

Marketing

People often think of marketing as just advertising but it is much more than that. The Chartered Institute of Marketing defines marketing as “the management process responsible for identifying, anticipating and satisfying customer requirements profitably”. This may sound complicated but it is not, and many settings will already be doing the majority of the work involved with marketing, although they may not be aware of it.

There are lots of marketing publications readily available on the internet but this guide aims to provide Childcare practitioners with a brief overview as to the benefits of marketing, the marketing mix and how to devise a marketing plan as well as providing practical tips specific for childcare settings.

Marketing is the management discipline that ensures providers can interpret consumer desire and match or exceed it; therefore it plays a key part in ensuring the success of any business and becomes even more important during difficult times when competition is fierce – which is often the case in childcare.

The Benefits

There are many reasons why a setting should participate in marketing which include the ability to attract new customers, to increase/maintain occupancy, as well as improving customer satisfaction which increases customer loyalty in turn increasing profitability and therefore longer term sustainability.

Due to the nature of the business, in order to remain sustainable childcare providers must constantly attract new customers to keep occupancy levels high. A business with a strong understanding of marketing will be able to ensure they are well known and well thought of in their community.

Marketing Mix – the 7 P’s

When researching, reviewing and planning marketing it is helpful to work through the marketing mix or the 7 P’s – Product, Price, Place, Promotion, People, Process and Physical Evidence, when thinking about each it is helpful to ask the following questions:

- What do you do now?
- What could you do better?
- How are you different from your competitors?

Product/Service – there is no point offering a service that nobody either needs or wants. To be successful you need to find out what your customer/potential customer wants/needs then develop the right service with the right level of quality to meet those expectations both now and in the future.

A ‘perfect service’ provides value for the customer. This value may vary from customer to customer, as part of your research you need to work out why the customer needs your service and give them evidence of how you can meet this need i.e. would your ideal customer need their child collected from a local school – if its convenient/cost effective for you to offer this service then look to do so and make sure you tell everyone that you now offer this.

Price - a service is only worth what a customer is prepared to pay for it. You need to be competitive but this does not necessarily mean the cheapest. Many parents will not be put off if your charges are higher than nearby provision as long as you can

demonstrate quality and value for money. When considering price it is important to remember the following points

- You need to make a profit/generate a surplus (please refer to our 'Financial Planning/ Management Guide' that can help with deciding your price point);
- Pricing is a relative measure; typically if you are the most expensive provider in your local area customers will expect a better service;
- existing customers are generally less sensitive about price compared to new customers, which gives even more reason to look after them well.

Place – if you are a start-up provider and have not yet identified a location for your business this is something to think about in great detail, there are so many things to consider when choosing the location of your business – make sure you give consideration to whether it's a good location for your potential customers.

Consideration also needs to be given to where your customers/potential customers can find out about you i.e. where you will advertise. Mobile phones are becoming an increasingly important information provider for consumers therefore if you have a website it's worth considering whether this is mobile optimised. Google search now penalises websites which are not, which may make it more difficult for potential customers to find you via their mobile.

Similarly it is also worthwhile having your location in your website title/buzz words as this will often be what people type into search engines i.e. childcare in Kendal ensuring your location is in either your title or buzzwords should help them find you quicker.

Promotion – the purpose of promotion is to communicate the key messages about the service you provide and what you can offer to your target market. There are various different forms of promotion including branding, advertising, public relations, social media, word of mouth and events. Before you start creating any promotional material it is worthwhile taking a step back and considering what you do and what you have to offer – if a new customer came to you how would they benefit from your service? Any promotion must be appealing and grab attention, send a consistent message and above all give potential customers a reason to choose your service over another's.

Be passionate and enthusiastic about what you offer, marketing is not the time to be modest - you need to sell yourself and your business.

Word of mouth – is the most common way that parents hear about a childcare setting, hence why reputation is so important, whilst positive messages can be very rewarding negative messages can have a very damaging effect. Consider your parents/ carers; children and staff are you confident they are happy? It's important that you find out whether they are; as positive word of mouth is essential for your business.

Word of mouth can be hard to keep track of especially in this day and age, people communicate in many different ways: texts, emails, social media etc. It is therefore important to think about how these factors may influence your business – if a parent or member of staff state something negative on Facebook say, imagine how this could influence others.

Internet – your webpage will often be the first experience of your business that a potential customer has – you only have one chance to make a good impression so make sure the information is up to date, the site looks fresh, engaging and is easy to use. Basics to include would be information about the setting including your key messages and unique selling point (USP – i.e. what makes you different from every other provider), an introduction to yourself and your staff team, your contact details – it's advisable to have them feature on every page or be very easy to find and giving parents the option to call or email you.

Details on the services you provide along with the ages you care for should always be included and if you like a pricing structure – if you do include a pricing structure to avoid any conflict/confusion please ensure this is always kept up to date. Good quality photos and parent/child testimonials are also powerful tools to have on there – however always make sure you have parents' permission to use these in advance. Your latest Ofsted inspection report should also feature on your webpage.

Advertising – there are various forms of advertising and potential places where these ads could be placed, before placing any advert always consider your budget and whether it will reach your target market. Any form of advertising or in fact promotion should include a ‘call to action’ (telling your customer what to do next) with contact details e.g. “call today to arrange a visit to the nursery and find out why Ofsted rated us as outstanding”.

Public Relations (PR) – is a cost effective and credible way to get information about your setting to prospective customers. Building relationships with local media is always helpful, if you have a newsworthy story you can tell them and ask if they can send a photographer along. This not only informs your local community and current parents of what the setting is up to it also acts as a promotional tool which could generate new interest with potential customers.

If the media are not able to send someone along you could always write a press release and send it along with some high quality pictures to your contact for them to be published. (If these contain children’s pictures/names always ensure you have parental permission) When writing a press release spend time on preparing it – for some this will be their first impression of your nursery make sure it comes across as professional and ensure it has your contact details included.

People – Childcare providers need to maintain an excellent reputation. Everyone who comes into contact with your customers will make an impression and with many potential customers not separating the service from the staff that provide it. Your people (both staff and parents) hold your reputation in their hands and it’s essential that they understand that. Your people/staff are your brand think about how they are perceived, are they motivated? Caring? Do they have the right attitude? Perhaps a training session on customer service may be a worthwhile team exercise.

It’s also worthwhile considering the impact your staff has online – in a world of social media every employee could potentially reach a mass audience, therefore it is advisable that you develop a policy for online interaction and make sure your staff follow it. Likewise happy parents are great advocates for your business and having good reviews on social media or parenting websites that may link to your webpage such as ‘mumsnet’ can help generate interest.

Process – you need to demonstrate how what you do is of benefit to the child, parents and staff. The process of delivering a service and the behaviour of those who deliver it are crucial to customer satisfaction. This encompasses all parts of your business and the process behind certain tasks such as taking parent enquiries, ‘show rounds’ (there are some practical tips below as to how these should be handled). You should ensure all staff follow your processes consistently.

Remember the value of a good first impression – identify where most potential customers first come into contact with your business and ensure the process from there to the point where they enrol their child is seamless.

Physical Evidence – Ensure you always have physical evidence to back up what you do, customer packs are important as they can explain matters in detail but note the physical evidence must confirm the assumptions of the customer.

Choosing who to leave your child in the care of is a massive decision for parents/carers. Choosing an unfamiliar service is risky for the consumer because they cannot experience the service before they buy it, they do not know how good it will be, however you can reduce this uncertainty by helping potential customers ‘see’ what service they will receive if their child attends your setting.

Parent testimonials can help, ensure these are correct and you have permission to use prior to publishing anywhere.

Also look at your physical premises both on the inside and out – a clean, tidy and well-kept area is reassuring. In childcare having areas that are tidy would be both difficult to achieve and perhaps not show the picture you want potential customers to see, but having well organised, creative for learning spaces will certainly grab parents attention. If your physical premises are not up to scratch why would the customer think your service would be. Your staff members also form part of the ‘physical evidence’ it’s really important for them to create a good first impression.

The Chartered Institute for Marketing suggest “each of the ‘ingredients’ of the marketing mix is key to success. No element can be considered in isolation – you cannot for example develop a product without considering price, or how it will reach the customer” and that “the process of considering the 7 Ps and together to form a cohesive strategy is called marketing planning”

Devising a marketing plan

A detailed marketing plan would usually include the following sections:

- **Summary** – of what the plan contains, many advise this should be written last so that it covers every aspect included in the plan.
- **Vision and objectives** – a statement about what you want the nursery to achieve.
- **Marketing objectives** – this should detail what you hope to achieve from this marketing plan. Objectives should be SMART (specific, measurable, achievable, realistic, timely)
- **Analysis** – Include the findings of your research, this should include external analysis – what external factors (factors beyond your control) may influence your business, internal analysis – what services do you offer, do staff have any special skills? You may wish to include a SWOT (strengths, weaknesses, opportunities and threats) analysis and information on your competitors in this section.
- **Marketing strategy** – list your target markets/ customers, market segments, how you will position the setting. Including the settings USP and Key messages.
- **Marketing tactics** – this is where your marketing mix/ ‘7 P’s’ come in – go through each one in turn and look at what you do now and what you plan to do in the future. This shows how you will make your strategy work.
- **Action Plan** – an action plan is always helpful especially to ensure people take ownership for the tasks. It should list what is to be done, by whom, by when and also detail the budget for this activity. Many present their action plans in a table format so it can be used as a progress checker.
- **Monitoring and Evaluation** – having a reviewing process in place will allow you to see what works and what doesn’t. Evaluation will enable you to use this information to target your marketing more efficiently in the future. There should always be a plan in place for how you will review and evaluate your activities.

The marketing plan should be kept up to date in order for it to be clear what has and what hasn’t worked when it comes to marketing. It is important that staff are aware of what is contained in the plan and what your key selling points are so they can talk to potential customers. An up to date marketing plan can also help you to highlight new opportunities and make sure you stay within budget.

Marketing Budget

Setting a budget is useful in any task of business and the same goes for Marketing. When deciding on your marketing budget it is important to get quotes for all of your plans e.g. advertising, printing costs, and events etc. prior to committing to anything. It is not only important to plan a budget but also to record and evaluate the return on your investment.

“Where did you hear about us” should be a standard question when handling any new enquiries. This information enables you to keep track of how people become aware of your nursery and in turn knowing what form of marketing is working best for your setting, again helping ensure your marketing budget and activities are more targeted and efficiently used in the future.

As said above it is useful to evaluate the return on your investment; one way of doing that is to measure the cost per scale. So for example you place an advert in your local paper which costs £200 and get 4 new customers from it. The cost per scale is therefore £50. This is a good measure of the success of certain campaigns however please remember things change and what works now may not work so well next year, hence why reviewing and evaluating is so important. Also, it is worth noting that not all marketing activities will see an immediate return – it is important to consider this and not just immediately dismiss a certain campaign because of it.

When trying to save costs the marketing budget is often the first to be cut but the fact is that a cut in marketing may mean less business.

Unique Selling Point

Your USP is what makes you/your service different from your competitors; if you are not sure thinking about the following questions may help you realise

- What are you really good at? What sets you apart from others?
- Why did your current customers choose you?
- What do your ideal customers value the most from their childcare provider?
- What do other settings focus on in their marketing?
- Have you got staff trained in a specific area/to a high level?

Make sure all staff are aware of these points and that they and any form of marketing exercise emphasises this to potential customers. Doing so will hopefully give parents reason to choose your nursery setting over another.

Practical Tips

Remember you never get a second opportunity to make a first impression, therefore you and your staff should maximise the opportunities that are presented.

Handling parental enquiries – should be done by an experienced member of staff, or at least someone who has been briefed on your expectations. It is a good idea to draw up an 'enquiry form' that can be used to ensure staff cover all bases and get all of the required information at the earliest opportunity. The initial enquiry is the first opportunity to form a positive relationship with parents, to gain as much information as possible and book a show round. Enquiry forms could include:

- The parent/carers and child's name address and contact details;
- The parent/carers wants/desires for their child's time at the nursery;
- Their attendance requirements;
- Any questions/concerns;
- Any previous childcare history;
- How they heard about your provision;
- If relevant their employer details (this may help you identify potential working partnerships with local employers);
- The time and date they would like to visit and whether this has been confirmed.

When dealing with the enquiry it's important that it is kept both relaxed but professional, putting parents/carers at ease and the conversation should just flow so a lot of the information comes out naturally without the need to ask. In order to do this ensure you allow plenty of time, have empathy and are understanding of any concerns, use parent and child names to make it more personal to them and try and match your service to their needs, for example if they need an early drop off time and you offer a breakfast club which opens from 7am where you provide a balanced breakfast menu – tell them about it and explain how they will be able to drop their child off knowing they are going to be provided with a breakfast where they will have time to eat as well as interacting with staff and children, allowing the parent to go off to work happy in this knowledge. Emphasise your unique selling points. Break down prices if required (more on handling this below) and take every opportunity to book a tour of the setting.

Show Rounds - this is ultimately your one opportunity to really sell your service and therefore should take the highest priority. Every show round should be tailored to the parents requirements based on their specific needs, wants and desires – information you should have gathered at the point of their initial enquiry. In order to double check this information is correct it is useful to recap this with the parents/carers after the introductions that way you can ensure their requirements have not changed, or if they have you can tailor your 'pitch' accordingly.

During the show round focus on the child and their needs as well as the support you can offer to parents, making sure all communication is relevant and again personalised. When showing parents around introduce them and their child to staff members, and show them what your service looks like on a day to day basis. Allow time to address any concerns or answer any queries the parents/child may have, allowing time for feedback and taking opportunities to encourage parents to book a place.

Prior to any show round it's advisable to walk through the setting and view it from a customer's perspective, looking at all aspects of the business including the exterior of your building, the information displayed for parents and how attentive and engaged staff are.

Discussing Fees – prior to any discussion regarding fees it is vital that you know them! If you already know the hours the potential customer is looking for (again details collected from their initial enquiry) you could have this calculated and printed out ready to share with them. Once you have explained your fees pause briefly do not apologise or say “if that’s alright with you?” if there is no challenge move on. If they seem shocked you could explain what the local average price is; what the price includes (if anything) or ways in which they can access support with the payment of childcare costs – i.e. tax credits, childcare vouchers etc.

Prospectus – most settings find it helpful to have an information pack/prospectus that they are able to give potential customers. If you have one make sure it is up to date and includes all relevant information that your customers are interested in, always including your unique selling points. Try to keep this document simple and not too lengthy you don’t want to bombard parents with too much information, but the following are all pieces of information it is useful to include:

- Contact details – only include names if they are always going to be around, telephone number, website and email address;
- A brief overview of the setting – how long you’ve been in business, any growth/changes that have been made/are due to be made and any partner organisations you work with;
- Details on the service you provide – opening hours, how many children you can care for, age ranges, facilities you have etc;
- Experience and quality information – including up to date details of staff qualifications and any quality awards received;
- References – parental testimonials/quotes (again ensure you have permission before using these);
- Registration information – details of Ofsted registration i.e. grading and unique reference number, if electronic you could attach a copy of/link to your latest report, if not a summary of this report will suffice. Details of membership to any local/national organisations should also be included and a link to the Local Authority.

Good Customer Service

Good customer service can be hard to define as it often means different things for different people – one thing is for sure it forms an extremely important part of maintaining good ongoing relationships which are key to surviving in the childcare industry. Some tips to ensure good customer service:

- Identify and focus on your customers’ needs – note these may well be different for each family;
- Make sure your staff know and understand what is expected of them when dealing with customers;
- Encourage parents to provide feedback on the care/service provided. This can be done both formally through suggestion boxes/customer surveys etc. (more on surveys below) and informally during everyday conversations;
- Another good way to encourage parents to get involved is to have a parent’s group/forum or to invite one or two parents to your staff meetings to hear what they have to say – all the time encouraging them to be as open and honest as possible as this could be a really useful learning exercise for everyone involved;
- Also ask children for their input what do they like/not like about the service provided;
- If you have ‘lost’ some of your customers and there is no apparent reason why, ask for feedback – if negative this maybe something you need to develop?
- Also have a clear complaints policy in place and make sure staff and parents are aware of it and use it when required.

Customer Satisfaction Surveys

If asked many childcare providers would report that ‘word of mouth’ is often their best form of advertising, however sadly it is often bad experiences that are shared more frequently than good. Word of mouth is only good if it’s a positive message being relayed.

Customer satisfaction surveys issued on a regular basis can help make sure your current customers are happy with the service you provide. Surveys should be designed in a way that they highlight problems in order for your management team to identify and address them.

It is key to remember when looking at feedback from surveys that they are not necessarily about facts but peoples’ perceptions - what people think may/may not be correct (in your understanding) but if they believe it, it will affect what they say/do about you and your childcare setting.

The results of the survey and your intentions because of your findings should be fed back to parents after each one, this will demonstrate that you both care about their opinions and are proactive in looking for ways to improve the service you provide.