aspects of their activities by 2015. In addition, there are a growing amount of new companies that are successful by using gamification in their core activities. Gamification is generating beneficial outcomes and advantages according to most of the research examined by Hamari, Koivisto and Sarsa (2014). Majority of the studies indicate positive outcomes on some of the motivational affordances of the gamification processes.

Hamari, Koivisto and Sarsa (2014), state that the results of their review indicate gamification causes positive effects, but the results are very much dependent on the context where gamification elements are being executed. Also, the users have a significant impact on how effective gamification is. Context in this case refers to the core service or activity that is being gamified. All of the papers examined by Hamari, Koivisto and Sarsa (2014), in learning or education contexts found gamification mostly beneficial in terms of engagement and motivation towards the learning activities. Also, the enjoyment of the learning tasks improved. Although results of these review studies were mostly positive, there were some negative outcomes, like increased competition and challenges in evaluating tasks and design features. According to Dicheva, Dichev, Agre and Angelova (2015), the application of gamification in

education is still an emerging trend. They state that most papers they reviewed on gamification in educational context show positive findings, but it takes more substantial empirical research to determine how gamification will affect the intrinsic and extrinsic motivation of the learners.

There are tons of competitive environment analysis made on different industries with different frameworks, but there is no real competitive environment analysis on student coaching industry in Finland. With limiting the industry to only companies that offer coaching for high school students makes the industry relatively small. Student coaching companies have been around for a long time and traditionally they have been focusing on training students for entrance exams for universities, but now we are seeing a shift in the industry with the reform in the selection of students to universities made by The Ministry of Education and Culture (2016, p. 37) where more students are selected directly based on their high school grades. This has created more demand towards courses that are offered for high school students.

As the student coaching industry in Finland is growing and the industry is seeing big shifts the competition often increases. Companies need to adjust and become more innovative with their approaches to the market. There are obviously many ways to create competitive advantage in this kind of market. To address these challenges this thesis seeks to find if gamification can bring competitive advantage to this industry. Although the results of adding gamification to educational contexts are mostly positive the proper evaluation is mostly missing, true empirical research of the effectiveness of gamification in educational contexts is still scarce (Dicheva et al., 2015.)

To research if gamification can create competitive advantage in the student coaching industry in Finland it is important to first gain a deep understanding of the competitive environment of the industry. Therefore, this study focuses on analyzing the competitive

environment of student coaching industry in Finland, gamification and gamification in educational context.

## **1.2 Research questions and objectives**

Most experts will agree on the potential gamification has on services, and also services in educational context. Through gamification student coaching companies could potentially solve their problems in student motivation and engagement. However, the true effectiveness of gamification in different contexts remain unclear. More substantial empirical research is needed to determine if motivations of learners can be influenced by gamification. Therefore, this study seeks to find out if gamification can be advantageous in student coaching industry in Finland. In order to research how gamification could be implemented to the student coaching industry a competitive environment analysis needs to be made on the industry. The amount of gamification currently utilized in the industry is also addressed.

The following research questions will be applied to this thesis:

- 1. Can gamification create competitive advantage in the student coaching industry in Finland?**
- 2. How can student coaching companies position themselves by using gamification?**

These two questions will form a foundation for the study as the empirical gap to be filled. The goal of this study is rather to point out opportunities than to give objective proof of a business concept.

Further, to identify the opportunities that come with gamification in the industry of student coaching in Finland, the theoretical base is established through a competitive environment analysis and a literature review on gamification. The analysis of the context will include some

of the most popular and broadly accepted strategy tools. Studies of gamification in educational context will also be explored in the literature review.

When the foundation for this study is made through analyzing the industry and reviewing the literature of gamification, the final objective is to collect data from both primary and secondary sources and see if they support implementing gamification in different forms or not.

### **1.3 Scope of the study**

This study will take the point of view of a new entrant. The emphasis in this study is not on a new business model, but rather can gamification alone bring advantage to companies in the student coaching industry. Through exploring how gamification is being implemented in the industry and based on primary data collected from the experts in the industry, we can find potential opportunities in the industry by utilizing gamification.

Since this study is limited to companies that offer at least some services for high school students, the industry only includes six notable companies, which makes the industry relatively small. This gives the study the opportunity to explore each company individually and see what each company focuses on. To understand the offerings of the companies in the industry becomes beneficial when searching for potential positioning opportunities with gamification elements.

The qualitative method used in this study matches well with the framework of the research. Therein, the goal is to catch actual responses and analyze the comments and reported behavior and identify opportunities within gamification in this specific context of student coaching in Finland. In order to maximize the interviewees comfort, the interviews were performed in the respondents' native language.

## **1.4 Thesis structure**

The study is structured in six main chapters. The first chapter focuses on explaining the research objective and the context, which increases awareness of the subject being studied. It represents the research questions and the goals of the study as well as the content of this thesis.

This study is formatted in a way where the context is demonstrated first. In the second main chapter the competitive environment analysis of the student coaching industry is performed. The purpose of this chapter is to create a good understanding of the industry and its tendencies. In order to explore the potential of gamification, the context and the stakeholders where it is being implemented needs to be deeply understood. In this main chapter some of the most popular and widely accepted strategy tools are being used and the offerings of the companies are being analyzed.

The third chapter reviews the existing literature on gamification. The chapter starts with the definition of gamification and an overview of its potential benefits. Then some of the most common elements of gamification are demonstrated. Lastly, gamification literature in educational context is reviewed.

The fourth chapter presents the research strategy used in this thesis. The data collection methods and the analyzing processes of this research are introduced. Also, the validity and reliability of this study are assessed.

In the fifth chapter presents the empirical findings of this study. This includes both primary and secondary data collected and the analysis of this data.

The sixth and final main chapter presents the discussion part of this study. It analyzes the empirical findings and connects them to the competitive environment analysis and the theory framework presented earlier in the thesis. Findings and the challenges for the findings are demonstrated. Lastly the chapter summarizes the study and presents an answer to the research question. The theoretical and managerial implications are presented in this chapter, followed by the limitations of the study and suggestions of further research.

## **2 Competitive environment analysis**

The purpose of this main chapter is to define and examine the student coaching industry in Finland from a competitive strategy point of view. At first, the student coaching industry is defined. After this, the present state of the industry is inspected and then the industry is analyzed using some of the common strategy tools like PESTEL, strategic groups, and jobs to be done -framework.

### **2.1 Defining the student coaching industry**

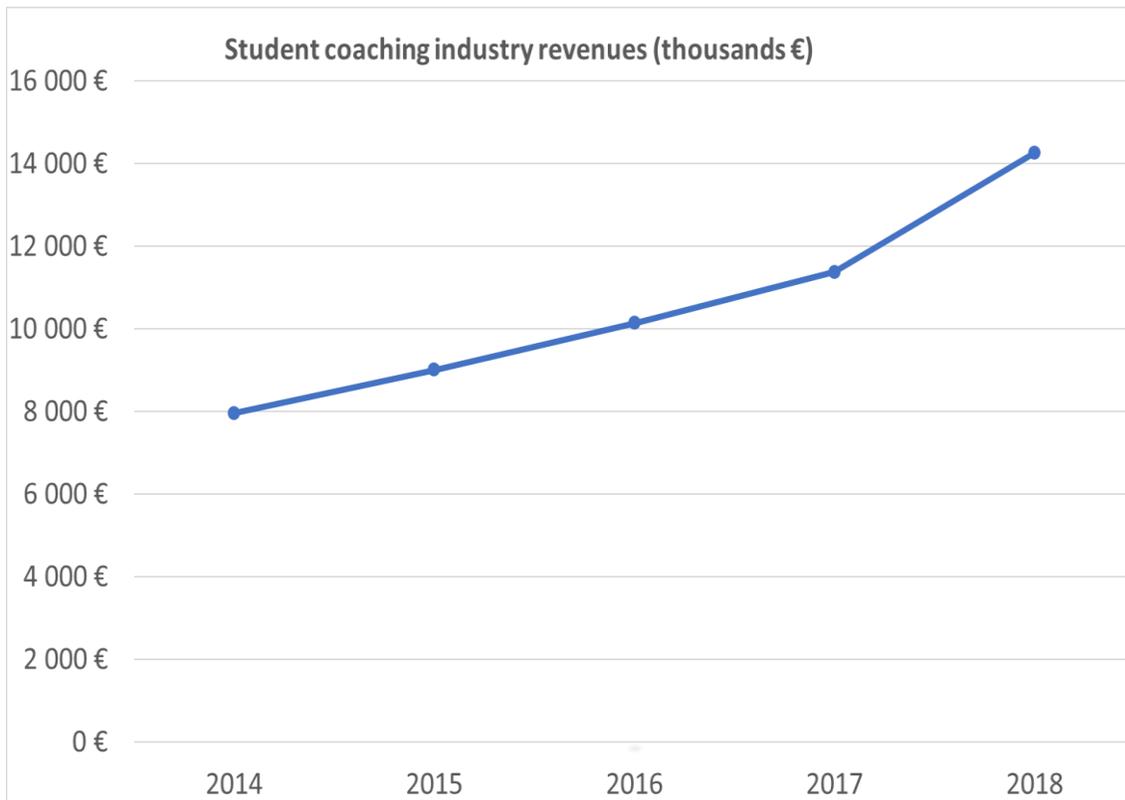
This thesis will examine the industry of student coaching. The focus on this study is on the companies that offer at least some courses for high school finals exams and have over 100 000 € revenue/year. Some of these companies also offer coaching for entrance exams for universities. Companies that offer only coaching courses for university entrance exams are left out of this study.

According to asiakastieto.fi database, the combined revenue of the student coaching industry is 14 259 000 €. From 2014 to 2018 the student coaching industry has grown 79,29 %, this means a 15,84 % average annual growth. From 2017 to 2018 the student industry grew by 25,4 %. These numbers show a clear uptrend in the industry. The revenue of the whole service industry in Finland grew by 4,6% in 2018 (Palta 2019). This means that the student coaching is growing well above the average compared to the whole service industry.

## 2.2 Current state of the student coaching industry in Finland

**Table 1.** Overview of the defined student coaching industry in Finland. (Suomen asiakastieto)

6 Companies	14 259 000€ Revenue
585 000€ net profit	177 Employees



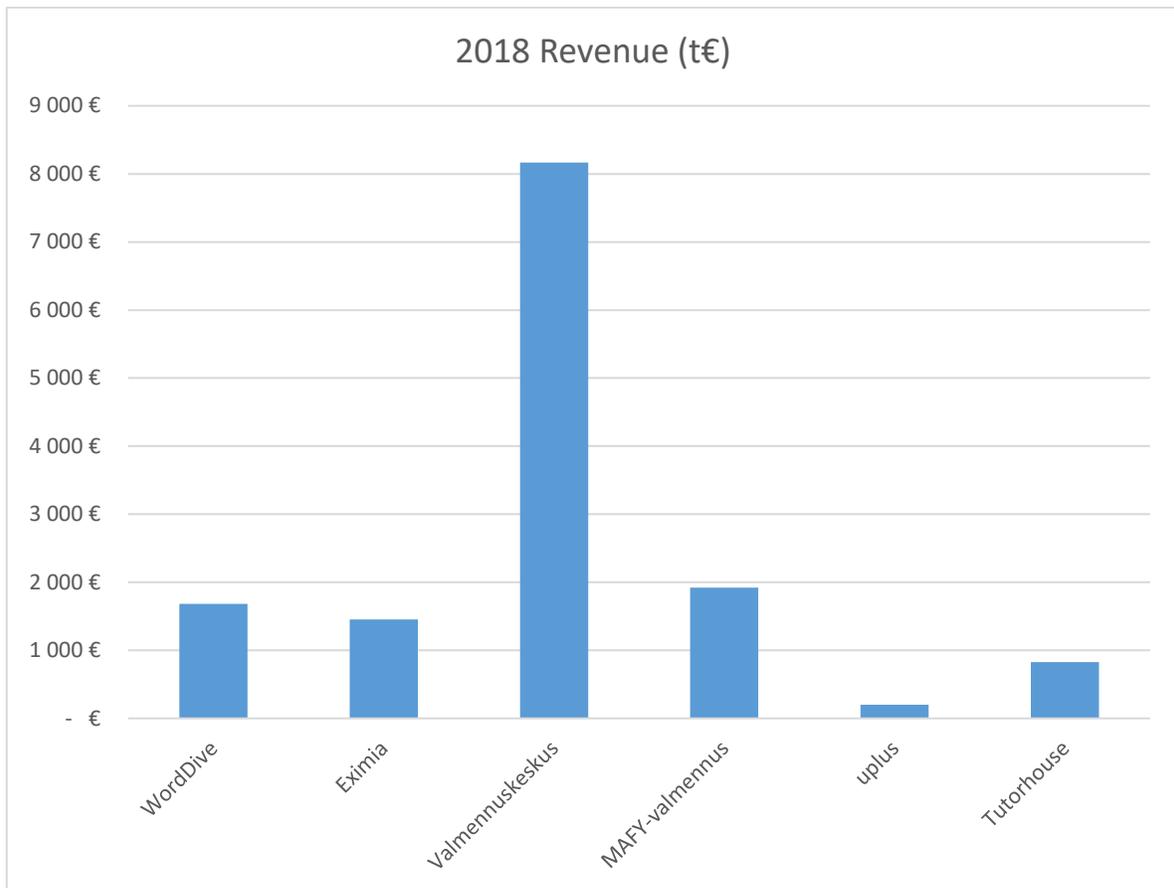
**Figure 1.** Student coaching industry revenues. (Suomen asiakastieto)

This small industry of six companies defined does not make much sense to compare to larger industries. Also, the companies in this industry are quite small. The average revenue is only 2,376 million euros, with Valmennuskeskus clearly being the largest company with 8,167 million euros in revenue in 2018. Figure 1 shows that the industry as a whole is growing with a fast pace.

**Table 2.** Student coaching companies' growth over 4 years. (Suomen asiakastieto)

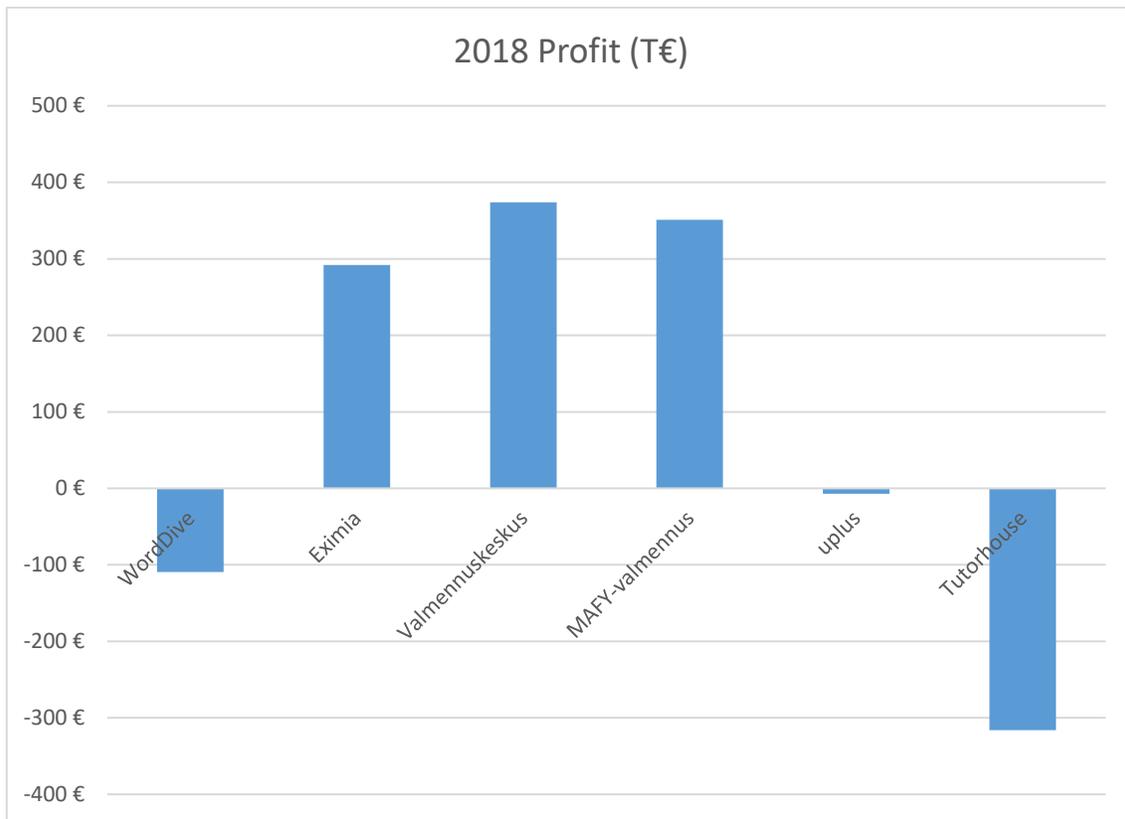
Firm	2014 Revenue (t€)	2015 Revenue (t€)	2016 Revenue (t€)	2017 Revenue (t€)	2018 Revenue (t€)	Growth %
WordDive	318	552	963	1425	1 682 €	428,86
Eximia	1841	2033	1683	1381	1 455 €	-20,97
Valmennuskeskus	4875	5935	5296	6292	8 169 €	67,57
MAFY-valmennus	495		1693	1611	1 922 €	288,28
Uplus				158	202 €	21,78
Tutorhouse	424	480	499	503	829 €	95,52

As can be seen from Table 2, some of the companies have had exponential growth during the last 4 years, and some have had a more moderate growth, Eximia being the only one with a negative revenue growth since 2014. Within the inspected years WordDive is the biggest grower in the industry at least in terms of revenue.



**Figure 2.** Student coaching companies' revenues in 2018. (Suomen asiakastieto).

Figure 2 shows the revenues of the student coaching industry in Finland. Valmennuskeskus is clearly the largest company in terms of revenue. WordDive, Eximia and MAFY-valmennus being all in the range of 1-2 million euros in revenue and Uplus and Tutorhouse having under 1 million euros revenue.



**Figure 3.** Student coaching companies' profits in 2018. (Suomen asiakastieto).

In terms of profit, there are significant differences between these six companies, as can be seen from Figure 3. Valmennuskeskus and MAFY-valmennus made over 350 000 euros and Eximia almost 300 000 euros yearly profit in 2018, while WordDive, Uplus and Tutorhouse made losses.

### 2.3 The big shift in the industry

The most significant shift on the industry happened because of the reform in the selection of students to universities in Finland, made by the state in 2018-2020. The Ministry of Education and Culture (2016, p. 37) has made a reform in the selection of students to universities so that more students will be selected based on the high school grades rather than the entrance exams. This is making succeeding in high school exams more important and thus

increasing the demand for training courses for high school students. In 2020 about half of the students get selected to universities based only on the high school diploma. It is ought to be expected that the demand for high school student training is on the rise.

## **2.4 Industry analysis (PESTEL)**

A business environment can be examined from various perspectives. There are different aspects that can be examined in an industry environment analysis, such as the rate of change, the complexity, the competitiveness, or the limitations of resources in a business environment. On top of that, business environment can be examined through a timeline. How did the environment look in history, the present and the future. Often the industry analysis is made by dividing the large societal changes in 1) political, 2) economic, 3) socio-cultural, 4) technological, 5) ecological, and 6) legal aspects. This is known as the PESTEL model. This model helps to figure out the most relevant powers of change and the impacts they bring into this particular environment. (Vuorinen, 2013, p. 220.)



**Figure 4.** PESTEL framework.

Student coaching industry and especially private coaching for high school final exams is a relatively new industry. It is also a very small industry, so societal changes can affect the industry drastically. The annual average growth rate of 15,84 % in revenue from 2014 to 2018 tells that the industry is growing fast and still going through lots of changes.

The student coaching industry in Finland could be seen relatively dependent on politics. For example, Finnish policies on education may provide lucrative opportunities for the industry or affect the industry negatively. Finland has a goal to decrease the early school leavers and increase the amount of Finns that have completed tertiary education up to 42% (Europe 2020 programme). More students applying to universities will grow the market. Also, different supporting policies for student training like different subsidies for students or student coaching companies might affect the industry positively. Some law reforms or restrictions may affect the private coaching companies in Finland.

Finland has a stable democratic political system that makes the environment more predictable. Finland decides what kind of changes there are going to be in the educational system. The Finnish parliament decides on the legal changes. The educational entities that are state owned are under strict control, but there are no significantly limiting laws for private coaching companies at the moment.

Student coaching companies that arrange entry exam courses for universities have been quite popular in the last years. We are now seeing a shift towards a system more weighed on high school final exam grades rather than entrance exam success. This forces the student coaching industry to adapt and build more courses to high school students, rather than just entrance exam prep courses. According to Opetushallinnon tilastopalvelu (2019) the quantity of applications to Finnish universities has grown by 30,19 % from 2015 to 2018. Therefore, it seems that more youths are aiming to study at universities. It is mainly future university applicants who buy these courses in high school.

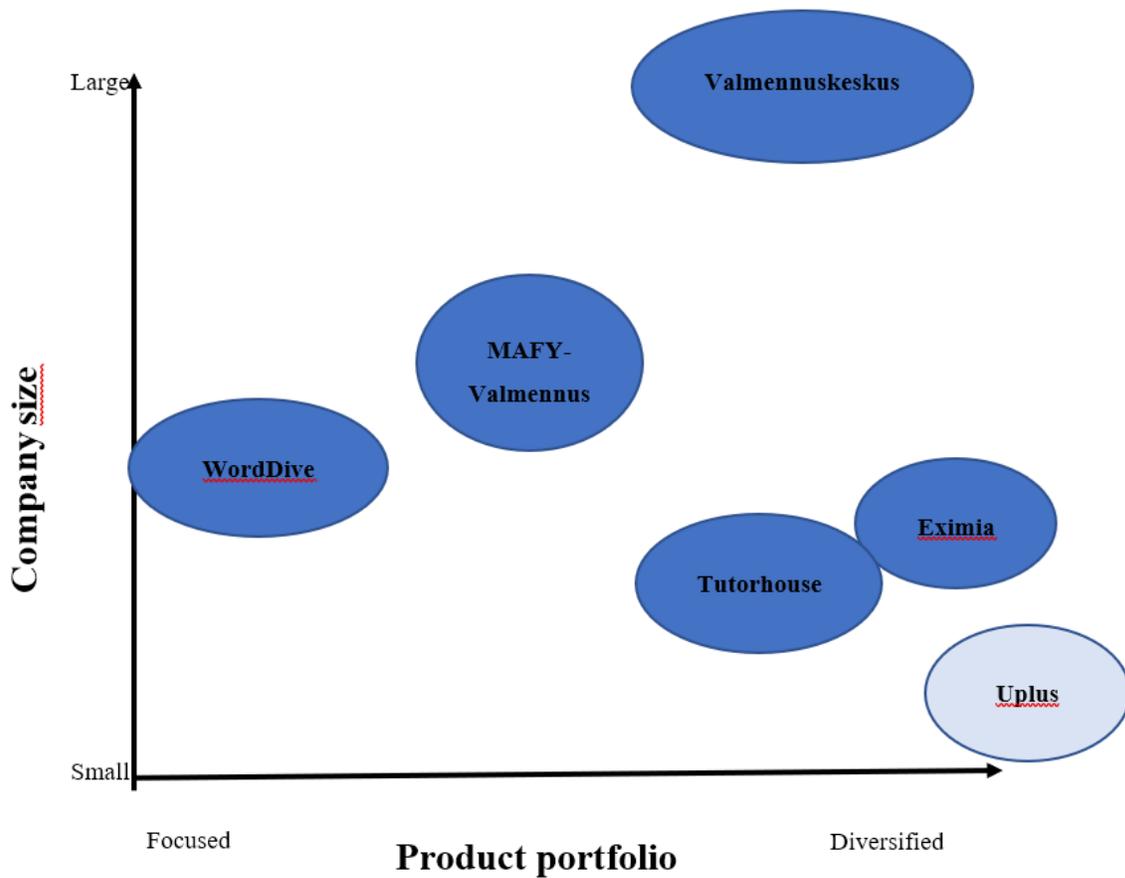
Technology has made it easier for companies to do online courses for students. Nowadays you can make a course with a phone camera and a laptop with very little costs. According to Tran (2018), video consuming is on the rise. Report by Publics Media agency Zenith predicts that globally, consumers will spend 84 minutes a day watching an online video in 2020, which is 20 % more than the 67-minute time people spent in 2018.

## **2.5 Strategic groups**

The business environment for student coaching industry is the same for all the companies, but they don't necessarily compete with each other directly. One of the most popular ways to classify the companies in the field is to divide them the different groups, strategic groups. Defining strategic groups is commonly used for identifying direct competitors in a certain industry. To improve the understanding of strategic groups there can be a visual graph to

demonstrate the different strategic groups and how they compare to other companies in the field. According to Porter (1980), strategic groups can be defined through the scope of the business and the resources available. Factors in the scope of the business can be, for example: product diversity, geographical coverage, amount of served market segments, or the used distribution channels. Factors in the available resources can be, for example: amount of logos, marketing efforts, the grade of vertical integration, quality of products/services, technological leadership, or the size of the organization.

This study is about a sub-industry, since the study is about student coaching companies who offer courses for high school students. This makes the analysis of strategic groups more focused, since the companies have products for the same customer segment. Figure 5 presents the strategic groups of student coaching companies in Finland based on the company size and product diversification. Product diversification in this case means in how many subjects these companies offer training in. In this figure, company size is measured with revenue, and product portfolio is measured in the amount courses offered in different subjects. For example, Eximia offers courses on almost all subjects, whilst others focus on just a few subjects, like WordDive which only offers language courses. Uplus does not offer any online courses and instead focuses solely on private coaching. It must be noted that the revenue of these companies is the entire revenue, not just from the courses offered to high school students. For instance, some of these companies have a lot of emphasis on training students for entrance exams to universities.



**Figure 5.** Product portfolio map with company sizes.

It can be seen from Figure 5 that WordDive and MAFY-Valmennus are the most focused ones when it comes to product portfolios. MAFY-valmennus focuses mainly on math courses, but offers also courses on physics, chemistry, and biology courses. WordDive, as mentioned before, offers only language courses in English and Swedish. Valmennuskeskus, Eximia and Tutorhouse are more diversified in their product portfolios and offer courses in most of the popular high school final exam subjects, Eximia being the one with the most courses on different subjects.

**Table 3.** Different course types.

	<b>Self-study online courses</b>	<b>Live online courses in groups</b>	<b>Private coaching</b>	<b>Live courses in groups</b>
Valmennuskeskus	x			x
Eximia	x			x
Tutorhouse		x	x	x
MAFY-valmennus	x	x		
WordDive	x			
Uplus			x	

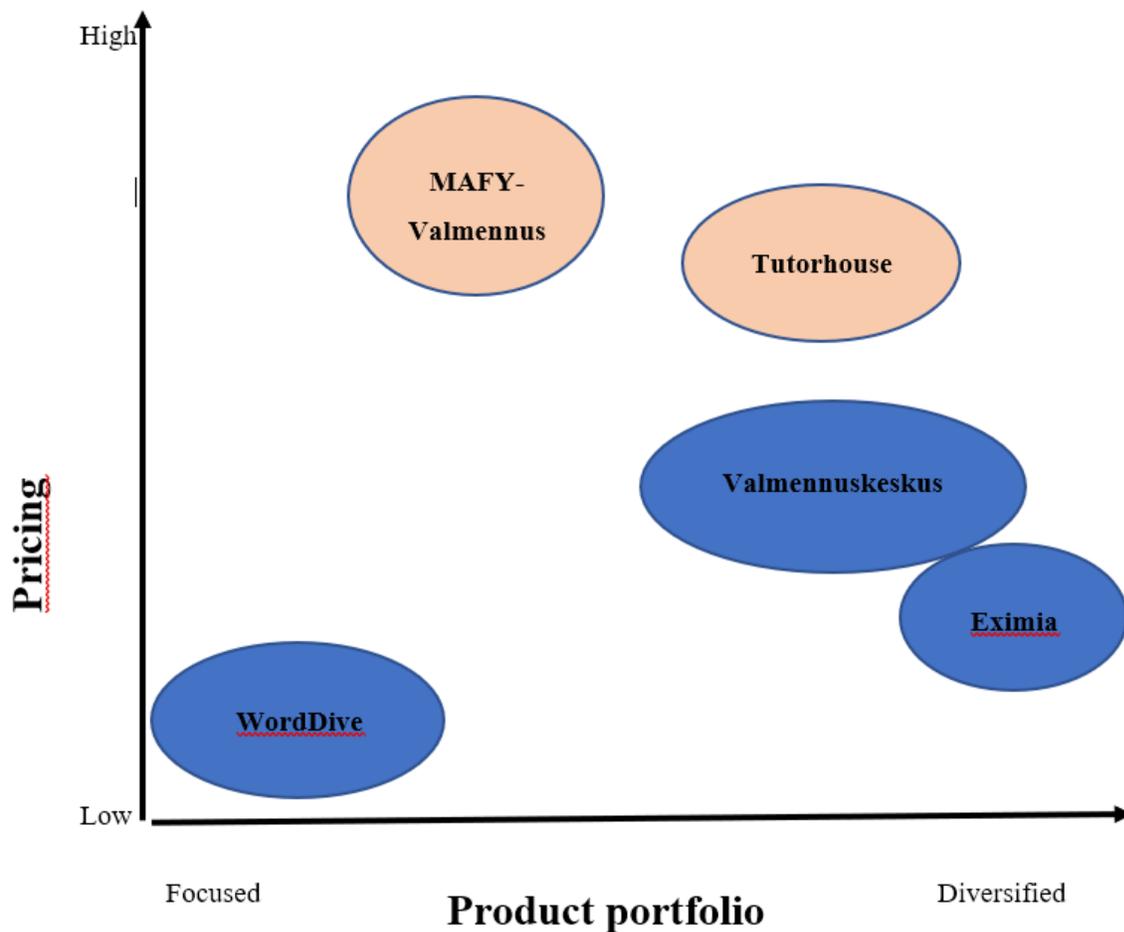
One of big factors with these student training companies is that they have different emphasis on course types. Table 3 demonstrates the different course types that these companies offer for students. Valmennuskeskus and Eximia have a similar offering with self-study courses and live courses, Tutorhouse and MAFY-valmennus on the other hand focus on live training. WordDive only offers self-study courses, while Uplus focuses on solely on private coaching.

The pricing strategies are also very different between the companies. Figure 6 demonstrates the pricing of the online courses these companies offer. WordDive offers online-courses for 69€-89€, which is the lowest pricing. All online courses from Eximia are priced at 145€, while the normal price for a Valmennuskeskus online course is 360€. MAFY-Valmennus, Tutorhouse and Uplus have a different pricing strategies due to their online-course structures, therefore they are presented in a different color in Figure 6. MAFY-valmennus and Tutorhouse offer both live online-courses and normal face-to-face courses that are completed in small groups. This way the teaching becomes more personal and the students get trained while interacting with the teacher. MAFY-valmennus prices their online courses at 665-895€

(only math courses), and Tutorhouse at 429€ for group courses and 1287,50€ for private courses.

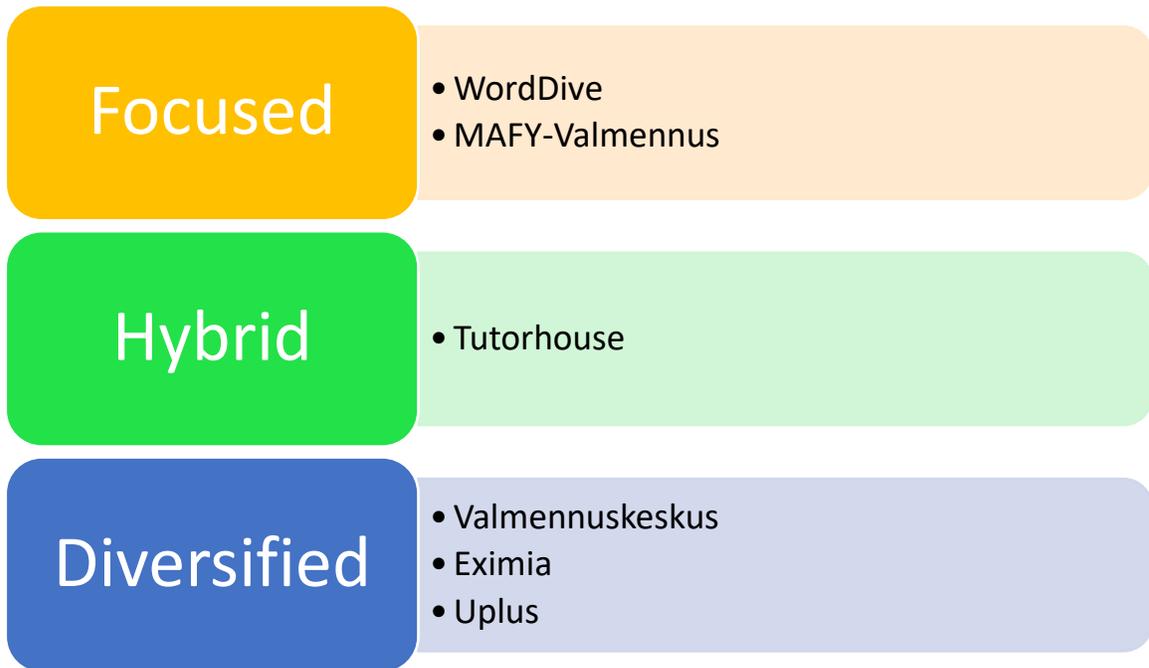
Live trainings are obviously priced differently. Uplus for example has a unique pricing strategy: their trainings are charged per hour. Hourly prices range from 47,90€ to 59,90€ per hour, depending on how many hours of training you purchase. Tutorhouse is selling their live training courses at 449€-499€, Valmennuskeskus at 520€-690€, Eximia at 195€-390€, and MAFY-valmennus at 495€-975€.

In Figure 6, MAFY-valmennus and Tutorhouse are presented with a different colour, since they offer live online-courses and are therefore priced higher. Figure 6 demonstrates the pricing strategies compared to the diversification of the product portfolio. Eximia for instance offers low priced courses with a wide variety of subjects. WordDive also offers low priced courses, but with a more focused approach in their product portfolio. Uplus is excluded from this figure, since they don't offer online courses.



**Figure 6.** Product portfolio map with pricing in online courses.

Based on the factors analyzed in this chapter these companies can be further divided into smaller dimensions based on different factors. Figure 7 presents small dimensions of strategic groups. Based on the analysis on the product portfolios of different coaching companies in this field, there are focused players such as WordDive and MAFY-Valmennus and then there are diversified players like Valmennuskeskus and Eximia. These seem to be the main strategic choices companies are making in the student coaching industry in Finland. Tutorhouse is implementing a hybrid strategy whilst offering courses in several subjects but not as many as Valmennuskeskus and Eximia and they only offer live online courses, live courses and private teaching and by that they are focusing deeply into the subjects they teach.



**Figure 7.** Main strategic dimensions.

The main strategic choices presented in Figure 7. of having a diversified portfolio like for example Eximia or focused portfolio like WordDive for instance, come from the basic choice of the company; does it want to focus on one or a few subjects and provide some kind of value in the few subjects they chose that differentiates them from competition or does it want to offer courses in many subjects where the students can select several courses from the same provider.

The focused providers MAFY-Valmennus and WordDive have also chosen different strategies in their pricing even though they both have focused offerings. WordDive is offering compared to the industry average low-priced online courses. They are highly scalable when there is no live teaching and all the materials are pre-made. By focusing on only language courses WordDive is able to differentiate their courses and adding elements of gamification in them and making their offering unique. MAFY-Valmennus on the other hand is offering

self-study courses and higher cost live online courses that require teachers. MAFY-Valmennus has also implemented some elements of gamification in their courses and by focusing on only a few subjects they are able focus more on the course materials and the overall quality of the course.

Tutorhouse is implementing a hybrid strategy which allows them to have a few more subjects in their selection than the companies in the focused group but fewer than the companies in the diversified dimension. Tutorhouse is offering live courses and live online courses. This restricts their capacity but allows higher prices compared to offering self-study courses.

Eximia, Valmennuskeskus and Uplus who have diversified portfolios allow their customers to purchase courses in almost any subject taught in High School. This way these companies can target large groups of students with their marketing and allow them to find courses in many or all of their courses in the High School final exams. This allows these companies to have a bigger market potential and option to offer discounts to those students who want to buy multiple courses.

Higher profits, bigger market potential, better quality, less competition or enhancing their own competitive stance could be reasons for a company to switch between strategic groups or dimensions. Sometimes companies can find spaces between strategic groups that offer less competition in. Different strategic groups require different resources from the firms. For example, if a company wants to have all their courses live or live online, they have to have teachers and their costs per course rise. If a company wants to only offer self-study courses it needs some other factors that differentiate them from all the other companies that offer self-study courses either their courses need provide better value for their customers or their cost structure needs to be better.

## 2.6 Customer preferences (jobs to be done)

Jobs To Be Done is a great tool to reveal why customers make the choices they do. According to Christensen, Hall, Dillon and Duncan (2016), to reveal the customers Jobs to be done you can ask 5 questions: Do you have a job that needs to be done? Where do you see nonconsumption? What work-arounds have people invented? What tasks do people want to avoid? What surprising uses have customers invented for existing products? With the help of these 5 questions companies can uncover some jobs potential customers need help with. Customers essentially “hire” products to help them do a job and if it does it well they tend to “hire” it again.

As mentioned earlier lots of students view the traditional schooling system as un motivating and ineffective. It is generally agreed that the teaching and learning institutions are facing issues with student motivation and engagement (Lee and Hammer 2011). According to Papastergiou (2009), games are wide spread in today's world. In Canada for example computer games have been shown to support the motivation of students of all ages (Lister 2015). This means that most high school students are already most likely used to play games and enjoy them. Games have the potential to serve as an effective and engaging learning environment for students.

Since traditional teaching methods are being seen as un motivating and social media, video consumption and playing games are becoming more popular, it is presumable that high school students nowadays don't like to read books for their final exams. It is much more natural to them to play games and consume content in video form. Time spent on social media networks has found to heavily influence the attention span of the students, the higher the attention span, the lower is the time spent on social networks (Paul, Baker and Cochran 2012). Since the social media usage is becoming more popular amongst high school

age students (Strasburger, Jordan & Donnerstein 2010, 756-764.) the students have problems focusing long periods of time for example on reading books the traditional way.

Over 30% growth with applicants into Finnish universities (Opetushallinnon tilastopalvelu 2019) indicate that there are more and more high school students that have a job to do, and that is to successfully get into a university. There is some evidence for example on engineering students that gamified methods in schooling were more motivating, easier to learn and more interesting compared with other courses (Barata, Gama and Jorge 2013). In various cases examined by Hamari et al. (2014) gamification that uses rewards has created an instant spike in engagement.

## **2.7 Sources of competitive advantage**

According to Porter (1985) competitive advantage for a company is based on the value it provides its customers. The value offered to customers should be more than the value that it takes the company to produce the offering. Value is the amount the buyers are ready to pay. Competitive advantage is created when either the offered benefits are the same as the competitors are offering but the price is lower, or the offered benefits are unique that cover the high price. Even though the company can have lots of strengths and weaknesses compared to its competitors it can only have competitive advantage in two scenarios: low costs (cost leadership) or differentiation. (Porter 1985: 15–24.) Porter has received some criticism on these two generic strategy options. According to Porter if the company doesn't choose either cost leadership or differentiation, it will leave in the middle of these options and likely fail to succeed in the market. The critics have pointed out many companies that use a hybrid strategy, combining cost leadership and differentiation, whilst being highly successful. (Stonehouse & Snowdon 2007: 258–259.)

Different school of thoughts have different definitions for competitive advantage. According to the Resource Based View (RBV) for example competitive advantage is created from the organizations' resources and capabilities. There is no clear consensus about the definition of competitive advantage. In this thesis competitive advantage is defined as the relative advantage a company has over its competitors in different attributes, abilities or competencies contributing to its success in a business field. Competitive advantage can be created from various sources or factors (Reed & DeFillippi 1990; Powell 2001).

When inspecting the student coaching industry in Finland, it doesn't appear that any company has purely a strategy of cost leadership. Although WordDive, Eximia and Valmennuskusku are offering courses that are completely self-study materials and thus can be offered with lower cost, so from that perspective they are partly benefitting from the lower price. It seems that all of the providers are striving for high quality courses for their students and gain competitive advantage from that.

Main differences in the strategies in the student coaching industry I have noticed are the product portfolio, type of course and the teaching methods. Some companies in the student coaching industry have focused product portfolios and are trying to offer the best quality service in their specialized segment. Others have wider range of products in the form of offering more of the high school subjects and are trying to gain advantage from that. Another significant factor in this industry is that the companies offer different type of courses. As demonstrated earlier for instance MAFY-valmennus and Tutorhouse offer live small group online-courses, Uplus offer only private coaching and WordDive only offer self-study material. Some companies offer many types of courses. Lastly, the companies in the student coaching industry have their own teaching methods. WordDive for example have a fully gamified application.

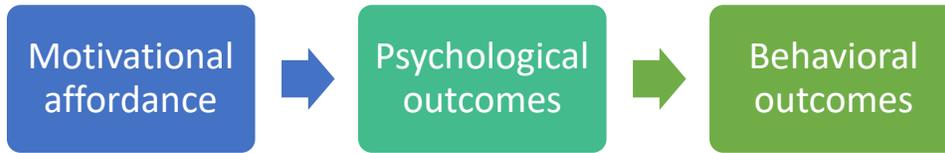
### **3 Utilizing gamification in student coaching**

Gamification has become an interesting topic both in industry and academia during the past few years (Huotari and Hamari 2012). Gamification is used in services to invoke positive behavioral outcomes in users. Increasing user engagement can create significant value to many services. Although gamification has gained some traction during the past few years the system is not new. Airlines and hotels for example have been using rewards for loyalty in points for decades. (Zichermann and Cunningham 2011: 7-12.) Also, the military has been using games and simulations for hundreds of years. Businesses have implemented gamification in form of offering rewards, such as free products, access to special opportunities and better treatment. In this main chapter gamification is inspected as a phenomenon and how it can be beneficial for companies to use. After this the positive effects of gamification in education/learning are examined. Finally, it is studied how gamification can be implemented into student coaching and what benefits it can bring there.

#### **3.1 Defining gamification**

There are multiple definitions on gamification. One way gamification can be defined is as process of improving services with motivational aspects in order to create “gameful” experiences and further positive behavioral outcomes. The purpose of gamification is to invoke similar psychological experiences that games generally do. The concept of gamification can be connected to the literature on motivational affordances and further break down the studies. Gamification can be seen as to have three main parts: the implemented motivational affordances, the resulting psychological outcomes and the further behavioral outcomes (Figure 8). Motivational affordances found in studies are: points, leaderboards, achievements/badges, levels, story/theme, clear goals, feedback, rewards, progress and challenge. Whereas points, leaderboards and badges were the most common variants. In psychological outcomes, studies mainly focused on aspects like motivation, attitude and

enjoyment. (Zhang 2008; Hamari and Eranti 2011; Huotari and Hamari 2012; Hamari, Koivisto and Sarsa 2014.)



**Figure 8.** Gamification (Hamari, Koivisto and Sarsa, 2014).

### 3.2 Benefits of gamification

According to Hamari, Koivisto and Sarsa (2014) Gamification creates positive benefits, although it is greatly dependent on the context in which gamification is being used and the users utilizing it. The main idea of gamification is to increase user engagement and other positive patterns in service use, such as quality and productivity of actions, social interaction or increasing user activity. Gamification is supposed to create positive, motivating and “gameful” service experiences that embrace these positive patterns in service use. Users are often eager to explore this new system (Nicholson 2015). By making an experience into a game, with rewards for achievements, unprecedented behavioral change can be found. The process can be amplified with feedback and social proof, which will create potential for viral growth (Zichermann and Cunningham 2011: XV). Studies have found that gamification in education/learning context creates increased engagement, motivation and enjoyment in learning tasks. All the studies in education/learning context on gamification inspected by Hamari et al. (2014) show mostly positive results. In various cases reward-based gamification systems create an instant spike in engagement.

Gamification does not work if the entity it is being implemented to has no intrinsic value to it already. There needs to be a core reason why users are willing to engage with it in the first place. Companies that figure out how to effectively implement gamification to support the

intrinsic motivations of their customers, fans and employees will have a lasting competitive edge in their markets. (Deterding 2012.) When done correctly, gamification contributes in aligning our interests with the intrinsic motivations of our players, amplified with the game-like mechanics and reward-systems that make the users coming in, coming back and bringing friends. Gamification doesn't fix the core problems of a company. If the product or the product-market-fit is poor, gamification isn't the solution. Nor does it rebuild bad infrastructure or heal terrible customer service. It also requires careful research on consumer emotions and desires to create a financially rewarding, predictable and repeatable experience. Gamification and the loyalty it creates in customers, gives the best advantage to companies when elements like price, product and place are mostly equal in the market place. (Zichermann and Cunningham 2011).

With the help of gamification businesses can make even the most banal activities fun and engaging. The most popular games in the past decade are made on very basic activities: In FarmVille the player plants crops, in DinerDash the main activity is waiting tables and in DiaperDash the players job is to diaper a baby. In all of these cases it is the game mechanics that make the games engaging. (Zichermann and Cunningham 2011: 2.) A good example of successful gamification is DevHub which is a marketplace for professional services. By implementing some basic principles of discipline and game mechanics DevHub was able to differentiate themselves as a market leader. After gamification, DevHub improved their engagement metrics significantly. For instance, the average customer time on site grew by 20 percent. By creating a fun and rewarding environment DevHub was able to create competitive advantage in a fairly fierce market. (Zichermann and Cunningham 2011: XV.)

### **3.3 Motivations on why gamification works**

Gamification is effective because humans love to play games. It appears that we as people are intended to play games. Researchers are discovering the complicated connections our

brains and neural systems have with playing games. These findings indicate that by playing games we get smarter, faster. Brain scientists agree on that the loop of challenge-achievement-reward in games is producing dopamine in the brains of the player and so strengthening the desire to play more. (Zichermann and Cunningham 2011: 0-4.)

We have four main motivators why we as people like to play games: For mastery, to destress, to have fun or to socialize. These motivators can be viewed separately or together. Richard Bartle (1996) divides players into achievers, explorers, killers and socializers. If you could only choose only one of these player types for each person the vast majority of people would be defined as socializers. Seems like the average player enjoys socializing over winning. Even though many socializers like to win and earn achievements, that is not the core reason they play.

Experts seem to agree on that in any experience, the users are seeking mastery. Mastery is a process and a mindset. It is an important part of mastery to have the feeling of being competent (Pink 2010). They want to be the master of the system and get the sensation of being in control of things. In order to reach mastery, one has to go through a series of stages: novice, problem solver, expert, master and visionary (Dreyfus 1980). Whilst creating a mastery chain, socializing activities should be incorporated at every stage. (Zichermann and Cunningham 2011: 31.) Pink (2010) describes mastery as an asymptote, the user cannot really ever reach it. The user might get very close to reaching mastery, but actually reaching would decrease the intrinsic motivations since the main goal is reached.

### **3.4 Implementing gamification into a business**

When implementing gamification into business, there are a ton of ways to choose from. Gamification can be done in many different levels and with many different methods. It

depends on the business and its users how gamification can be implemented so that it gives the company its full potential.

Bunchball is a company that has worked with over 100 companies to implement gamification programs in different forms. They always start the process with gaining a deep understanding of the business goals and what are the user activities that drive value for the business. After this they study the users and what motivates them to engage with the business. Finding the previously mentioned intrinsic value is crucial. Without the entity having intrinsic value, gamification doesn't help. After understanding the primary stakeholders Bunchball starts to work on building a system that is accomplishing the business objectives while being engaging to the users. They use a combination of different gamification tools that include competition, goal setting, real-time feedback, mastery, transparency, teams and more. Gamification doesn't work without understanding the stakeholders and their needs. By just adding empty points and badges without meaningful incentives and rewards, hoping the users will do something they don't want to do is not doing the company any favors. (Deterding 2012.)

### **Goal setting**

In this study goal setting is viewed as an element of gamification. Setting a goal adds purpose, direction and measurable outcomes. By setting a goal or several goals to a casual play setting transforms it to a game. Goals have to be clear and meaningfully structured in order to motivate the players. A good structure for goals is to set a terminal goal and then create smaller goals that work as supporting incremental steps towards the main goal. (Kapp 2012: 28-29).

### **Tracking Progress**

By tracking progress and concretely seeing how close you are from your goals creates feedback, measures the development and the progress against others. This is an engaging element, since the users feel accomplished when they can visually see that they are making

progress. In many popular games the tracking of progress is made easy to understand. For example, in Tetris the player can all the time see how close the blocks are from the reaching the top of the screen. (Kapp 2012: 28-29) Tracking progress can be done in many ways. Some games use experience points (XP), levels or leaderboards to mention a few.

### **Competition, conflict or cooperation**

In games there are usually competition, conflict or cooperation. Competition happens when the players are set against each other and the purpose is to be faster, stronger, smarter or in other ways better than the opponent.

Conflict happens when a player is faced by a challenge and a meaningful opponent. To win the player must defeat the opponent with their own actions. This happens for example in basketball when a team works against another.

Cooperation means that players are working together towards a common goal. This aspect is very motivating and engaging to many players. Achieving a mutually desired outcome by working together is the winning state of cooperation. (Kapp 2012: 31-32)

### **Rewards**

Rewards usually are a big part of a gamification process. In the 1980s when the first airline loyalty programs started businesses realized that status creates more loyalty than free stuff. Actually, status is the most desired reward before access, power and stuff. That's the order of the potential prices from the most desired to the least and the cheapest to the most expensive. (Zichermann and Cunningham 2011: 7-12.)

Status is the relative position an individual has compared to others. Badges and leaderboards for instance can allow users to move ahead of each other in a defined ranking system. Status at its best may cause consumers to have conversations about the products and thus

create word of mouth marketing for the company. Status is a powerful driver of loyalty and is significantly cheaper rewarding system for a company than giving out some concrete monetary or physical rewards. (Zichermann and Cunningham 2011: 7-12.)

Access could be given to customers for example in the form of head start to a sale with limited supply. This method of increasing customer loyalty is often used by high-end fashion brands. Access could also mean freedom of choosing appointment times, access to VIP-areas or VIP-seating or a meeting of a person of high status like a celebrity or a CEO. (Zichermann and Cunningham 2011: 7-12.)

Power could be awarded as a reward in the form of moderator rights to a website. Power-related rewards often offer the user some sort of slight control over other users. In the best case scenario, users work for the company for free and make great efforts to reach a position of power. (Zichermann and Cunningham 2011: 7-12.)

Even though stuff is the least desired reward on the list doesn't mean it couldn't be a strong incentive in creating loyalty and engagement. The problem with free stuff is that it only engages the users until it is redeemed. Free stuff as a reward can be effective if the company has some meaningful items to give away or the customers are expecting to receive stuff. (Zichermann and Cunningham 2011: 7-12.)

### **3.5 Gamification in education**

Gamification is gaining recognition in many industries like in wellness initiatives, marketing, corporate management and business but its application in education is still an emerging trend. Most of the studies on the subject are scarce on true empirical research on how effective implementing game-like elements in educational context. Studies on this field show mostly positive results and majority of the experts agree on that gamification could improve

learning if it is used correctly and designed accordingly. Results also show some significant obstacles and needs such as that gamification in education needs proper technological support. (Dicheva, Dichev, Agrev and Angelova 2015.) When executed correctly, gamification may improve educational experiences in a way that students will respond to and recognize (Deterding 2012). The fact that there have been no major successes in the educational software/games in the last 20 years, indicates that education or learning context is challenging environment to implement gamification. Although games like Civilization and SimCity have taught tons of players history lessons among other skills, they are not pedagogical games since they were not meant for education. (Zichermann and Cunningham 2011: 4.)

As mentioned previously a lot of students perceive traditional education system as boring and ineffective. It is widely accepted that education and learning entities are facing problems in student motivation and engagement (Lee and Hammer 2011). Educational games are powerful learning tools. They can not only add the knowledge on a certain subject but also improve problem solving, collaboration and communication skills. Games are not only good learning tools they also have a significant motivational power. They create a highly engaging environment what users like to use just for the joy of playing and the change of winning. (Kapp 2012.)

There are some examples of gamification in the education industry, [khanacademy.org](http://khanacademy.org) and [codecademy.com](http://codecademy.com) are online education sites that are engaging their users by utilizing some game elements. On their sites, users gain badges by completing learning material like courses and lessons. The most used gamification design principles in educational context are visible status of the user, engagement socially, freedom of choice, freedom to fail and rapid feedback. There are only a few papers discussing the role of goals and personalization in educational context, but this may be because of they are already seen standard in the learning environments and not as a result of gamification. (Dicheva et.al. 2015.)

Freedom of choice as a design principle in gamification means that the students have the choice to choose what kind of task or challenge, they want to complete. They could choose for example between writing essays, working on a group project, working on an individual task, helping on creating a class blog, writing academic papers, creating educational videos, creating game design, completing artistic assignments or taking tests etc. This also includes choice of the speed and order of completing the tasks/challenges, selecting skill goals and voting on the penalties and deductions for not completing the tasks or not showing up. (Berkling and Thomas 2013; Caton and Greenhill 2013; Todor and Pitica 2013; Gibbons 2013; Holman, Aguilar and Fishman 2013; Mak 2013; De Schutter and Abeele 2014.)

Freedom to fail includes that students are allowed to re-submit their assignments and there are no penalties on poor performance (Haaranen, Ihantola, Hakulinen and Korhonen 2014). Social engagement often means team and individual competitions, working on learning activities in a group, taking part in group projects (O'Donovan, Gain and Marais 2013; Mak 2013).

According to Dicheva et. al. (2015), the most popular game mechanisms used are points, badges and leaderboards. Badges are aimed at adding competitive motivation (Pirker, Riffnaller-Schiefer and Gutl 2014). Badges can be given to students for different reasons, e.g. participation and challenge achievements, for time management, learning and carefulness or for performance and fun (Dominguez, Saenz-de-Navarrete, de-Marcos, Fernandez-Sanz, Pages and Martinez-Herraiz 2013; Hakulinen and Auvinen 2014; Bartel and Hagel 2014). In-game currency or virtual currency can be used for example on re-doing tests and quizzes, hints on difficult tasks or time extensions on tasks (O'Donovan et.al. 2013).

Most of the studies made on gamification in educational context give positive outcomes. Results of these studies are remarkably higher student engagement in learning activities and projects (Caton and Greenhill 2013.), increased participation and material downloads

(Barata, Gama, Jorge and Goncalves 2013.), higher participation in voluntary activities and challenging tasks, and higher percentage of students passing (Iosup and Epema 2014.). Achievement badges can be used to impact the behavior of students positively even if the badges do not have any effect on the grades (Hakulinen et al. 2014). When students compared gamified instances to other courses, they perceived the gamified learning more motivating, interesting and easier to learn (Mak 2013; Barata et al. 2013.)

O'Donovan et al. (2013) point out the requirement of an ongoing investment in time and money in gamification. Other constraints include the need of capable teaching staff to design effective tasks, evaluate students and interact with students closely (Leong and Yanjie 2011). In a paper by Berkling and Thomas (2013) students were reported not being ready for autonomy. Also, starting project work and preparation for the test seemed not attainable for the students and mastery was not seen as relevant.

### **3.6 Implementing gamification in student coaching**

According to Zichermann and Cunningham (2011), utilizing gamification in markets that are fairly similar in terms of price, product and place can bring significant value to the company. The engagement and loyalty gamification can bring to a company can be the difference-maker in these markets. Based on the industry analysis made in the second chapter of this thesis we can conclude that the student coaching industry at least in Finland has a lot of similarities in pricing, products and place.

Implementing gamification to student coaching can be done in many ways. In a paper by Lepper and Malone (1987), four key elements for designing educational games are presented which could also be applied into student coaching. The first point presented states that the learner, and in this case a high school student should feel continuously challenged. The difficulty of the game should gradually increase in the same pace as the student's skills

are developing. Second element is that the game should invoke curiosity in the student. Thirdly, the student should feel in control through endogenous feedback. Fourth point is that the game should use fantasy to reinforce the instructional goals in the game.

A study made by Buckley and Doyle (2016) positions gamification as an effective way to educate students at all levels within the education system. In their specific example gamified learning interventions were particularly useful in online learning because of their qualities which tend being scalable, asynchronous and web-based.

With applying the right kind of application of gamification techniques to a learning environment one can turn a traditional environment into an addictive learning process that motivates the students in a completely new way. Although gamification can be a very effective strategy to increase motivation in education, it is difficult to successfully implement. There needs to be a mindful approach and it may take long periods of fine-tuning. (Huang and Soman 2013.)

## **4 Methodology**

This main chapter describes the methodology and the research strategy of this study. The goal of this thesis is to fill the existing theoretical gap in the prior academic studies through qualitative methods. This chapter aims to explain the research method and the research strategy used in this study.

### **4.1 Research method**

When performing a research, one of the most important factors is choosing the research design that is implemented to the study. The decision of the research design should be made based on the research problem and the questions. The research design should be chosen so that it can achieve the study goals in the best way possible. The design of the research lays determines how data should be collected and what data is required (Ghauri & Gronhaug 2002).

This paper is a study looking to research the phenomenon of gamification specifically in the student coaching industry in Finland. Thus, the study on this phenomenon is heavily focused on the context presented. Therefore, the importance of the context is taken into consideration when deciding on a research design.

In this thesis I have gathered data from Finnish matriculation examination board and the student coaching companies' websites and arranged the data into tables so it can be further analyzed. To further deepen the study, I conducted some research in qualitative methods in the form of semi-structured interviews. The research take in this study was descriptive and analytic since the goal is to create an understanding and uncover the phenomenon. The theoretical framework was created to give a common understanding on the subject of student coaching industry in Finland and gamification as a phenomenon. The empirical section of this study is meant to describe and analyze how the subjects presented in the theory

section appear in practical context, which in this case is the student coaching industry. With qualitative methods this study is striving to give the most holistic view on the subject as possible. The premise of a qualitative research is to describe the real world. This includes that the reality is multifaceted. (Hirsijärvi, Remes and Sajavaara 2005: 152.) The qualitative approach to this study will allow deep discussion and analysis on gamification in the student coaching industry in Finland and can it bring competitive advantage in the industry.

In qualitative approach it is common to focus on a rather narrow group of cases and the premise is to describe and analyze them as through as possible. Thus, the criteria of the material becomes the quality and not the quantity. (Eskola and Suoranta 1998: 18.) This is why the qualitative research in this study was performed through interviews. In this study the goal is to create a comprehensive understanding on the subject, describe the practical context and create new knowledge and understanding on the subject. Thus, qualitative methods can be considered as a suitable method in this study.

While analyzing the findings in this study, the most favored approach is to rely on the theoretical propositions, even though the research is explorative. (Yin 2009: 131.) It is important to review the relevant findings and concepts before the explorative research (Gioia, Corley and Hamilton 2012). In this paper I have analyzed the student coaching industry in Finland with some classic strategy tools and then review the relevant studies made on gamification. These two theory chapters serve as a foundation on my empiric research.

## **4.2 Semi-structured interviews as a data collection method**

Semi-structured interviews or theme interviews is a suitable data collection method for this study since the goal is to create as holistic and deep understanding of the phenomenon in a certain context. It is typical for semi-structured interviews to create profound and extensive information for the researcher. Interviews are often the only way to collect information

about meanings and interpretations people have given certain things. (Koskinen, Alasuutari and Peltonen 2005: 106.) In semi-structured interviews the before decided themes will be covered, but the order of these themes and the extent they are covered might vary. (Eskola and Suoranta 1998: 86.) Semi-structured interviews differ from structured interviews in that it lacks the precise order and form of questions asked. At the same time semi-structured interview isn't as free or unstructured as a free interview. (Hirsjärvi & Hurme 2000: 43–67.) In this thesis all the themes decided were covered in every interview, but the extent and the order of the themes varied.

Semi-structured interviews gave the opportunity to continue and further deepen the conversations as much as needed. Therefore, the studied phenomenon could be more deeply discussed and studied. The interviewees were asked additional questions to further elaborate certain things and to gain more insight. With semi-structured interviews this research was able to dig deep into the opinions, outlooks and the interpretations the interviewees had on the studied phenomenon. With alternative data collection methods like for example surveys the information gained would have been more shallow, and therefore not sufficient for understanding the different nuances and in depth experiences the interviewees have. Thus, the semi-structured interviews were a suitable method for data collection in this thesis.

It is characteristic for semi-structured interviews that the interviewees have some sort of experience of a phenomenon the researcher is studying. The researcher has studied the important factors and created a theory framework of the phenomenon. With the analysis of this content and/or the situation the researcher often has some sort of propositions about the phenomenon. Based on the analysis then the researcher creates an interview frame. The interview is aimed at the subjective experiences the interviewees in situations the researcher has analyzed beforehand. (Hirsjärvi and Hurme 2000: 47.) In this thesis before the interviews a competitive environment analysis was made on the student coaching

industry in Finland which serves as the context in this study. Then a comprehensive theory framework on gamification as a phenomenon was covered which served as a foundation on creating the interview frame. In this thesis the interview frame included three main themes: The current state of student coaching in Finland, main competitive assets in this industry and gamification. All of the interviewees were professionals in the industry of student coaching in Finland.

Interviews have also some limitations and restrictions as a data collecting method. Interviews collect only indirect data. In the interviews only the interviewee's reconstructed opinions are being researched (Koskinen et al. 2005: 106-107). Other disadvantages interviews have is that the interviewer should be skilled and experienced, interviews take time and interviews are often viewed to include some sources of error. These errors can be caused by the interviewer or the interviewee. The interviewer may be affecting the interviewee and may be supporting the opinions of the interviewee for example. The interviewee on the other hand may be giving socially desirable answers. (Hirsjärvi and Hurme 2000: 23-35.)

### **4.3 Data collection and analysis process**

Triangulation is suggested to use with various sources of data to support the reliability of the research. This can give the study a more holistic view to the subject. (Yin 2009.) To perform a comprehensive research, it is important to have a good understanding of the research done on the subject and on the context where the phenomenon is studied. Thus, primary and secondary data is used. In this paper secondary data, such as company websites, annual reports and financial reports were used to analyze the student coaching industry. This way the context where the phenomenon of gamification can be understood better and further analyzed. Having an understanding of the industry and the current situation in the industry allows better ability to collect primary data.

The goal of the data collection was to collect a sample that represents the whole industry as well as possible. The aim was to collect as diverse and as comprehensive sample as possible to create a sample that would describe the industry sufficiently. In this study I have combined both primary and secondary data to fulfil the research objectives and to ensure that sufficient data is collected. In this study the primary data was collected through semi-structured interviews with experts in this industry.

Semi-structured interviews are arranged in such a manner that the interviewee is questioned regarding a particular topic, so a similar event related to the problem is chosen, and the respondent is expected to give a thorough explanation of the event. In order to reveal new information it is ideal for the interviewer to ask open questions in a semi-structured interview. This way, the researcher doesn't know what kind of answers will be given. (Fisher 2007:159-165). To gain a deeper understanding of the researched phenomenon, the semi-structured interview should be adjusted according to the answers of the interviewee. A flexible approach to the interviews can lead to reveal of relevant information closely related to the studied subject. (Gioia et al. 2012.)

The interviewees in this research were selected based on their relevance and involvement with gamification and the student coaching industry. All the interviewees are significant operators in the student coaching industry. This way the objectivity and quality of this study was ensured. The interviewees are presented in table 4. below. Every interviewee was representing a different company in the field, which reinforces that as much as the industry as possible is covered in this research.

In contacting phase, the interviewees were told the research subject and the research objectives followed by the themes of the interview and the estimated length of the interview. The interviewees were chosen based on being significant operators in the industry, like representatives that work in a managerial or executive position in the firms analyzed in this

thesis and representatives from smaller companies in the industry that are in a managerial position. The industry is relatively small and competitive and many of the interviewees wanted to appear as anonym. Thus, all the interviewees are presented as anonym. After five interviews, the collected data was sufficient and an adequate sample that represents the industry as a whole was collected.

Before every interview, the thesis was introduced as well as the interview frame. Permission to record the interview was granted before every interview. After this, the interviewees were asked to introduce themselves to gain an understanding of their position and responsibilities. In every interview all of the decided themes were covered, but the order and the extent of the conversations varied little bit depending on the discussions. After every interview the interviewees were asked if they wanted to add or ask something or if something relevant wasn't discussed. The main findings of the interviews were then translated from Finnish into English and arranged into themes.

**Table 4.** Overview of interviews.

<b>Inter- viewee</b>	<b>Title</b>	<b>Date</b>	<b>Experience in the industry</b>	<b>Length</b>	<b>Channel</b>
1	Chief operating officer	28.3.	3+ years	28:28	Google hangouts meet
2	Chief executive officer	3.4.	7+ years	35:12	Skype
3	Chief execute officer	16.4.	4+ years	41:48	Telephone call
4	Chief executive officer	21.4.	20+ years	40:00	Telephone call
5	Chief executive officer	24.4.	20+ years	28:05	Telephone call

In Table 4 the interviewees' job titles, experiences, length of the interview and the channel are presented. Findings of the interviews were then organized into themes where it could be further analyzed and examined. The collected data was translated and cited within the themes presented in the chapter assessing the empiric findings. The interviews were gone through several times and the most significant points were emphasized.

#### **4.4 Validity and reliability**

A case study's validity may be checked using four strategies. These four testing methods are construct validity, internal validity, external validity and reliability. In this study the construct validity is assured by utilizing several streams of information, multiple interviews with different companies in the industry, and to ensure that the context-based information and other specifics on the issue is interpreted and reported correctly, key informants were consulted to review the draft of the case study. By using highly knowledgeable informants it was possible to gain a wide perspective on the studied phenomenon. (Yin 2009: 41-42.)

Internal validity refers to whether the findings of the study have causal relationship; how and why an event led to another. In this study research frameworks were drawn from previous studies, empiric findings in this study are paired with frameworks established in the theory chapters. Also triangulation was used to increase validity, as multiple data sources are used. (Yin 2009: 42-43.)

External validity means whether the findings of the research are generalizable. This may become a problem in qualitative research, since they often include case studies and the size of the sample may be rather small. (Bryman and Bell 2007: 400.) In this paper, the questions for the interviews are designed so that they are closely connected to the theory of the study and the questions are presented as unambiguous as possible in such way that the interviewees can understand the questions the same way as the researcher has meant.

Reliability means whether the research is replicable. If another researcher later performs the same case study, the findings should be the same. (Yin 2009: 45). In this paper the semi-structured interviews and the questions asked in them are recorded and documented as precise as possible. The whole protocol of the study is reported in detail in the methodology section. Also, the theoretical models are well presented and referenced to. Therefore the reliability of this study is ensured.

## **5 Findings and analysis**

In this main chapter the findings of this study will be presented with the description and analysis of the empiric data collected combined with the secondary data collected. The empiric data was collected through semi-structured interviews with experts in the student coaching industry as a multiple case study. In this case expert refers to a person that is working in a management or executive position in the industry. The themes in the interviews were the student coaching industry in Finland and its current state, the main competitive assets and gamification. In this chapter I will present the opinions of the interviewed experts. The answers of the experts are translated from Finnish into English. All the interviewees are significant operators in this field. The student coaching industry is highly competitive field with only a few players, therefore I have kept the experts in this study anonym. I have presented the experts in the previous chapter and labeled them with numbers (Interviewee 1).

The findings from the interviews are categorized by themes. Main findings are presented within the themes. This is a recommended method for analyzing data in a practical research context. This method allows relevant data to the research problem to be presented within the different themes. (Eskola and Suoranta 1998: 178-179.)

### **5.1 Current state of the student coaching industry**

In order to figure out if gamification can give competitive advantage in this industry and how companies can position themselves with utilizing gamification it is crucially important to gain a deep understanding of this industry. To further gain information about the student coaching industry in Finland the interviews in this study were started with open questions about the current state of the student coaching industry. The goal of this section in the interview was to gain an understanding of the current state of the industry, how competitive the field is, what kind of changes are occurring in the industry and how attractive the experts see the market. In this study the empiric data was limited to only the coaching of highs

school students. One of the most significant changes in the field is that the coaching is shifting towards younger students. All of the interviewees agreed that the previously mentioned reform in student selection made by the Ministry of Education and Culture has at least somewhat affected the industry.

*“The industry is going through a certain change for the most part. The government has always discriminated the student coaching industry for some odd reason. Now reforms of the entrance exams are tried to be made so that it would be more difficult to coach for them and the student selection is made more on just the high school final exams, which leads to that we and our competitors are focusing on more younger customers. This shifts the coaching to the high school level.” “Our competitors who before didn’t even consider high school coaching have also now launched high school training products.” (Interview 1.)*

*“Our demand (for high school training) has probably increased since the recent reforms when a part of the students get selected directly to universities based on their high school grades.” (Interview 2).*

*“- In many fields the selection to universities is fifty-fifty between selecting based on high school grades and entrance exam. So now the competition has increased in the quota of students who apply to universities based on the entrance exam. When considering popular fields like med-, business- and law schools the demand has remained mostly the same. Now the new phenomenon that has appeared is that more and more students are taking the high school finals more seriously and they try to enhance their competitive stance there.” (Interview 4.)*

In the first theme the competitive nature of the industry was discussed. Most of the experts considered the student coaching industry to be fairly competitive. Interviewee 2 stated that when considering High school students there is a lot of competition what cannot be seen from the outside and the field is ruptured into different kinds of offerings.

*“This industry is relatively competitive even though there are not many large companies. But the industry is so fragmented, there are so many individual players and private persons that offer their services.” “The student coaching firms are not necessarily the primary place students seek help from. They might first ask their relatives or friends for support in the studies. Then there are these private teaching websites (where*

*anyone can offer private lessons) where the student can find help.” “There is a wide variety of different types of services for different types of purposes. There are also lots of different kind of students with different needs and demands. So, there is something for almost everyone.” (Interview 2.)*

*“The competition is hard in this industry.” “There have always been new entrants in this industry, then they operate for a while and then exit. It is thought that it is easy to enter this market that there is no significant barriers because the customers are always new but this is not entirely true, because customers rely on the providers’ experience and the customers carefully compare the different courses and in that experience and being comprehensive is a valuable asset. I would say that the competition has increased lately in this industry.” (Interview 4.)*

*“At this moment it clearly is that everybody in this industry are claiming to be the biggest and greatest, and trying to benefit from the size. The competition is fierce...” (Interview 1.)*

*“When it comes to digital services and apps there is not much competition in the industry. There are bigger web courses available but not that much of “light coaching” in form of applications or at least I haven’t bumped into any.” “In my opinion the market for high school students is rather small. Maybe that’s why I don’t see the industry that attractive in terms of making money.” (Interview 3).*

*“- Different platforms where you can do exercises and get feedback from and where you can ask questions, where you can see your progress and the progress of others and these gamified aspects have appeared for many. Competition of who has the best platform to support learning and learning shifting to these different platforms has changed the market.” (Interview 4.)*

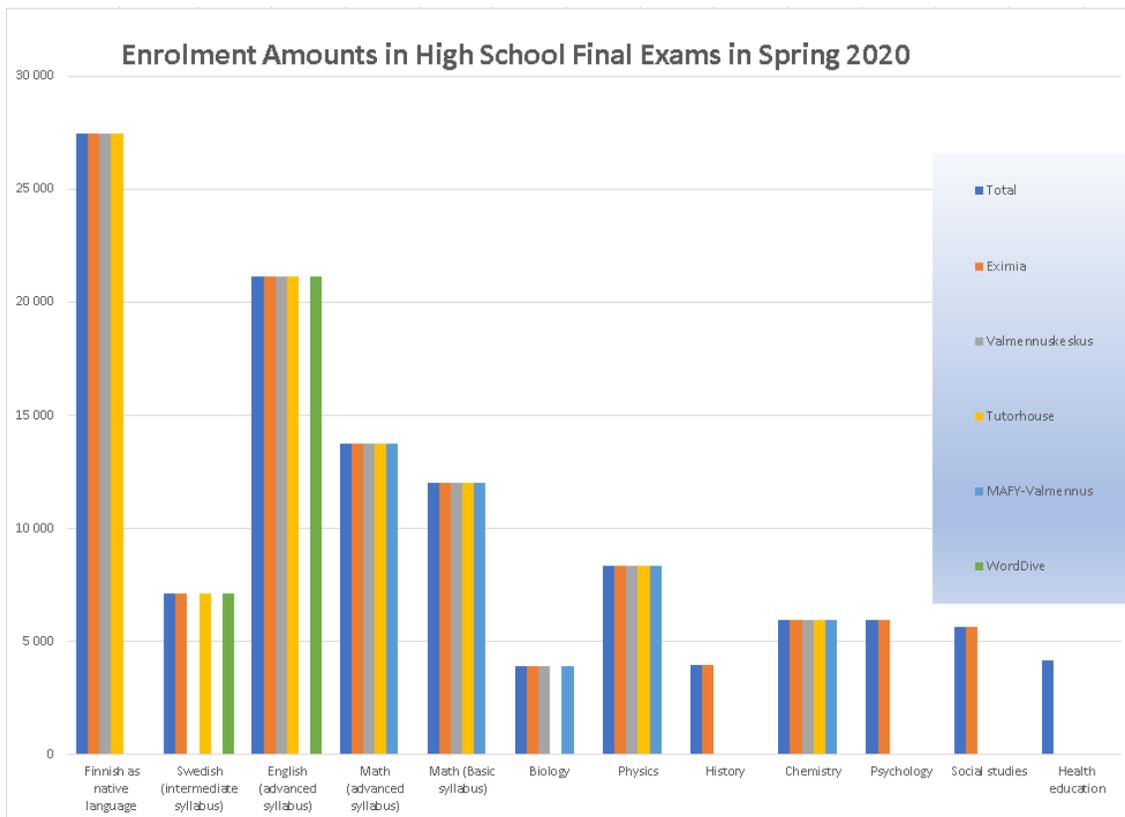
When discussing about the student coaching market and the industry, the needs and desires of the customers is an important factor. Here is one take about the needs of the high school students.

*“In a bigger picture, maybe a more tailored teaching technique approach could be beneficial, and what technique is best for each student. Everybody can study on their own time if their interested, so I’d say maximizing the effectiveness of the students time becomes important.” “It is always a plus, if there is a fun or an inspiring method*

*or a teacher. It might be that games aren't for everybody, but I believe that everybody is benefitting from multiple choices of learning techniques and a sort of life coaching in the field of students." (Interview3).*

## **5.2 Analysis of the offering**

In Figure 9 the enrolment numbers of high school final exams in different subjects are presented. The student coaching companies have been added to the same histogram to present what subjects these companies offer courses in. Only subjects with over 3000 enrolments are included in this figure. Uplus has been excluded, since they offer private lessons in almost all High School subject requested. The purpose of this figure is to describe the competition in different subjects. The height of the bars represents the number of students enrolled and the number of bars on each subject presents the different firms offering courses in that subject.



**Figure 9.** Enrolment amounts in high school final exams in spring 2020 (Ylioppilaslaulukunta 2020).

As can be seen in Figure 9, Finnish as native language and English as advanced syllabus are the most common subjects in the spring 2020 with 21 120 enrolments in English, and 27 442 enrolments in Finnish as native language. Mathematics, both advanced and basic syllabus, had a relatively high amount of enrolments, with advanced at 13 760, and basic at 11 999 enrolments. Physics was the fifth most popular subject with 8342 enrolments and the rest of the subjects are closely on the both sides of the 5000-enrolment line.

From this figure there can be seen, that most of the popular subjects are covered with 3-4 student coaching companies and are quite equally competed in. Some subject with fewer attendants like History, Psychology and Social studies have Eximia as the only provider. Also,

Health education had 4152 enrolments but no companies in this study offer any courses for that subject.

Interviewees were asked how they viewed offering diversity in different subjects. Discussions were had about is it important to have many subjects in the product portfolio or is it better to have focused product portfolios, and can companies gain advantage from different kinds of product diversification strategies. Also, the competition between different subjects was discussed.

*“Both options have it’s upsides (Having a differentiated portfolio and having a focused portfolio). By focusing on only one popular subject helps in the perspective that it doesn’t cause too much work. It could cause competitive advantage to be effective and profitable with a narrow offering of subjects. It depends on the goals of the company has, do they want to maximize their revenue or the profits.” (Interview 2.)*

*“We have considered this and recognized it as a weakness if somebody wants to take 2 subjects and we only offer 1 of those, so we couldn’t sell the pair. On the other hand we don’t see this as a big problem since we offer typical combinations so there is lots of demand. Therefore, we don’t have a problem on this subject rights now, although it could become a problem at some point.” (Interview 1.)*

*“I want to say that English is probably one of the subjects with the most competition in, there are the largest variety of different services available. Another competed area is probably the mathematical subjects. It is under a lot of speculation how much impact math grades have when applying to universities. This probably affects the offering.” (Interview 2.)*

*“This is a focal question for us. One way to think about it is to focus on either one subject or every subject, but then there is a middle ground as subject packages like the natural sciences for example for med school there is chemistry, physics, math and biology.” “It’s not like one has to have all the subjects available, it also depends on the company trend. If the trend is that you are an expert on natural sciences, that can be utilized in marketing and other aspects. (Interview 3).*

*“We have considered this important that the offering is broad.” “We think that having comprehensive services is a good thing. Offering products as broadly as it financially is possible to gain large enough groups. It a good thing to have options.” (Interview 4.)*

*“It depends on the customer.” “Some of the customers probably appreciate a broad offering when doing comparison and some part look at the results for example for university entrants. It all comes down eventually to the feeling of which is the most convincing and trustworthy operator.” (Interview 4.)*

### **5.3 Main competitive assets in the industry**

The second theme in the interviews was the competitive assets in the industry. The goal was to find out what competitive assets the experts valued the most in this industry. The more competition there is, the more a company has to be able to differentiate themselves from the competitors if it wants to thrive in its field. The experts in the student coaching industry mentioned a lot of same competitive assets they valued. In these interviews there came up a few relevant things which have a connection to the profitability of the company. Within this theme the interviewees described the competitive assets in this industry.

First significant asset what came up in multiple interviews was the company reputation. Many of the experts had similar opinions about the value of the company reputation:

*“It is the customer reputation that is the decisive factor. It doesn’t hold up much negative conversation in the social media. It (the reputation) can sustain some negative conversations when not everybody can see it but if it escalates to a larger scale it would be very difficult for the company.” (Interview 1.)*

*“The company reputation is important in this industry. Often when the parents are deciding on what courses to purchase for their children it becomes important to have an image that can be trusted.” “Information found from other websites affect the company image the most. For example, the reviews on Facebook or Google or other sites affect the company reputation.” (Interview 2.)*

*“When deciding between different service providers customers are comparing the success, how many students get in the university from certain courses, grades students have given the teachers, how long experience the company has, what size is the company and is there a lot of students choosing this provider. There are a lot of factors playing in this.” “Then price is obviously big factor as well as the common reliability of the course provider and what kind of image and reputation it has.” (Interview 4.)*

The interviewees also valued the quality of the content and the differing offerings of the courses. Here are some takes of what the experts valued in the offerings of the student coaching courses:

*“One big thing is to have different kinds of services like self-study courses, lecture courses, online courses. This differentiates competitors from one another. To have different kinds of services for different kinds of students.” “Since there already is a lot of classic lecture courses, companies need to find other ways to stand out from the masses.” (Interview2.)*

*“After all, the content of the course and what is being done in the course and the features of the course. That is the factors the customers compare. One significant factor is also the teachers, what kind of background they have and how good is the teaching.” (Interview4.)*

*“- the service needs to be in a good package as well. Branding is in a very essential role and the characteristics or “the look” of the service are important, the service needs to feel like your own.” (Interview3).*

*“I would consider the content and the quality of the service the third important (After price and reputation/branding) factor when considering attributes that create competitive advantage. Applications for example are often used because other people are using them-, it’s a key factor if the service is a big deal in your school or class. Obviously the content is important when considering the engagement of the user, but you only find the content if you try or use the service, and you only try it if the package is interesting and easily available. I would add the availability also as an important factor. It has to be easily available for everyone for example from an online store.” (Interview3).*

In the interviews the prices of the courses were also discussed. All of the interviewees seemed to agree on that prices have some effect at least. Some interviewees seemed to pay

more attention to pricing as a source of competitive advantage. Seems that the majority of the courses bought are financed by the parents of the students and for the same type of course the pricings are very similar.

*“Of course, the price is also decisive, but from our customers a big percentage are financed by their parents, and we are offering long credits.” (Interview 1.)*

*“It probably has some effect in the demand. If I have the right idea, the lecture type coaching courses have very similar pricings. So, I don’t think they stand out much from each other in that perspective. Obviously, different kinds of services have different pricing, there is private lessons, lecture courses and self-study courses. I don’t think anyone have a big edge in that aspect. Some companies of course compete with pricing in the aspect of offering self-study materials. There most likely is a customer segment that decides on the course based on the price” (Interview 2.)*

*“Price is one of the most important competitive assets. Many of the students in high school don’t run their own finances and probably are not getting money from their parents for anything. Many students might be wondering if they want to use their money for this or do I dare to ask my parents for money. So, it becomes a big advantage if the prices are favorable.” (Interview 3.)*

*“Obviously, price is one big factor. There is probably 20% in this industry as well as there is generally who make their purchasing decision based only on the price.” (Interview 4.)*

#### **5.4 Student motivation and engagement**

The biggest benefit gamification can potentially bring a service is the user motivation and engagement. Thus, it is important to understand if user motivation and engagement is significant factor in the student coaching industry. In the theme of competitive assets, the interviewees were asked how important they think student motivation and engagement towards the study material is. The aim was to find out how much the experts valued the user motivation and engagement.

*“It (User motivation and engagement) is also extremely important thing when getting prepared. When there are no lectures, and the studies are mostly self-studies we are focusing on it (motivating and engaging students).” (Interview1)*

*“It is a big competitive advantage to keep your customers for a longer period of time.”*

*“It is definitely a good thing if you are able to engage the student, this increases the customer satisfaction and that can also cause word of mouth -phenomenon.” (Interview2.)*

*“Yes, we are trying to focus on that (student motivation and engagement) from the get go. So that the student would feel to belong to the group and student motivation is overall a deciding factor when applying for universities and in the success of the studies in our opinion.” “- Actually everything, like course materials, exercises aims to spark that light in the student and we can raise the students interest towards the field. (Interview4.)*

*“Engagement is certainly essential. Although the senior year in high school is a short period of time, so from that perspective it might be that failing in creating engagement is not that serious. At the same time when the target group is small it is important that they are engaged. Also, it depends on the business model how important the student engagement is. If the company operates with a one-time payment it becomes less important but if a company runs ads it becomes focal that the students stay to use the service. (Interview3).*

*“Yes of course it is important. If we think about it from the perspective that everybody would have the same starting intrinsic motivation. So then figuring out the right kind of material and methods has some effect. But yet again, for some a certain method is good and for other is might be something else.” (Interview5.)*

To gain more specific data on what are the best methods that can boost the student’s motivation and engagement the interviewees were asked what they thought were the best practices to increase motivation and engagement.

*“It is that they (students) have to have a goal what towards they can aim. High school final exam or entrance exam work well as a motivating goal. There needs to be a good reason for the actions. In any learning the problem is when there is no motivation, for example in high school or elementary school the main question asked (by students) is “where do I need this information” so there needs to be clear need.” (Interview1.)*

*"I believe that some kind of combination of receiving personal support and having a self-study material that can be studied on their own time is probably the best type of solution when only considering the students motivation." (Interview2.)*

*"It is actually the entirety of the course that support the motivation. The different elements like for example tutoring, having discussions about the students own goals, the quality of the teaching and the style of the teacher is very decisive since that is where the majority of the time together is spent in these different kinds of study groups." "It is one of the biggest factors when choosing teachers is that are they motivating persons. Can they "coach" the students." (Interview4.)*

*"Usually a good way to increase the students motivation is to let the student decide their own goals and keep own schedule, and maybe in a way that if it is a self-study course it should encourage the student to maintain the goals and schedule putted in. If there are teachers involved it is their role to coach and help to stick with the goals." "I think that setting goals and setting realistic goals is absolutely a big part of increasing student motivation" (Interview2.)*

*"Probably feed-back, measuring progress and the renewing the service as third. Meaning producing new content at appropriate pace." (Interview3).*

*"My vision could be described in a way that the product and the brand would be inspiring it itself and would remind the user to get a grip of themselves and to do the work and figure things out. If something isn't working, one should find an alternative way to do it." (Interview3).*

Using tutors was an interesting activity that surfaced in Interview 4. as an important element in increasing the motivation of students. Since this had been successful, the subject was discussed further to gain an understanding of why the tutors are a powerful tool in increasing motivation.

*"It is again, all the activities as a whole. That he/she (the student) has the peer support and has this certain person available the whole spring who you can ask anything of an who supports you in anything you need like for example in the subject matters, making your studying schedule and issues regarding studying techniques. This brings our service closer to the consumer." "This also creates the feeling of being taken care of, which it actually does." (Interview4.)*

## 5.5 Analysis of gamification elements

The use of gamification can be defined in different ways. In the student coaching industry in Finland the utilization of gamification is quite low. Majority of the companies have exercises and practice exams included in their course that are rated by a teacher which is the feedback the students get. In this paper this is not considered as an element of gamification. Since it is not visualizing the progress. In this study the focus is on gamification elements like: goal setting, tracking progress, competition, conflict or cooperation, and rewards. Which are all explained earlier in this paper.

**Table 5.** Gamification elements.

GAMIFICATION ELEMENTS				
Firms	Setting Goals	Tracking progress	Competition, conflict or cooperation	Rewards
Eximia				
Valmennuskeskus				
Tutorhouse				
MAFY-Valmennus	X	X		
WordDive	X	X	X	X
Uplus	X			

In Table 5 there are presented the utilization of chosen gamification elements by the studied student coaching firms based on information found on their websites. From this figure we can see that these gamification elements are rarely used in this industry. MAFY-valmennus and WordDive are the only companies that are utilizing gamification elements to a larger scale. Uplus is also having a strong emphasis on setting goals in their training. The rest of the companies might also have some elements of setting goals and tracking progress but it is often not visualized. In most cases these companies have very traditional course structures with very little to non gamification elements. Although, Valmennuskeskus has launched an application that is heavily utilizing gamification called Mathbooster. This

application is excluded from table 5 since it is a separate service from the courses and only for math. Mathbooster is utilizing setting goals, tracking progress and competition as gamification elements. Students set their goals to what grade they want to achieve in the high school finals and the program then visualizes a progression line which shows the student the development. In the application the students gather points by solving math exercises and is shown in the leaderboards, the leaderboards are anonym.

MAFY-valmennus is using the elements of setting goals and tracing progress in their courses. At the start of the course the student can decide the desired goal of what grade they are trying to achieve in the final exams. The program also lets the student decide the timeframe, the student wants to be done with the course. This makes it easy to schedule the studies for the students. MAFY-valmennus has a clear progress tracking feature which depends on the goals the student has determined. The program then starts to draw a progress line as the student completes tasks.

WordDive has the most elements of gamification implemented in their system. As mentioned earlier they offer courses exclusively in Swedish and English for high school students. In WordDives' courses that are training the students for the high school final exams, the students are able to set their own goals as to what grade they desire. The program will then give the student exercises in different categories. WordDive uses different kind of fish to visualize the progress the student is making. The student will receive a blue novice fish when he/she has been able to choose the right answer out of four options. Red junior fish is received when the student is able to write the learned item without listening. Finally, when the student has been able to write the learned item perfectly without listening on minimum two different days is the golden master fish received, which means the student has learned the matter permanently. Progress in each category is visualized with three stars. WordDives courses also feature leaderboards of all the high school students and a different leaderboard for friends only.

When discussing how much attention interviewee 1 paid to the gamification in their courses an interesting approach was discovered about developing elements of gamification unintended:

*"I'll have to say that all of the gamification elements have been born completely by accident." "We haven't actively created gamification elements to our services, but right now we are developing some motivating features to our services." (Interview 1.)*

To gain some understanding how much impact gamification has on the students, questions like "do you think gamification is beneficial in some way?" and "how much impact do you think gamification can have on the students' motivation?" were asked:

*"Game application could be used as an extra feature in training as a light form of repetition when there is no energy for anything else." (Interview 3).*

*"We get feedback on that our gamification (element X) is great, "Students have told us that without it I they would have given up early on." (Interview 1.)*

*"We run a league for students with prizes for the top performers. This has attracted new students to use our service pretty well." "If we think about the high school final exams, it is a competition in a sense that the grades students receive come from comparing to other students. Now with the new reform in student selection for universities it becomes even more serious. Therefore, gamification elements prepare or this competition in a fun way. (Interview 3.)*

*"Yes, if it is planned and executed in a smart manner. It has a good chance of increasing the study motivation and customer satisfaction." (Interview 2.)*

*"The gamification elements is good to have regardless of the student age. Setting goals, tracking progress and rewarding, and somehow visualizing the progress the student is making is good, or at least the student should feel that progress is being made. (Interview 2.)*

*"It depends so much on the student how much gamification is affecting the motivation. If the students are motivated to start with it (gamification) can be a really good thing, but if a person isn't interested in the subject at all, he/she is probably not interested to play some game related to it either." "The student has to have the goal to succeed in the high school finals to have the motivation to use the service." "That's why the teacher or the brand itself has to be motivating and there has to be other content in the service than just a game. Playing games has to be brought to a larger context, there has to be a reasoning why this is being done." (Interview 3.)*

*"Regarding the students' motivation yes. You just have to find the right way in practice how you execute it." (Interview 4.)*

*"It can have a lot of affect, but it greatly depends on the execution of the course provider. If it only looks like a game but actually lacks a proper platform then it might fail but if it has these meta-level elements that create, say the feelings of achievement it can be very decisive." "Supporting user motivation in any way is important" (Interview 4.)*

*"- Is it It depends how you see it. If we look at it as a game, does the game have some instrumental value to me? Does it help me to get better results in something? Does it get me closer to my goals whatever it might be for example entrance exams or high school exams? If yes, then fine, but we have to remember that often in those exams bigger themes are being dealt with. The challenges games have are similar to common learning challenges, games might create intensity, faster tempo and more interest compared with traditional methods, but can it create understanding of the bigger picture and comprehensive learning? Then they can be even more beneficial." (Interview 5.)*

*"So, there is benefits but it might be limited benefits and it depends if you can tie the benefits to some instrumental value for an user, then its even more beneficial. We often need to understand large entities and right now we don't have technologies for this so this limits the benefits." (Interview 5.)*

Also, the experts were asked if they think that students might market the product to their friends because of gamification elements:

*"Possibly, also some students compare themselves with others in social media with our gamification element X" (Interview 1.)*

Also, interviewee 4. said that they have discussed about this in regarding one project of theirs which is utilizing gamification and they are hoping and aiming to gain the position where students would talk about that with each other.

*“This is what we have thought about a lot and sure it can, but yet again as mentioned before there are introverts and extroverts. Extroverts need the class community and social contacts so it isn’t for them but for some this might work. It is hard to say for whom it works best to.” (Interview 5.)*

To get more detailed solutions. The experts were asked what they think are the most beneficial gamification elements for high school students:

*“Measuring your own progress is probably the most important thing. If you can compare your results right now to your results from a month ago can be really motivating if you can clearly see progress being made.” “For some, a cold ranking the students to see who’s the best works.” (Interview3.)*

*“I think that they should be built so that it creates the feeling of success in the user. The path should progress in a way that the student achieves small goals on the way and proceeds through the successes and the excitement grows based on that.” “That the student gets the feeling that “hey, I can do this”. The way I see it is that the small successes create the motivation and the feeling that the student can learn and even enjoys the learning and is having fun.” (Interview4.)*

Next the interviewees were asked “can gamification bring competitive advantage in this market compared to other companies?” Here are some of the answers:

*“Yes absolutely.” “The gamification component plays a big role since it creates positive conversation and being a differentiating factor from others.” (interview1.)*

*“Yes, surely if gamification succeeds to engage the student and cause better results. This increases the customer satisfaction and this will eventually lead to better results in both customer satisfaction and user amounts.” (Interview2.)*

*“Yes, it absolutely does. It is an interesting thing that lowers the barrier to try a service for the student. Also, if it becomes a big deal, for example if everybody gets involved in a game it easily results in further positive outcomes.” (Interview3.)*

*“Yes it can, if somebody can create advanced tools in that field then it can.” (Interview4.)*

*“Not alone. In many subjects a comprehensive learning and adoption is needed. For example, in high school final exams a comprehensive know-how is needed. It can give some small details though. Unfortunately, it is just the trivial knowledge, this is because of the technology is not there yet.” “I would rather see it in the marketing segment. It can be both, it can create competitive edge but it doesn’t create the whole comprehensive instrumental value for the customer, for example get a good grade or whatever.” (Interview 5.)*

*“-When talking about the high school final exams and entrance exams, they are very decisive things in the student’s life. We are talking about big fundamental things in their life. Just gamification alone isn’t enough. It brings some competitive edge but it isn’t enough. It isn’t the key issue. The key issue remains how the student gets and experiences to receive information and teaching in the way that is fitting for him/her, so that learning is being done. (Interview 5.)*

To get a holistic picture of implementing gamification elements into student coaching, it is important to also consider the negative effects it might bring to some services. This is how the interviewees answered when asked about the negative effects:

*“Probably if the competitive nature of the service goes too far and if that becomes the only thing you think about its not a good thing. Then the attention will shift from learning a subject to playing a game. To prevent this, we didn’t just reward the best of the best but rather the winners of the rewards were drawn from the top 20% of students.” “It’s a same sort of thing in highs school final exams: to get the best grade you don’t have to be the absolute best student. (Interview3.)*

*“Most certainly, the pedagogues will pay attention to this, the fractured information, the comprehensive adoption and understanding things in the bigger picture. Which in reality is the knowledge.” “I think the there is a bigger challenge with that the information is fractured to smaller pieces, when the usage and utilization of the*

*information declines. So, what happens is that the comprehensive cultural perspective might stay low.” (Interview5.)*

## 5.6 Gamification in different subjects

In Table 6 there are demonstrated the use of gamification elements in different subject. As already visualized in Figure 9 the most popular subjects have several companies that offer courses in. Table 6 is showing which subject have courses with gamification elements available. Interestingly Finnish as native language has no courses available with gamification elements even though it is the most popular subject in the final exams. Also, History, Psychology, Social studies and Health education have no gamified courses available. The table is made based on courses available for different subjects, hence why previously mentioned Mathbooster created by Valmennuskeskus is not included in the table. Mathbooster as an application is covering  $\frac{3}{4}$  elements in Math.

Both advanced and basic syllabus of Math, Physics, Chemistry and Biology is offered by MAFY-valmennus which uses some gamification elements demonstrated earlier in this paper. It has to be noted that also Eximia, Valmennuskeskus and Tutorhouse are offering courses in some or all of these subjects as well, but without gamification elements.

**Table 6.** Subjects where gamification is used

Subjects where gamification is used		
0/4 elements	2/4 elements	4/4 elements
Finnish as native	Math, advanced	English, advanced
History	Math, basic	Swedish, intermediate
Psychology	Physics	
Social studies	Chemistry	
Health education	Biology	

The experts were asked in which subjects they think gamification could be the most beneficial:

*"I believe that subject that include cumulative learning like physics, chemistry and maths." "Of course gamification could be used in other subjects as well" (Interview1.)*

*"Languages comes to mind first and perhaps math as well." "I believe that it (gamification) is useful in every subject. Especially when considering the element of setting goals and tracking progress can be useful regardless of the subject." (Interview2.)*

*"Surely subjects that base on har natural sciences like physics, chemistry and math, because in these subjects the evaluation is the easiest, did it or did the calculation not go right. In some other subject the gamified elements often limits to multiple choice, proposition and concept questionnaires." (Interview3.)*

*"Actually, in any subject. I can't highlight just one subject over others. Maybe the most influential subjects regarding entrances to universities which are the mathematical subjects in this new situation." "Obviously, the mathematical exercises enable some elements since the answers are unambiguous. But why not have in any subject for example multiple choice questions that gather the feeling of success and what creates comparison between the students." (Interview4.)*

*"This could be answered in any way. Internationally the biggest subjects are STEM-subjects (Science, technology, engineering and mathematics), but why not every subject? I wouldn't limit this since there are different executions and adaptations." (Interview5.)*

## **5.7 Summary of findings**

In this chapter the main findings of the empiric analysis are presented. These findings were made supported by the competitive environment analysis and the theory section. The empiric part of this study was made by connecting expert interviews and secondary data collected and analyzed. This empiric data and the analysis are linked to the previously mentioned theory sections. This main chapter will present the main findings connected to

competitive advantage through gamification and possible positioning options for student coaching companies.

### *Industry*

In the first part of the interviews the goal was to find out how the experts view the current state of the student coaching industry in Finland. Within this first theme, discussions were about the most significant changes, the competitive environment and overall state of the industry. The interviewees seemed to support the outlook presented in the first theory chapter where the competitive environment analysis was conducted.

All of the interviewees agreed that the reform in student selection into universities had at least some impact on this industry. The reform is shifting customers from university entrance exams prep courses to high school final exam courses. The industry was also viewed relatively competitive even though there aren't many large companies. In interview 2 there surfaced an important factor that the industry is very fragmented and student coaching companies are often not even the students first choice and there are lots of private players who offer different kinds of services for students. Further, the students also have large scale of needs and desires. Thus, many different types of course can be successful i.e private coaching, self-study courses, highly gamified courses etc. Some interviewees also viewed that these new digital services have shifted the competition partly to who has the best platform.

When analyzing the offering in different subject between the student coaching companies it seems that all the most popular subjects are fairly evenly competed in as can be seen from Figure 9 and interviewees gave comments on the same lines. When discussing about strategies regarding product portfolios in the interviews, most of the experts seemed to see the merits in both strategies. With having a diverse product portfolio and offering courses in

many subjects enables bigger customer base and having a more focused approach might bring some cost benefits and efficiency as well as being able to focus on the quality on the course more.

### *The competitive assets*

In the second big theme of the interviews the competitive assets in the industry were discussed. Within this theme the interviewees were asked what assets and aspects they valued the most in terms of giving competitive advantage. Most of the interviewees mentioned the reputation and the image of the company. It is seen important that the company has good reputation and is trustworthy and reliable. Other factors include the variety of different types of courses, the content of the courses, packaging and branding of the service and the teachers as important assets in this field. The interviewees mentioned that the quality of the content of the course is important but also the that courses should also have different forms of teaching and content so that they can differentiate from the competition and offer suitable methods for different individuals. Pricing was seen somewhat important factor, but also as interviewee 2 stated; similar types of courses have similar pricings e.g. self-study courses, live courses etc. and as interviewee 1 recognized that most of the courses are financed by the parents of the student. Most of the experts agreed that there is a customer segment that is deciding between the courses based on the price.

### *Motivation and engagement*

Since motivating and engaging is one of the most important benefits gamification can potentially create, it was discussed with the interviewees. All of the experts agreed that the motivation and engagement of the student is at least somewhat important. As Interviewee 2 said, motivating students can create more customer satisfaction and even word of mouth marketing. Nowadays it is a common claim that word-of-mouth marketing plays a vital role

in affecting the attitudes and behaviors of people (Day, 1971; Herr, Kardes, & Kim, 1991; Katz & Lazarsfeld, 1955; Murray, 1991). This links closely to company reputation which was established as one of the most important parts in the interviews. All of the interviewees find motivation and engagement either important or very important and many of them give this a lot of emphasis when creating courses. When discussing the best ways to enhance student motivation the experts were saying a lot of the same things that already was discussed in the theory chapter of gamification. Interviewees mentioned for example, having clear goals, measuring progress, getting feedback and having different kind of courses as ways to enhance motivation. These statements support many of the aspects discussed in the theory chapter and the elements of gamification chosen in this paper. Many of the experts mentioned that having clear goals and working towards a certain outcome is among the most important aspects in increasing motivation.

#### *Elements of gamification*

When discussing gamification in the interviews most of the experts agreed that gamification has the potential to motivate and excite the students. From table 6 can be seen though that gamification hasn't been adapted very widely in this industry at least not yet. The answers of the interviewees are again fairly in line with the theory of gamification in educational context. As explained in the theory chapters the biggest challenges in gamification is the execution. Many experts said that the execution of gamification elements is very important. This was also implied multiple time in the theory chapters of this study. Other challenges seen was that gamification might not support comprehensive learning and fully absorbing large concepts. Interviewees highlighted same elements as chosen in this paper for gamification elements, measuring and visualizing progress, comparison between peers, setting goals and rewarding as effective gamification elements in student coaching.

One of the main research questions was that can gamification bring competitive advantage in student coaching industry. Most of the interviewees agreed that it can, under certain conditions. Gamification was recognized as a way to bring positive reputation to the company which was noted as one of the most important competitive assets in this industry. Gamification also was seen as a way to differentiate from the competitors. Some interviewees recognized positive patterns that start from engaging the customer, which can lead to better results and further to customer satisfaction.

Interviewee 5 stated that gamification cannot bring competitive advantage alone and that technology is not yet enabling elements that can create comprehensive learning. In many cases in gamification information is fragmented which makes it difficult to for the students to understand the bigger picture. Other negative aspects that did arise in the interviews was that if the adaption of gamification makes the service too competitive it could affect negatively on the students' motivation.

Table 6 demonstrates that in many subjects there is no strong utilization of gamification elements. For example, in the most popular subject in the high school final exams, Finnish as a native language there is no element of gamification available. Only language courses like English and Swedish have strong utilization of gamification elements. Math, chemistry and physics have some gamification elements in use, these were the subjects that many experts referred to as the most convenient to implement gamification into in the interviews. On the other hand, most of the interviewees also stated that gamification could be utilized in any subject.

## **6 Discussion**

This thesis aimed to research if gamification can create competitive advantage in the student coaching industry and how a student coaching company can position themselves in the market with utilizing gamification. The research was conducted by qualitative methods, by five semi-structured interviews from significant operators in the industry from different companies. Also, some secondary data was analyzed to support the data collected from the interviews and the theory framework. In this chapter the main findings will be summarized, then the theoretical and managerial implications will be presented, followed by suggestions for future research. Finally, the limitations of the study will be assessed.

### **6.1 Main findings**

The vast majority of the collected data in this research indicate that gamification can create competitive advantage in the student coaching industry with certain constraints. Based on the previous research made on gamification and the empiric data collected it looks like gamification could be used to create competitive advantage in student coaching industry in Finland when implemented correctly.

In the theory chapters one of the main points about gamification in education is that as long as a company can implement gamification the right way to support the intrinsic motivations, one can gain competitive edge over the competition through gamification (Deterding 2012). Based on the previous research and the interviews, gamification doesn't fix an otherwise poor product or service, it doesn't improve the infrastructure of the firm nor does it make customer service better. Naturally, a company needs to have its core activities in good shape for gamification to bring the company any benefits. The interviewees in this study were mostly on the same lines with the theories presented in this paper. Clear majority of the interviewees recognized that gamification could bring competitive advantage through its positive behavioral patterns. Based on the results it seems that the context and the

implementation affects greatly on how much impact gamification can bring in the student coaching industry.

Although most of the studies made on implementing gamification in educational context are scarce on true empirical research on how effective gamification can be, Hamari et al. (2014), state that all of the studies they inspected made in educational/learning contexts on gamification show mainly positive results. Some of the main benefits gamification can bring in educational contexts is increased engagement, motivation and enjoyment in learning tasks. Also, majority of the experts agree that when designed in the right way and used properly gamification could improve learning (Dicheva, Dichev, Agrev and Angelova 2015). Comments in the interviews were mostly on the same lines and support the previous research. Interviewees stated that gamification can clearly have positive impact on the students and their motivation which in turn lead to better customer satisfaction.

The results of this study show that gamification can impact many important aspects of a student coaching company. It seems that in this industry company reputation, content of the course and its diversity and student motivation and engagement are the most valuable aspects for the companies. These are partly converging concepts that have causal connections. For example having motivated and engaged students can cause in improved company reputation through course ratings and word of mouth.

All of the experts interviewed in this study found student motivation and engagement either important or very important. The results in this study show that ways to improve student motivation and engagement are goal setting and focusing more on the goals, feed-back, measuring results and progress, peer support, varying methods and also the role of the teacher was emphasized. As mentioned earlier in this thesis, especially goal setting, measuring progress and feed-back are the most important elements of gamification to implement.

## 6.2 Theoretical implications

Even though this study focused strongly on the managerial aspect, some theoretical implications can be indicated. This study has created valuable information about the student coaching industry in Finland and its characteristics. This study has also generated understanding of implementing gamification in educational context. The empiric data collected in this study has added information to the conversation about gamification especially in the educational context. Some of the data support the previous research about gamification and gamification in educational context (see Kapp 2012; Mak 2013; Barata et al. 2013 Dicheva et.al. 2015), but it also highlights some of the most important aspects in specifically student coaching in Finland and also notices some unmentioned benefits gamification can bring to this industry. It seems that gamification is still a relatively new phenomenon and needs still more research especially in educational/learning context.

Exploring the competitive nature of the industry and going through the main competitive assets utilized in the student coaching industry in Finland has created added knowledge about the industry and the competition in the Finnish market. The industry was studied through financial statistics, open data from the company websites and empiric data collected in this research. Many important characteristics of the student coaching industry were analyzed in this study. The student selection reform has changed the industry and still is shifting focus from entrance exam coaching towards coaching for high school finals. This industry is also extremely fractured, there are lots of private entities offering a wide variety of different kinds of services on top of the eminent student coaching companies analyzed in this study.

Also, mapping the student coaching industry and its current state is valuable. Before this the field of student coaching was rather unknown from a competitive environment standpoint. The competitive environment analysis in this paper reveals what the competition in this

industry is like, what kind of different strategic groups there are and what are the benefits they create, what kind of offerings different companies have and how different competitive assets can be utilized. On top of that the empiric data highlights what kind of aspects and competitive assets the industry experts value the most.

This thesis has created understanding of how gamification can create positive benefits in the industry can also be partly helpful when further exploring gamification and its applications in education. Most of the existing studies made on gamification in educational contexts like (Deterding 2012; Caton and Greenhill 2013; Barata, Gama, Jorge and Goncalves 2013; Mak 2013; Iosup and Epema 2014; Hakulinen et al. 2014; Dicheva, Dichev, Agrev and Angelova 2015.) give mostly positive outcomes. The empiric data collected in this paper is supporting these studies with similar results. Further, this study gives emphasis on what factors are the most beneficial especially if the goal is to increase motivation and engagement in student coaching industry. Also, some new benefits that was not mentioned in the papers mentioned above was, for example that gamification may improve the company reputation and image, which was viewed as one of the most important competitive assets in the industry.

This thesis has aimed to point out the benefits and positive behavioral patterns gamification can bring to education and more specifically to student coaching industry in Finland and tries to gain a more extensive information of elements that have the most benefits in gamification. Studies made on implementing typical elements of gamification into business like goal setting, tracking progress and competition etc. by Kapp (2012) and rewards by Zichermann and Cunningham (2011) for example all state similar benefits of what came up from this study. This research gives extensive information on how important each element is in this industry and how they could be implemented.

In the study by Dicheva et al. (2015), there is talk about that gamification in education needs proper technological support to be successful and that is a major obstacle for applying gamification into education. One of the interviewees in this study had similar concerns and added that without proper technical support the learning would not become comprehensive and the students would have difficult time learning the bigger picture in certain instances.

### **6.3 Managerial implications**

According to the findings of this study companies in the student coaching industry in Finland can create competitive advantage through gamification. The companies in the field should focus on the execution of gamification, the elements implemented matter in order to increase student motivation and engagement towards the service.

First off, in the industry analysis, there is a lot of significant information about the student coaching industry in Finland. It seems that the reform in the selection system has increased competition in the coaching of the high school students since more and more students are starting to focus more on the high school final exams rather than the entrance exams. Also, different strategic groups are recognized and analyzed based on their size, offerings and pricing. Based on this analysis on this small sub-industry companies can position themselves accordingly. According to Zichermann and Cunningham (2011), the loyalty that gamification can create in the customers is the most valuable in markets where the price, the product and the place are similar. As can be concluded from the industry analysis in this thesis the student coaching industry is moderately similar in these three aspects.

Based on the results it seems that companies in the student coaching industry in Finland should find their own competitive edge and differentiate themselves from the competition somehow. This small industry is fairly competitive and it is difficult to be successful without

unique assets that separates companies from one another. According to the results in this study gamification could be a way to differentiate. Through gamification companies could offer different kinds of content and learning methods, increase student motivation and create more positive behavioral patterns in the students. The results indicate that students value different forms of teaching and a more tailored approach that allow efficiency in learning.

Company reputation and image seemed to rise as one of the most valued competitive assets in the field according to the results. Students motivation and engagement are significant drivers in the company reputation, which gamification can greatly impact. Good motivation and engagement can create word of mouth marketing which is an important tool in creating or improving company image. This can also lead to better results for the students which can translate to better company reputation and better company satisfaction.

The main means to improve motivation and engagement based on the results seem to be goal-orientation and having clear goals, feed-back, having a motivating teacher, measuring goals, renewal of the teaching and tutors. Gamification can greatly create or improve most of these things and if companies in this industry want to use gamification as a way to improve motivation and engagement, they should focus on implementing elements that include setting clear goals, measuring progress throughout, giving feed-back and keeping things interesting by varying content in the course itself or self-study material.

Both previous studies made on gamification in education and the results in this study indicate that in order for gamification to work it needs to be implemented the right way. The success depends on multiple variables. As long as a company knows how to implement gamification to support the intrinsic motivation of the user it gains competitive edge in the market (Deterding et al. 2012). Sometimes just slapping on some points and badges on the traditional course won't give any of the positive benefits gamification can bring the companies.

All the elements need to be designed in a way that they will give the feeling of success in the student. They need to feel like they are making progress and achieving something. Firms also need to realize that different methods motivate some students more effectively than others, so it is preferable to use multiple gamification techniques and elements to support the students. Lastly, the technologies need to be sufficient to support comprehensive learning and functioning at a level that allows all the wanted features and actions necessary for successful gamified platform.

There wasn't a clear consensus within the results of this study of in what subjects gamification could be most effective or bring the most benefits in. It seems that gamification could be adapted to almost any subject and could be widely utilized. Some of the interviewees in this study speculated that in subjects that include cumulative learning such as math, chemistry and physics could be good subjects to implement gamification to or gamifying languages could also be beneficial.

According to the results in this study there could also be some negative sides in implementing gamification to student coaching. It could bring some negative effects for the students if the increased competition that some forms of gamification can create went too far. This could lead to lack of motivation in the students performing poorly or be too stressful. Some forms of gamified learning could lead to the students only absorbing fractured information and not support comprehensive learning. Companies in student coaching should focus on the most important motivational benefits and the other positive behavioral benefits mentioned before when implementing gamification so that comprehensive learning does not suffer. Also, educational games are extremely difficult to create. This doesn't mean that all elements of gamification would be difficult to implement, but purely educational games. Zichermann and Cunningham (2011: 4) mention that there hasn't been a major success in educational games in 20 years even though there have been some successful games that have some educational features in them.

## **6.4 Limitations and suggestions for future research**

As always, a research has its limitations but at the same time this creates opportunity for further research. Firstly, the perspective in this study was mainly managerial. The material of this research was collected from the professionals of this industry. In this study there was not conducted interviews for the consumers. Therefore, the outlooks of the consumer on gamification and student coaching services were not assessed in this thesis. This leaves a gap in the study, since the consumers might have differing opinions of gamification elements than the service providers. The perspective of the consumers and high school students requires further research, after this the results can be compared and create a more holistic picture of the phenomenon.

The interviewees were mainly professionals from the student coaching industry working in a managerial or executive role. The interviewees were representatives of private student coaching companies. Although this gives a good foundation for studying the student coaching industry from various perspectives, some of these interviewees had a good amount experience with gamification elements and some had very little experience with gamification. Gamification experts such as consultants in gamification that are very familiar with heavy applications of gamification might have differing opinions about the effectiveness of gamification in student coaching industry.

In the future research it would be lucrative to focus on the consumers perspective of gamifying education courses and research how their motivations and engagement is affected by gamification elements. Also, studies concerning the student coaching industry as a whole could be beneficial to study rather than just focusing on companies that offer at least some courses for high school students.

There could be some benefit to use a more structural approach in collecting empiric data from the student coaching industry. Using multiple methods for a study is usually recommended. Thus, quantitative research could be useful in the industry. Also, methods like observation could be used when researching the effectiveness of gamification in the context of education. Observing students using applications of gamification and comparing findings from a corresponding study made on students using traditional study methods could give some valuable information.

Most of the experts in both the field of gamification in educational contexts and in this study agree that gamification could improve learning if it is used correctly. Also, this study and most of the other studies in the field show positive results on the effects of gamification. Although, there are obstacles and needs such as the proper technological support that gamification in education needs. (Dicheva, Dichev, Agrev and Angelova 2015.)

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## Appendices

### **Appendix 1.** Guiding outline for the theme interviews.

Interviews were conducted in Finnish. The questions below are translated into English.

#### **1) Current state of student coaching industry in Finland**

- How do you see the current state of student coaching in Finland?
- How attractive do you see the industry?
- How is the competitive situation in the industry?
- Has there been any significant changes in the industry?
- How do you see the needs of the students?

#### **2) Competitive assets**

- What are the most important competitive assets in the industry?
- How important do you see the diversification between different subjects?
- How important is pricing in this industry?
- How important is marketing and reputation in the industry?
- How important is the quality of service?
- How important is the engagement and motivation of the student?
- What are the best practices to increase engagement and motivation in students?

#### **3) Gamification**

- Do you utilize gamification in your services?
- How much attention do you pay to the elements of gamification?
- Do you think gamification is useful in student coaching?
- How big of an impact does gamification potentially have?

- How does gamification potentially effect the motivation of the student?
- What elements of gamification could be the most useful for high school students?
- Can gamification alone create competitive advantage in this industry?
- How could gamification be utilized better in this industry, or can it?
- In which subjects could gamification be the most useful in?
- How does gamification correspond with the needs of the student?
- What are some negative consequences of gamification?

