

2016



MANAGING A CHILDCARE BUSINESS

PART 3 MARKETING

Part 3 *Marketing*

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1. Marketing and Sales



Marketing and sales are crucial to all types of businesses. Early years providers are a very special type of organisation, as you are marketing ***yourselves*** to parents and carers to offer to care for and educate their children. This means that you need to think carefully about what messages you want to give to both parents and children about your service, and what they want you to show them you can offer.

What is Marketing?

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services. (Dr. Philip Kotler)



In simple terms, it is the process of continually identifying your customers (your parents and children) and satisfying their needs profitably.

Filling childcare places is vital to the sustainability of an early years' service. No early years' service will fill all its childcare places as soon as it opens. Even if you buy or lease an existing early years business that already has a favourable occupancy rate, there will be unfilled places at some point as children and families move on or away, so you will need to promote your services to potential parents. Marketing your early years' service should be a continuing activity that is integrated into your business plan. The key reason to market your early years' service is to raise awareness of your provision, in order to fill childcare places and sustain your early years' service as a business.

People have diverse views about what marketing is. Marketing isn't just about advertising or leaflets, it's much more than that. It's about being aware of what you want your business to accomplish, how you want it to be viewed by others and how you communicate your

messages to customers. Marketing encompasses a wide range of activities, including researching your market, developing and carrying out plans, attracting new customers and keeping current ones, setting prices and promoting your service to external and internal clients. It's also worth keeping in mind that there is a very strong link between quality of a setting and its success. The quality of care and your interactions with existing parents and children is a key factor of marketing your business.



Marketing should be a way of thinking, developing a “marketing culture”, that runs throughout your setting and involves all staff. Any service business needs to have a strong understanding that staff are a large part of their “service provision”,

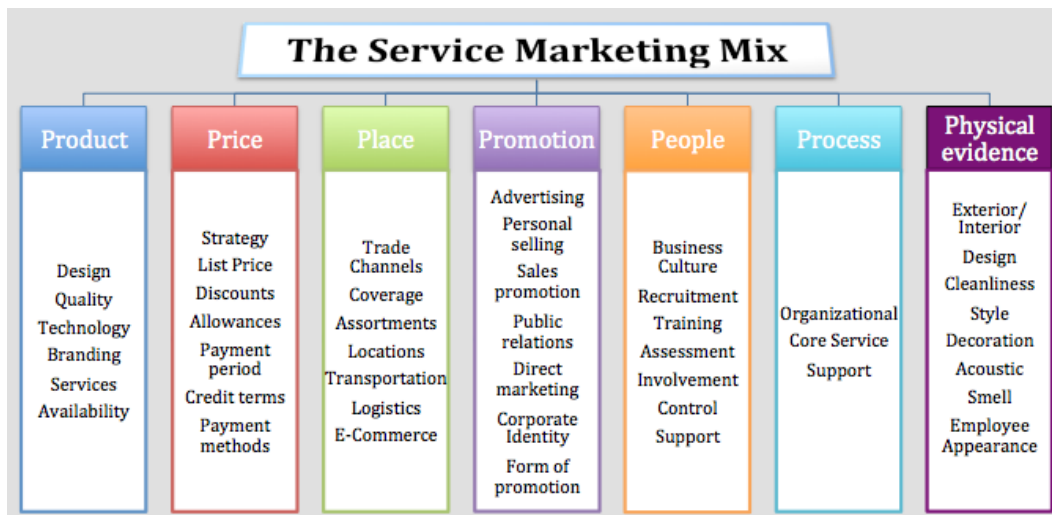
supported by the facilities available, environment and price. Increased competition in recent years has meant that customers can now demand and expect consistent quality of care and education for their children and good customer service for parents.

To ensure that you can make the most of the opportunities available to you through marketing, based on recommendations and “word of mouth”, you will need to consider the service you provide, your quality standards, customer service, value for money and professionalism. For each of these areas, you will need to understand and identify what they mean to you, how you can define them and also evidence them to customers.

A good marketing strategy needs to explore three main areas:

- **Your Market** - Who are your customers and who do you want to attract in the future?
 - a. Researching parents needs/wants
 - b. Deciding which customers to target the service at e.g. parents with children under 5 years, or will you also offer care to children over 5 years.
- **Your Messages** – what information do you need to get across and what impression you are trying to generate?

- **Your Methods** – what activities will ensure that the right message reaches your target market?
 - a. Planning the marketing mix
 - b. Implementing your marketing strategies
 - c. Evaluating the impact of your marketing activities



While there are marketing skills and techniques worth developing, marketing does not have to be expensive. The greatest sources of information for developing a successfully marketing strategy for your business is you, your staff team and your customers. Have a look at the links and resources we have on this site for more information and support.

2. Market Research

Customer Research

One of the simplest and most effective ways to begin a successful marketing strategy is to use the customer as the starting point. The bottom line is, it is your customers who keep you in business or not! Therefore, it is vital to put yourself in their shoes and find out what they want and need, and what they think about you and your service.



Find out from your existing customers what they think about your:

- Quality
- Facilities
- Staff
- Opening hours

Ask existing customers:

- How they found out about you?
- Why they chose your setting rather than another?
- What other services they would like you to offer?



You need to be able to identify what your potential customers will want in terms of quality, price, flexibility and service. Working out how they choose their childcare will enable you to tailor your service to suit their needs.

Find out:

Who they are and what groups they fall into?

- How many potential customers are available?
- How many childcare sessions per week do different groups of parents require?
- What are the factors they consider when choosing childcare?
- When and where they want, and need their childcare, any special facilities or services needed?



Local Needs Analysis

Early years services must also keep a close eye on the actual market that they operate in.

Early years' service providers need to be alert to developments and trends in:

- National early years policy, such as changes to national funding, new quality standards and regulations
- Local policy and research such as local authority studies and research
- Fluctuations in the local population, such as numbers of young children, where families live and/or work, the consequence of the economy on families
- The surrounding catchment area including local employers opening or closing
- Travel and transport patterns, in case changes to these leave your service in an unsuitable location
- National or local supports to families to pay for childcare
- Other early years services in the local area, services provided, pricing plans and occupancy levels

Market Research Methods

Primary Research can be used to speak to your existing and potential customers and will enable you to gain specific and relevant information to be able to develop a successful marketing plan.

Primary research tools could include:

- Questionnaires
- Written feedback/survey forms
- Interviews
- Telephone surveys
- Focus groups



Tips for conducting primary research:

- Whatever the method used, make sure you are asking the right questions
- Keep questions simple and to the point



- Don't be tempted to lead people to give the responses that **you** want
- Don't ask questions that are too personal e.g. income

Designing a Questionnaire – Helpful Tips

Questionnaires can help you research new markets, measure customer satisfaction or even find out more about people's perceptions of your service.

In order to get meaningful results here are some tips:

1. What are you trying to find out? Start by writing down exactly what you want to know and then write the questionnaire around this.
2. How are you going to use the information? Make sure you know why you are asking each question and how you are going to use the results. There's no point conducting research if the results are not going to be used.
3. Quantitative or qualitative? Quantitative research provides statistical information – for example, how many potential customers there are, or, 75% of respondents thought... Qualitative research is used to gain an in depth understanding of attitudes and behaviours, asking how and why questions.
4. Telephone, postal or face-to-face? Self-completion postal questionnaires can be a cost-effective way to reach a wide audience. Both closed and open questions can be used. Response rates tend to be lower than other methods. Telephoning can be costly but often generates a higher response rate, gives a fast turnaround, and allows for further questioning. Face to face is usually costly and time consuming, however this method can generate the fullest responses and enables you to target specific groups such as parent and toddler groups.
5. Keep it short and simple. If you are going to ask your customers to answer your questionnaire make sure the questionnaire takes no longer than 10 minutes to complete (for face-to-face this will be about 10 to 15 questions).
6. Test your questionnaire. This will allow you to time your questionnaire, make any final changes, and get feedback from your colleagues.
7. Data Protection. You should state that information will be treated confidentially and provide details of how it will be used and stored. Respondents should be given the chance to receive feedback.
8. Analysis. When you have gathered all the responses you must analyse the information. If the response rate was particularly poor, you might need to send out more copies in order to have realistic data on which to base your planning.

Source: https://www.surreycc.gov.uk/__data/assets/pdf_file/0008/49067/Market-research-card.pdf

Secondary Research involves using existing research sources and information that will provide you with valuable business information.

This could include:

- Existing local analysis of the early year's services in your area
- Local authority sources of local socio, economic and demographic information
- Information on planned housing and business development



Tips for conducting secondary research:

- Lots of useful information is available online, from your local authority, local enterprise and government websites.
- Look for local and national reports from your local county council, CCC and NCVO's which could give you a useful picture of your local early year's services market
- Join a local business club/network so you can gather information on what's happening in the local business economy
- Don't forget your local and national newspapers provide a lot of useful information

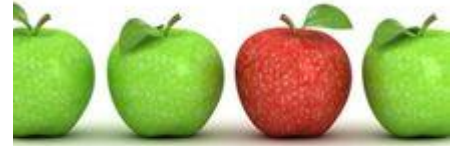
Interpreting the Research

A detailed examination of your market research will enable you to develop realistic and attainable business goals. Try to avoid the temptation to pick out the information that you want to hear and ignore the rest. This approach will damage your business development, as you need to identify well-informed conclusions which will ensure the business has the best possible outcomes leading to success.



3. Your Unique Selling Point

Throughout all your marketing methods there should be a clear and strong focus on a number of USP's or unique selling points. These are the things that you and your service does really well, that will appeal to your customers and help you stand apart from other early years services in your area.



Have A Unique Selling Point

Identifying your Unique Selling Point

Questions to Consider:

- What are you really good at?
- What sets you apart?
- Why did your existing customers choose you?
- What do your customers value most from an early years' service?
- What do other settings focus on in their advertising?

You may have one USP or many which could include:



- Your ethos and philosophy
- Your history and track record
- Your level of regulation compliance
- Your outdoor area
- Your indoor environments
- Your food and menus
- Staff continuity
- Staff experience and qualifications
- Staff: child ratios – do you operate above minimum requirements
- Achievement of quality awards or other business awards
- Extracurricular activities on offer

Identify the aspects your current customers value most and those aspects that may appeal to new customers. Once you have identified what makes you stand out, you need to make sure potential customers know about it!

Examples

If you have invested time, energy and effort into ensuring that you and your staff are qualified above minimum requirements – make sure that you let people know about it!



If you have a great outdoor area – highlight it in your marketing!



If you have achieved a quality award – shout about it!



4. Marketing Methods and Materials

There are many different ways that you can market your early years' service and the task is to get the most suitable mix of marketing methods and materials for your needs. Marketing your service need not be an expensive task. Once you have reflected carefully about what messages you want to give potential customers, and who those customers are, you may find that some methods of marketing are more suitable than others.



Don't forget to give potential customers an assortment of ways to contact you for more information or to organize a visit to view your setting. Only having a telephone number as the means of contact is just not enough on its own. Many people now favour using the internet and email, particularly those who might be making enquiries outside of standard business hours.

Marketing Materials include:

- Your logo. A good logo allows your setting to be easily recognised. Your logo should be on all of your marketing materials such as business cards, letterheads, website, social media sites, leaflets and brochures. Search online for great articles on designing logos to assist you in developing your logo.
- Business cards are a handy marketing tool and should be readily available to hand out to potential customers. It is also a good idea to make sure parents already using your service have some as well to hand out. You can design your own business card using Publisher or other computer software and get them printed or use an online programme/company to design and print them.
- Signage should be created to display outside your service with your business name and contact number. Use your logo and create an attractive sign.



- Brochures and flyers enable you to provide more detail on the services you offer. A one page flyer about the service that describes three or four unique selling points can be created. Or, a longer brochure can allow you to include more information, such as your mission/philosophy/ethos and provide you with the space to give more detail on your setting and maybe even some photos. *Remember you **cannot** use photos of the children in your setting without receiving written consent from their parents.*



- Adverts can be a little expensive but a small classified advert in your local newspapers can go a long way in reaching potential customers as it provides a wider audience. Call the local papers to see if they will be doing any upcoming special features on early years' care and education where you can place an advert. Look for any free local community papers or newsletters that will reach the parents you need to attract.



- You and your staff team. Remember that you and your staff team are one of the most powerful marketing tools as your disposal. As we know, first impressions go along way! The messages that parents receive when they first, call or visit the setting will have a lasting impact. Consider the following:

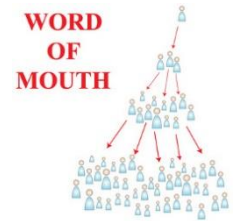
- Record a professional yet friendly greeting on your answering service.
- Train each person who will answer the phone in a polite manner and professional manner (consider having a script that each staff member is familiar with in dealing with queries over the phone and face to face).
- If you or the personnel responsible for booking potential customers into the service is not available at the time of the initial enquiry, make sure that they are called back as soon as possible.
- Try to arrange a visit with the parents and make sure you have sufficient time and will not be rushed.
- Ensure all staff greet parents and children on arrival and departure to the service, giving a welcoming and valued feeling to your existing and potential customers.



- Your facilities and environment are just as important in creating a good first impression as staff professionalism. Ensure that you create an inviting and safe first

impression. Ensure that the setting is clean, attractive and well maintained, outside and inside.

- Word of mouth is the best and cheapest form of advertising! Ensure that your current customers are happy with your service and they can be the most powerful tool in attracting potential customers. Keep a record of references and thank you letter and have it on display. Also consider offering incentives to existing customers, such as discounts or credit if they refer families to your service.



Marketing Methods - Advertising

- Decide the best advertising mix for your needs. You can use a combination of adverts, leaflets, press releases etc. Look online for guides and tip sheets in creating your flyers and adverts.
- Ask existing parents for testimonials or quotes that you can use in your advertising.
- Look for suitable local newspapers, newsletters, online community boards where you can place adverts at a reasonable cost or even for free.
- Place flyers in other local organisations that cater for parents and young children such as schools, health centres, doctors and dentist's surgeries, parent and toddler groups, community groups, parish centres, local businesses, play centres, leisure centres etc.
- Write "press releases" if you have a special event coming up or even after an event and send it to local newspapers.
- Give business cards to staff, family friends and customers to hand out.



Internet

- An increasing number of customers now begin their searches for services and products online. Developing a website for your early year's services allows parents to find out information on your service online.
- Websites are a useful marketing tool. To be as effective as you can be, you should consider developing your online presence no matter how small your service is. Websites can be designed yourself by buying template packages or you can hire a web designer. A website gives you a forum to provide potential customers with the information they require to help them make a decision to use your service.
- Follow the same guidelines when developing any advertising media – keep it simple, provide the information that parents will want to obtain and get permission if using images of children in your service!!
- Consider setting up Facebook and Twitter sites to allow you to engage with potential and existing customers by sharing appropriate information. Social Media sites are now being used more often for people to access information using laptops, tablets and mobile phones. These media allow you to interact with your target audience by sharing information, knowledge, interests and views. As with all media, be very careful of the information you put out and ensure that any posts on social media are in line with the core philosophy of your service. You should also monitor closely the posts that others may make to your sites and ensure these are suitable. Encourage existing parents to share and retweet messages.



Events

- Special events can offer occasions to show off your service to potential customers and the local community.

- Draw up a schedule of events for the year and concentrate on when you will need to attract new customers.
- Run a charity or fundraising event, advertise the event, invite local press and radio and do a follow up piece on how the event went in local papers, newsletters etc.
- Have open days where you and staff are available to speak to potential parents and children and have time for them to ask questions and see the services up close.
- Offer complimentary try-out sessions to potential parents and children where they can come for a session and see the services, activities and ethos/philosophy of the service on offer.



Networking

- Make contact with other professionals that work with children in your area, e.g. public health nurse and provide information on the services you offer as they have direct contact with families in the area. Other professionals will also have excellent local knowledge that may be useful to consider when marketing your service.
- Make contact with local schools, churches, parent and toddler groups, parent networks, adult education centres etc. who can help to promote your business.
- Make contact with other early years services locally who may be interested in developing a referral agreement when they cannot facilitate a family's needs.
- Network with CCC's and NCVO's who can provide valuable advice and information and who may be well placed to provide local information to families who contact them.



Evaluating your Marketing Plan

When you are spending money on marketing your service, it is crucial to evaluate if that money has been well spent!

- Keep records of contact details so that you can follow up on enquiries

- When potential customers make contact, ask them how they heard of your service and record this so that you can build a picture of which marketing tools are working best.
- If potential customers do not decide to use your service, contact them and ask them if they are willing to share why they chose to go elsewhere.
- Ask parents to complete short questionnaires a few weeks after they start to use your service looking for feedback on why they chose you and how they feel about the services on offer now.

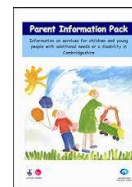


Analysing this information will allow you to see if common factors are emerging and then you can respond to these factors.

5. Making the Sale

Once you have a potential customers' interest, you now need to think how you will turn that interest into a sale.

- Have an information pack which you can give to potential customers.



- Be courteous and professional on the phone and face to face and ensure all staff are the same. **Teach staff how to handle enquires from parents.**

- Consider plans for showing the potential customer around your setting when they first visit. Make an appointment for a visit and make sure someone knowledgeable is available to show them around promptly when they arrive.



- Think about the questions a potential customer will have when they visit and make sure you are prepared to answer these questions.
- Know your own philosophy and when a parent asks about your service and programme, be able to speak confidently on the benefits of your programme and why parents should be able to safely make the decision to place their children to your care.



- Be able to list the features and benefits of your programme. Features describe what your setting and programme offers. Benefits tell potential customers how your service will help them and their children.
- Have recent newsletters available to use to market the service to potential customers.



- Follow up visits to the service with a phone call or thank you card.
- Do regular “walk throughs” of your service to see how parents may perceive the setting. Consider:
 - Are premises clearly signposted?
 - Is there a display or relevant information for parents?
 - Does the exterior of the premises look well maintained?
 - Does the interior of the premises look well maintained and clean?
 - Are there ample resources and materials for children and are these clean and in good repair?
 - Are outdoor areas clean, tidy, and secure?
 - Are staff attentive and engaged at all times?
 - Is staff appearance’s professional presented?



6. Customer Service in Childcare



As childcare service providers, our main focus normally is to provide the children who use our settings with high quality care and education. Of course, this should be our main goal. But what are the tools that will support us to facilitate this goal in everyday practice?

Cathy Abraham, 2010, poses the question to us that “parents as partners is a guiding principle in early care and education but what about parents as *customers*?”



As Cathy points out, it **is** logical to think of parents as customers as they pay us for a service. In today's busy child care market, customer service separates the quality services from the possible “low quality” services. By providing customers "added touches" that are additional to quality care for their children; your service positions itself for achieving a reputation for good customer service.

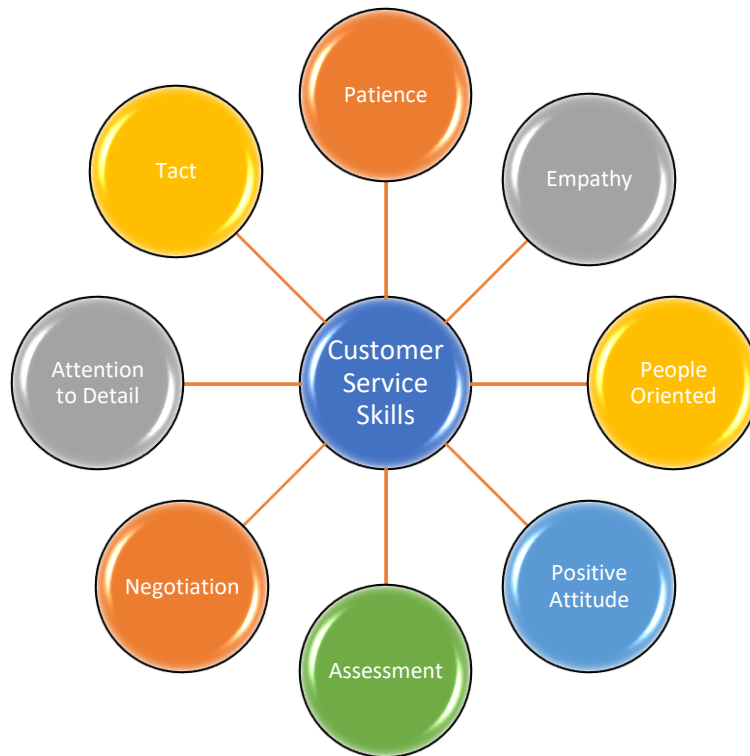
Consider the following:

- Customer service relates to the service provided to customers before, during and after committing to purchase the service.
- No matter the size of your business, excellent customer service needs be at the heart of your business model if you wish to be successful.
- It is important to provide good customer service to all types of customers, including potential, new and existing customers.
- Although it can take extra resources, time and money, excellent customer service can generate positive word-of-mouth for your service, keep your “customers” happy and encourage them to use your service again.



Customer Service Skills

Consider the skills that you and your staff need for developing a culture of good customer service.



The following are some top tips for good customer service in childcare settings:

- Identify and focus on your customers' needs
- Make sure that your staff understand what you expect of them when dealing with parents
- It could be worth running a short staff training session on customer care and developing relationships with customers
- Ask parents for feedback – both through formal methods, like a suggestion box, and in informal everyday conversations
- Have a parents' group or forum, or invite one or two parents to part of a team meeting once a month to hear what they have to say



- Make sure your children can also get involved in telling you what they like and don't like!
- Have a clear complaints policy – make sure that all staff are aware of it and use it
- If you have lost some customers, check if there is an explanation e.g., family moving, child moving on to next stage etc. If there is no obvious explanation, ask the former customer for some feedback. Most people are happy to provide some feedback and it can be quite reassuring.
- As well as marketing to raise interest in your setting, you need to think about how to convert that interest to a “sale”.
- Most settings will have an information pack of some type which prospective customers will receive. Make sure that yours is up to date and includes all of the relevant information that you think your customers are interested in – including reference to your USPs!

If you are interested in reading further on the importance of quality customer service in childcare settings, and how to achieve it, you should read the following highly recommended articles:

1. Parents as Partners and Customers, Cathy Abraham 2010
http://www.childcarequarterly.com/pdf/summer10_parents.pdf
2. Childcare Customer Service 101, Jackie Barnes2006 [http://EzineArticles.com/?expert=Jackie Barnes](http://EzineArticles.com/?expert=Jackie_Barnes)

Sources:

- Customer Service <http://www.4children.org.uk/Page/Customer-service>
- Parents as Partners and Customers, Cathy Abraham 2010
http://www.childcarequarterly.com/pdf/summer10_parents.pdf