

Introduction to childcare and day care facility marketing essay



1. 1 Introduction to childcare/ day care facility

In present, obtaining affordable, quality child day care is a major concern for many parents, and the reason for this is the rise in families with two working parents in the recent years. As the need for child day care has increased, the child day care services industry began to fill the need of non-relative child care. The availability of good child day care centres varies greatly as does the quality and cost of the day care service providers. Appropriate day care for young children should offer a reliable, stable arrangement; a healthy, safe environment; interesting, stimulating daily activities; and caregivers who like children. Day care falls into two broad categories - care provided within the home/family structure and care provided in the community.

<http://www.bls.gov/oco/cg/cgs032.htm>

<http://www.state.gov/m/dg/hr/flo/c23959.htm>

The most important aspects of childcare arrangements that helped parents to go to work were reliability of the provider and the quality of childcare. Parents felt reassured if they knew their children were being cared for by a trustworthy person who provided the appropriate level and quality of care. Flexible working arrangements also helped parents organise their childcare.

Childcare is believed to have both social and economic benefits for parents and children:

Parents are able to participate in work and/or training, while children are offered play,

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social and educational opportunities. Employers also benefit through having access to a

wider workforce and increased levels of staff retention. (Kirsty Henthorne and Judith Harkins, 2004)

Childcare needs are significant factors contributing to work-family conflict in Canada, the US and Europe (Higgins, Duxbury and Lyons, 2008; Lero and Lewis, 2008). The literature demonstrates that childcare is disproportionately the responsibility of working women (Marshall, 2006; Pyper, 2006).

There is a wide range of childcare offered in United Kingdom, including childminders, day nurseries, playgroups and can also include pre-school education at school. It is regulated by OFSTED (CSSIW in Wales), which operates the application and inspection process for the sector. In Northern Ireland it is regulated by the department of health and social services. The childcare sector is primarily funded by the parents, however the Nursery Education Grant (pre-school funding) can be used at some day nurseries, playgroups and schools. The UK government also introduced a childcare allowance by which employers could make payments for childcare, prior to tax, on employees wages.

At the end of March 2009, the stock of registered childcare places recorded by Ofsted stood at over 1.5 million (more than double the 1997 level).

According to Ofsted, “ There will be a childcare place for all children aged between 3 and 14, between 8am and 6pm each weekday by 2010, when there will be over 2 million sustainable childcare places for children up to 14”.

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[Employer Offered Family Support Programs, Gender and Voluntary and Involuntary Part-Time WorkIsik U. Zeytinoglu, Gordon B. Cooke and Sara L. Mann] pg 178, Département des relations industrielles, Université Laval - ISSN 0034-379X - RI/IR, 65-2, 2010, 177 - 195]

http://en.wikipedia.org/wiki/Day_care#United_Kingdom

<http://www.dcsf.gov.uk/everychildmatters/earlyyears/surestart/whatsurestartdoes/>

1. 2 Introduction to Mobile crèches/Event crèches

One of the problems faced by anyone organising a party or event is whether they should invite children. However, weddings, christenings and many other types of events and parties are essentially family affairs, and it is important that guests with children are welcome and catered for without causing inconvenience to the others in attendance.

Event Crèches are increasingly entering into childcare market by creating its demand more than ever, and this is because parents today often have no choice but to take their children with them when they shop, work out or attend an event. This has led to a rise in the provision of crèches at events from conferences to weddings and at amenities from superstores to race courses (Evans, 2000)

Crèche services provide friendly, fun and safe childcare solution for young children and babies at all types of private and corporate events. The children are kept entertained with a whole variety of activities and games throughout the event. Parents and guests can relax and enjoy the occasion to the full

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with the peace of mind that the children too are having a fun experience .

Many companies also offer evening babysitting services so that parents can happily dance and socialise all night.

A mobile crèche consists of running a crèche on behalf of a major event organiser, to provide the event organiser with the best opportunity of maximising attendance at the event (William, 2007). Children from the ages 2 months to 14 years are catered for including children with learning difficulties. Very often events are less well attended than they could be because the potential attendee is a parent who is unable to arrange childcare to allow them to attend. The mobile crèche service overcomes this problem.

The industry is still in its infancy but is expanding rapidly along with the growth of major events that need to maximise attendance by ' removing the barriers to participation'.

1. 3 Company profile

Rhyme Thyme Private Day Nursery

Rhyme Thyme is a private day nursery based in Ballyclare. It was established in 1995. The business is a day care facility which is well established and has an excellent market reputation. It is owned by Catherine Murphy and Susan Trainer who are both still very hands on in the business. The Nursery was founded in 1995 when both the owners met at their local Mums and Tots group and realised that they both shared the same vision for a Day Care Facility that would provide the best childcare environment imaginable for

children of all ages. They both felt that their respective backgrounds would complement each other and decided to open a day care nursery.

Catherine is a RGN Qualified Nurse. She spent many years working in the Children wards of the Belfast City Hospital and is a Diploma qualified Speech and Drama Teacher and Festival Adjudicator. Whereas Susan is a degree educated, fully qualified Montessori Teacher. Susan spent her early career in the financial world and has considerable experiences of both human resources and personnel management

The Nursery Facilities comprise of three buildings on a large rural site in Ballyclare. The site is secured by CCTV coverage and punch code entry to each building and play area. A security code is also required to exit the site. While security is of utmost importance the environment and its surroundings are warm open and friendly.

Rhyme Thyme nursery is the proud holder of:

The Newtownabbey Business Growth and Development Award 2007.

The Play board Northern Irelands “ Fit for Play” Award.

The Rutledge Job link’s Employer of the Year award, and

The Health Promotion agency’s Work well Award.

The nursery is Social Services registered. The Early Years team in Carrickfergus, headed by Barbara Wilson, are responsible for the regular inspections and on the spot checks of the nursery. In addition, whenever the

inspection takes place, the most recent inspection report is made available to all parents.

The employee structure comprises of 18 members: 2 managers, 3 coordinators, 1 cook, 6 team leaders and 6 childcare assistants. The sales/revenue of the company in the most recent financial year was 360, 000 GBP where as the current financial year likely figure is estimated upto 300, 000 GBP.

The nursery is divided into three areas to cater the needs of all aged children:

The Baby House

This section of the nursery is for 0-2 year olds and is set up with the specific needs of the baby in mind. Due to the fact that babies need lots of care and attention, the staff child ratio in the baby house is at least 1: 3. The staff often uses a separate diary for each child to record every detail of the child's day so that the parents can exactly know how their young one have enjoyed each day. Apart from that the parents are free to call as often as they wish.

The staff encourage communication with the babies at Nursery and at home with the use of baby signing which helps the babies to express their needs in the nursery as well as at home. Our older babies in the baby house enjoy a weekly ' Baby Builders session' in the soft playroom which develops their physical abilities.

The Big House

The big house section of the nursery caters the needs of 2-4 year olds. It consists of various rooms, all focused on a different aspect of learning with a broad range of activities. It has a library, puzzle room, art and craft room, dressing up and role play, soft play room, construction play room and so on. In the big house, the staff emphasises on developing the confidence of children by encouraging them to interact among themselves.

Often there are outings organised for children accompanied by the staff members and they are taken out on educational trips as well as fun destinations such as the W5 Interactive Learning Centre, the Zoo, the beach, parks, etc.

The Club House

The club house basically provides an after school care facility for children aged between 5- 12 years. It is designed in a way to suit the needs of all type of grownup children. The house is equipped with all type of entertainment equipments ranging from popular old games to the latest Xbox technology.

After lunch, the children are allowed to rest or play for a while and then the staff supervise the children in their homework completion. As the children at the age of 12 have different needs to the five year olds, they are often treated as grownups and are given an equal chance to express their views in regular meetings organised.

1. 4 Statement of problem

In addition to the facility of day care nursery, nowadays parents are increasingly demanding the facility of event crèches to ease their responsibility of managing their young ones during parties or corporate events, if at all they make a decision to accompany their young ones with them. Although the demand of the event crèche facility in Northern Ireland is increasing, there is still a major challenge in setting up the business offering this facility that is the competition in this sector.

1. 5 Statement of purpose

The research will directly help the organization in expansion. The research will be needed by the organization to justify the decision which will be made in terms of opening a subsidiary to rhyme thyme nursery for the purpose of providing a crèche facility at events. The research will help the organization to make a right decision in terms of entering the market after considering the competition presently available, which will help the organisation to plan accordingly so as to provide a high level of childcare service in events and reduce the risks which are involved in entering a new market place. In doing so, the research project will uncover the key facilities provided by the competitors and the prices they charge for providing those facilities.

1. 6 Research aims and objectives

The aim of the research is to identify whether the Playcare offering is a feasible business option or not. As influenced by the aim of the research, the primary objective of this dissertation is to analyse the feasibility for developing a subsidiary (event/mobile crèche) to the rhyme thyme business

that are presently operating their day nursery in Ballyclare, Northern Ireland and have plans for expansion. The analysis will be carried out on the basis of existing competition in the event crèche market.

In this context the main objectives of the research study could be stated as:

To perform a market analysis for the event crèche facility, which will include:

Competitor analysis

Consumer analysis/ Target market analysis

1. 7 Research Method

The dissertation research is purely desk-based. Scholarly articles and books on competitor analysis, its uses and efficiency, with particular focus on Porter's competitive analysis model were reviewed. In addition, primary data on the competitor companies was collected through emails and phone calls. The research examined the feasibility of the Playcare offering after accessing the competition in the childcare industry, particularly the event crèche sector.

1. 8 Assumptions and limitations

1. 9 Need of feasibility Study

A business feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes and assessing the range of costs and benefits associated with several alternatives for solving a problem. The business feasibility study is used to support the decision-making process

based on a cost benefit analysis of the actual business or project viability. The feasibility is conducted during the deliberation phase of the business development cycle prior to commencement of a formal business plan. It is an analytical tool that includes recommendations and limitations, which are utilised to assist the decision-makers when determining if the business concept is viable (Drucker 1985; Hoagland & Williamson 2000 ; Thompson 2003c ; Thompson 2003a)

Feasibility literally means whether some idea will work or not. According to Alexander Gordon (2007) “ Feasibility study refers to the research that determines the viability of one’s business plan. It is market report comprising various details on the preferences of the consumers, consumer habits and their buying power, and the competition that the new business is likely to face in the targeted area.”

Kevin Moll (2006) is president of Restaurant Consultants Inc., State that the tip No. 1 for starting a new business is to know the market and the easiest and fastest way to know that is to a feasibility study of the market. A major failure in the market can be avoided by knowing the market and the biggest competitor which will be eating the market share.

It is estimated that only one in fifty business ideas are actually commercially viable. Therefore a business feasibility study is an effective way to safeguard against wastage of further investment or resources (Gofton 1997 ; Bickerdyke et al. 2000).

1. 10 Description of research project organisation

The research is comprised of five chapters, the first of which frames the area of interest and outlines the problem investigated. The research aims and objectives are presented, the limitations are reviewed and the selected methodology is generally and briefly discussed.

The second chapter reviews literature on competitor analysis, its importance as well as limitations. The third chapter, discusses the methodological approach adopted in the research, the strategies employed for the collection of primary and secondary data and concludes with a justification of the defined selections. The fourth chapter presents the research findings, as informed by the primary and secondary data collected and responds to the research aims and objectives presented in the first chapter. The fifth chapter concludes the research and presents the recommendations.

1. 11 Conclusion

As explained in this chapter, the research shall focus on understanding of the importance of competitor analysis and analysing the level of competition in event crèche sector of the childcare industry. The next chapter presents the literature reviewed for this research.

[Thompson A. (2005), “ Business feasibility study outline”, Journal of entrepreneurship and business innovation, Appendix 1, pp. 185]

[FINOLA KENNEDY, 2001. Cottage to Crèche: Family Change in Ireland, Dublin:

Institute of Public Administration, 2001, pp. 302.]

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[Starting a creche: Creche course

Mary Evans, 08 November 2000,

<http://www.nurseryworld.co.uk/news/727207/Starting-creche-Creche-course/?DCMP=ILC-SEARCH>]

[Moll, Kevin ,(2006), Prevent problems in your restaurants first year with careful planning, professional help. , Nation's Restaurant News, Vol. 40 , p22-24, 2p]

CHAPTER II – LITERATURE REVIEW

As Douglas et al. (1989) notice ' recent years have witnessed a growing intensity of competition in virtually all areas of business, whether at home or abroad, in markets upstream for raw materials, components, supplies, capital and technology as well as in markets downstream for consumer goods and services'. According to their view ' this has resulted in greater attention to analyzing competitive behaviour and competitive strategies effective under different environmental conditions'.

REF—

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CHAPTER III – METHODOLOGY

3. 0 Introduction

This chapter presents the study's selected research methodology. The methodology is influenced by the aim of this research and is based on an assessment of the optimal strategy for responding to the research problem. As such, the current chapter reviews the purpose of the research and discusses the data collection and data analysis procedures and the limitations of the research.

3. 1 Purpose of Study

The purpose of this study is to examine the level of competition prevailing in the event crèche industry in Northern Ireland. The reason for doing so is to determine whether entering the event crèche market is a feasible business option or not. To fulfil this purpose, it was necessary to review the literature on competitor analysis, its forms, uses and techniques.

This necessitated an exploration of the nature of the work processes of the companies already operating in the childcare market and providing the facility of event crèche in wedding parties and corporate events. At the same time, it was important to explore what these companies are actually charging to provide the services. All of this was done with the aim of satisfying the primary purpose of the study which was identifying the level of competition prevailing in the event crèche industry.

As understood from the above explanation, the current research has an explanatory purpose. According to Miles and Huberman (1994) the purpose of explanatory researches is to clarify a phenomenon or make a complex

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issue understandable. It does so by clarifying the relationship between variables. This research has an explanatory purpose in that it aims to explain the importance of performing a competitor analysis within a market or industry sector before entering into the particular sector, as explained in chapter II.

3. 1. 1 Research Question

After analysing the competition in the event crèche market, is the Playcare offering a feasible/viable business option?

3. 1. 2 Research Problem

The study, like it is clear from the research question, and Chapter One, examines a single problem. This problem is analysing the feasibility of the business offering that The Rhyme Thyme nursery is planning to offer through its subsidiary “ The Playcare Company”. The problem of the study emerges from this focus.

Simply stated, nowadays increasing number of parents are demanding the crèche facility when they attend events such as wedding parties or other corporate events, and whenever they decide to accompany their young ones with them. Therefore the event crèche facility provision seems to be a good business option but its practical feasibility can only be ascertained after analysing the efficiency of competitors who are presently operating in the industry. The competitor analysis will also provide an idea to the new company of how to efficiently operate in the industry. Accordingly, the research problem, as explained, is to analyse whether the Playcare offering

is a feasible business option or not, after examining the competition existing in the market place.

3. 2 Instrument

The email and telephonic queries from the competitor companies were used as the main data gathering instrument. The query was made regarding the facilities that they provide(for a minimum of 30 kids) in an event crèche and the prices they charge for provision of those facilities including any additional charges such as booking charges, transportation charges, etc.

The other relevant information, regarding the strategies that the management of the Playcare Company will formulate after analysing the competition level and the success strategies of their competitors was gathered from a series of meetings with the Business Development Manager of The Rhyme Thyme Company.

Porter's competitive analysis model is being used as the basis for understanding the term " competitor analysis", which is of great importance to interpret the direct and indirect competition in the market place.

3. 3 The Research Site

The research site was Northern Ireland. It was selected by the researcher because The Playcare Company is planning to offer the event crèche facility in Northern Ireland itself and for the purpose of business start up, it is essential to track the competitor activities in the area.

3.3.1 Data Collection

Data from the analysis will invariably be a mix of quantitative (numerical) and qualitative (non-numerical) information. Each serves a valuable role in a competitive analysis. In this research, secondary data is primarily collected through desk-based research. According to Jackson (1994) the value of a research is related to its data collection methods and importantly, whether or not it includes both secondary and primary data.

As Creswell (2003) states, secondary data, which is an unobtrusive data collection method, depends on the location of pertinent and verifiable previously published academic studies and theories. After locating such data, the researcher should critically evaluate it in order to make sure that it is valid and reliable. This means that the researcher should only include in his study secondary data which is presented in academic researchers and articles which are verifiable and well-referenced (Creswell, 2003). Out of this consideration, the researcher of this study only used the secondary data which was obtained from electronic databases or libraries, articles or books and which was scholarly.

In addition to secondary data, the researcher also collected primary data from through emails and phone calls to the competitor companies.

The personal data which was collected through the e-mails will be kept confidential and the information will not be revealed at all, except as part of the study's results. The data collected was then analysed. Principally qualitative and limited quantitative, data were collected in several phases over a period from July to September.

[Ref-Networking as marketing strategy: a case study of small community businesses

Nancy J. Miller

Terry L. Besser

Sandra Sattler Weber]pg 259[Available from- www.emeraldinsight.com/1352-2752.htm]

3. 4 Research Approach

Underlining the design of the management research is always a subject of debate among philosophers- in other words, how do philosophical factors affects the overall arrangements which enable satisfactory outcomes from the research activity? However the research philosophy that is adopted is dependent on the researcher i. e. the way in which the researcher approaches the development of knowledge will affect the methods that are used to carry out the research (Bryman & Bell, 2007 and Smith et. al. 2008).

The research approach influences design and gives the researcher the opportunity to consider how each of the various approaches may contribute to, or limit, his study (Creswell, 2003). The research approach refers to the deductive/inductive and qualitative/quantitative approaches.

3. 4. 1 The Deductive versus the Inductive Approach

Marcoulides (1998) defines the deductive approach as a testing of theories.

The researcher begins with a set of theories in mind and forms the hypotheses on their basis. After that, the research tests the hypotheses. The

inductive approach, on the other hand, follows from the collected empirical data and forms concepts and theories on the basis of this data (Marcoulides, 1998).

Figure 1: Deductive Versus Inductive Approach

Source: adapted from Trochim (2001)

The above figure explains the difference between the deductive and inductive approaches. The approach followed in this research is the deductive one, and there are two reasons for the selection of deductive approach. Firstly, it is beyond the expertise and the academic knowledge of the researcher to propose a theory and then test it through observation. Secondly, the deductive approach appears more appropriate to the purpose of this research study which is to gather the knowledge and importance of the competitor analysis from the literature and then determine how they translate into practice in an effort to evaluate the current competition in the event crèche market within Northern Ireland.

3. 4. 2 The Qualitative versus the Quantitative Approach

The quantitative tools for data analysis generally borrow from the physical sciences, in that they are structured in such a way so as to guarantee (as far as possible), objectivity, generalizability and reliability (Creswell, 2003). In this type of research, the researcher is objective and the research results are numerical. Qualitative tools, on the other hand, are based on content analysis, among other things and are presented in non-numerical format. Even though they allow the researcher to gain a very deep insight into the topic that is being investigated, they are not suited for all types of studies. In

addition to that, the quantitative tools are objective and straightforward and, so, are ideal for testing the validity of certain hypotheses. Qualitative analysis offers an accessible and theoretically flexible approach to analysing qualitative data (Braun & Clarke, 2006). Wilson (1952) commented qualitative market research, as the new development, is not complicated in principle, and it is not revolutionary. It is however, the recent elaboration and systematizing of the techniques of qualitative market research which now will enable much management to take a long step forward in finding markets for their products.

For this research, two types of data were gathered. These included the primary and secondary data types. The primary data were derived from the queries made through emails and phone calls, as the means of communication with the competitor companies. This method was used to collect the information regarding the facilities provided by the competitor companies in an event crèche and the amount these companies charge for the provision of those facilities. The secondary data on the other hand, were obtained from published documents and literatures that were relevant to the research problem. With the use of email queries and published literatures, this study took on the combined quantitative and qualitative approach of research. By means of employing this combined approach, the researcher was able to obtain the advantages of both quantitative and qualitative approaches and overcome their limitations.

3. 5 Summary

As this chapter has argued, the research methodology that is most suited for this study

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is a combination of both qualitative and quantitative, deductive one which uses both primary and secondary data. The next chapter will present the results of the research and the present the findings on the basis of these results.

[Miles, M. B. and Huberman, M. (1994) Qualitative Data Analysis: A Source Book of New

Methods. London: Sage Publications.]

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[Wilson, A. R. 1952, “ Qualitative Market Research”, Harvard business review, vol. 30, no. 1, pp. 75-86.]

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CHAPTER IV – FINDINGS

Competitor Analysis result

After the competitor analysis, the following companies were identified as potential competitors in Northern Ireland. Although these companies are not based in Northern Ireland itself but they are operational in Northern Ireland.

Artful splodgers

safe hands crèche

Elf sitters

The razzle dazzle crèche

Crèche on location

As per the research done by laing and buisson