An Overview of Private Preschool in Malaysia: Marketing Strategies and Challenges

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Abstract

Marketing of a preschool exists because of high competition among the preschool managers in the public and private institutions. The objective of marketing strategy is important for them to deliver value to parents as well as strengthen their services while facing the challenges. The strategies will ensure each preschool to sustain providing the best services in the early childhood education program. Thus, the transforming of preschool business profit services had turn to the popular branded private preschool. However, although making profits by franchising and providing licensing to the other new preschool managers, sometimes managers neglect continually referring the marketing strategies. The marketing strategies help the managers to become the leader and expertise in the early education field. In order to achieve parents’ choices towards their preschool, applying the 7 Ps in services marketing are very important. The research of this study is based on the literature findings. This research also results the Integrated Framework of Marketing Strategies 7 Ps and Management Stage. During the stage of management, it is recommended to implement with 7 Ps Marketing Strategies for managers continually delivering value services. It is hope that the research from this study may contribute the urgency of knowing the marketing strategies and challenges among preschool managers.

Keywords: Public preschool; private preschool; marketing strategies; marketing challenges; parents’ choices

1. Introduction

The increasing growth of the private preschool nowadays has crafted an intensified competition advantage and thus increases the awareness and the importance of marketing strategies. Today, private preschool operators are targeting on how to ensure the customer’s choices may guarantee profitability and sustain in business.

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challenges. Measuring the image attributes of the private preschool would help the operators to determine the type of image the private preschool is portraying and the needs of the customers.

Since independent, the Ministry of Education has successfully developed the system of public preschools. However, there is also a widespread and expanding system of private preschools according to the Curriculum Development Centre, Ministry of Education Malaysia (Early Childhood Care and Education Policy Implementation Review 2007). The preschools operating in Malaysia such as preschool under Ministry of Education (MOE), preschool which known as Kemajuan Masyarakat (KEMAS) falls under the responsibilities of Ministry of Rural Development, preschool under Department of National Unity and Integration known as PERPADUAN preschools, preschool under the State Religious Department, Jabatan Agama Islam Negeri (JAIN) and under non-government organization known as Angkatan Belia Islam Malaysia (ABIM). Fig. 1 and 2 provides an overview of percentage of preschool classes and students enrolled in the various types of preschools (CDC, 2007).

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**Fig. 1. Number of preschool classes according to the providing agencies (CDC, 2007)**

- **KPM**: 3846 (14.33%)
- **KEMAS**: 8307 (30.95%)
- **PERPADUAN**: 1500 (5.59%)
- **PRIVATE**: 11,434 (42.61%)
- **JAIN**: 962 (3.58%)
- **ABIM**: 788 (2.94%)

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**Fig. 2. Number of preschool students in the various providing agencies (CC, 2007)**

- **KPM**: 96,150 (13.60%)
- **KEMAS**: 285,722 (40.43%)
- **PERPADUAN**: 213,051 (30.15%)
- **PRIVATE**: 14,413 (2.04%)
- **JAIN**: 788 (3.58%)
- **ABIM**: 2,158 (3.14%)
Many issues have to be taken into considerations by parents when choosing a preschool for their children. It involves between planning of getting all the benefits and achievement for their children’s future and the total cost they must pay (Dahari & Ya, 2011). In 2003, the Malaysian Ministry of Education implemented the teaching of Mathematics and Science in English at the primary and secondary school level. So, parents start looking for preschools that prepare their children for proficiency in English. Thus, the quality of teacher is a big concern to the parents. Branded preschools and the branding of preschools also began to gain popularity.

However, besides language there are many other factors that influence parents’ decision in the selection of preschools for their children. With the increasing incidences of violence towards children, safety becomes a major issue of concern for parents. The advancement of information technology that allows easy access to uncensored materials over the internet which is exposed to external negative influence add to Malaysian parents’ fear over their children’s attitude and religious values. Parents have different educational believes and perceptions which influence the choice of preschool for their children. There are also constraints that may force a parent to choose a preschool that is less preferred, because of affordability and availability. Some parents could be persuaded by promising claims made by marketing propaganda such as advertisements and brand names.

Research done regarding modern parents’ choice of preschools and why they choose them would enable preschool operators to understand and cater to their consumers’ needs and preferences. Preschools with marketing strategies that seek to provide more values than their competitors need to study parents’ choice, their needs and desires in order to retain their customer. With the emergence of Islamic civilization, majority Muslim parents would like to have the foundation of Islamic knowledge for their children. Therefore, they would prefer to send their children to Qur’an reciting or Tahfiz preschool. For Muslim parents who are looking for good moral and religious values in their children, they will look for preschools that are associated with the Islamic religion.

2. Background of Preschool

Preschool is an institution where children are prepared to enter a social and educational based environment. Preschool may be considered as preparatory class for year one of primary school. The preschools in Malaysia normally take in children from early as three to six years old. The history of early childhood education in Malaysia could be traced back to the earliest preschool institutions in Malaysia, which were introduced and managed by Christian missionaries. Dahari & Ya (2011) stated in those days only children of the rich and aristocrats have the privilege of early childhood education (. Only in the 1970s, the Malaysian Ministry of Rural Development introduced government funded preschools, commonly known as KEMAS, to children of low-income family living in rural areas (Rashid, 1993). Aid for early childhood education also came from Asia Foundation, which funded preschool projects known as ‘HEADSTART’ in several rural towns in 1969. The first formal and pioneer preschools were launched by the Minister of Education in 1992, which started with 1,131 annex preschool classes in Government primary schools (Zabariah et al., 2005).

The national Preschool Curriculum was introduced to unify and standardize early childhood education programs run by the various sectors and became part of the 1996 Education Act. The government must ensure quality preschools for all children in Malaysia because children are the nation’s most valuable asset, as ‘today’s children are leaders of tomorrow’. In the last decade, preschools have mushroomed all over the country. Preschools in Malaysia are so diverse due to the country’s multicultural society and individual needs (Dahari & Ya, 2011).

Preschool institutions may be differentiated based on the medium of instruction (which may be in English, Malay or Chinese), the curriculum approaches, religious orientation, origin (i.e. local or international), or political affiliations (Zabariah et al., 2005). Current trends identify preschools as either branded, usually a local or foreign franchise, or non-branded, which is usually run by individual proprietors. The various types of preschools are listed but not limited to the list below:

- Ministry of Education preschool annexes in national primary schools
- KEMAS (by the Ministry of Rural Development)
- Tadika Perpaduan (by the Ministry of National Integrity)
- KAFA (by the State Islamic Religious Department)
- International Schools
- NGO preschools, e.g. ABIM
- Private preschools, e.g. Montessori, Smart Reader, COSMOTOTS, and others.
- Religious based preschools, e.g. *Tahfiz Al-Qur’an* and church-based kindergartens.
- Language based, e.g. Chinese medium, English medium, usually privately run.
- Hybrid preschools, e.g. those using a combined curriculum of Islamic studies, English and Mathematics.
- Holistic preschools, e.g. those using a combined curriculum of *Tahfiz Qur’an*, English, Computer studies and Mathematics.
- Politically-affiliated preschools, e.g. PASTI by the Islamic Party of Malaysia (PAS), and Chinese pre-schools by the Malaysian Chinese Association (MCA).

### 3. Marketing Mix Strategy of Preschool

When it comes to educational offers, the priorities refer to curricula and services. Offering services involves challenges because most services do not exist until the service provider performs the service, usually in the presence of the customer. The main purpose of this study is to explain the marketing strategies required in the private preschool competitive environment and its challenges. As has been highlighted, marketing strategies has become one of the key strategies in competitive business environment in order to increase and retain the company profitability, and to secure the future on the company. Services are very different from products. Services marketing are dominated by the 7 Ps of marketing namely Product, Price, Place, Promotion, People, Process and Physical environment. The following Table 1. form the marketing mix for services marketing, the first 4 P’s being the core and the next 3 P’s being the extended marketing mix.

| 7 Ps Marketing Mix | Description |
|--------------------|-------------|
| People             | People is crucial in service delivery. The quality teacher may highly contribute the children’s performance in the class. A smile always helps to provide the children with caring environment. Intensive training for teacher skills development help resulting quality students. |
| Place              | Closer to the customer means higher probability of purchase. Place utility is important to evaluate because most parents will choose preschool location which is near to their home or office. |
| Physical Evidence  | Facilities affects the customer’s satisfaction. Often, services being intangible, customers depend on other cues to judge the offering. This is where physical evidence plays a part. Most of parents feel attractive to the playground equipment outside the preschool, informative decorations boards and exterior design of the preschool building. |
| Promotion          | Promotion plays a role in the perception the possible target audience may have about preschool’s services. Promotion leads to service (brand) recognition and further establishes a proxy to evaluate quality of services based by potential customers. Many different promotional tools are often used like web advertising, banners and others. |
| Price              | School’s fees has a lot of impact on the service buyer’s satisfaction level. Often, paying a higher price makes a customer more satisfied. As we all know, the private preschool’s fees is expensive compare to the public preschool. However, affordable parents still considering to pay more if the price equal with the service value provided. |
| Product            | Student’s performance is the main reason parents should register their children in the private preschool. Advance in reading, writing, counting numbers, and cognitive thinking are among the criteria should be consider by parents. |
| Process            | Services being intangible, processes become all the more crucial to ensure standards are met with. Process mapping ensures that the service is organizing, leading and controlling. Thus, parents’ highly confidence because of efficient and effective management. |

The 7 Ps framework is one of the most popular framework for deciding a marketing strategy, started with planning, organizing, leading to controlling stage as show in Fig 3. The 4 Ps which important in the early panning
stage are People, Place, Promotion, and Physical Evidence.

People as a key instrument in educational process are constituted of managers, teachers, parents and students. Each key person has its own important part to achieve the goals of private preschool establishment. The managers should develop strategy from the planning stage, and teachers will implement the plan as ordered by the managers. Parents must work together with the teachers by monitoring the homework given by the teachers. Attending consultation program provided by the preschool management will give more understanding towards their children assessment regarding academic performance and good moral values. Children provided with good environment at early age will create a person with positive attitude and way of thinking.

Place is selected after managers doing surveying demand by the customers. Transportation being provided for the parents who live quite far from the institution or do not have transport facilities to send their children. Success in managing one preschool increase manager’s confidence to make a step by making branches at the other location as demand required.

Promotion may be key element to implement before and during the opening private preschool. The advertisement must educate customers about the importance of providing the children with multi-program such as experimental science subject, martial arts or reciting Quran. A unique and specialty of program will attract parents to choose the private preschool compare public preschool although free monthly fees. A lot of channels to promote the new establishment of private preschool such as flyers, banners, and website that are usually used by the managers and teachers. However, television and Press advertising is less common in the educational sector (Bell & Rowley, 2002).

Physical evidence with safety and modern facilities help to increase the attractiveness of the private institutions such as informative notice board and decorative building. The set equipment of playground is one of the key attraction for children to feel happy during the learning process at the institutions.

After doing the planning stage, the next stage are organizing and leading process of managing a preschool must be synchronize with other 3 Ps; Price, Process and Product. Alipour (2012) believed price is the amount of money that the buyer, pays to the service provider. Preschool fees that are affordable and flexible method during transaction may feel convenience for parents making monthly payment such as deposit money to the automatic transfer machine or transferring money through online banking. Discounts given for loyal parents or parents registering children more than one. When teachers perform well in educating the students, managers give allowances to motivate them.

Alipour (2012) considered processes are all the administrative and bureaucratic functions of the preschool which is registration, educational trip, learning session, social activities and graduation day. A good communication process among parents and teachers fulfill the criteria as good image of private preschool. The combination of good teacher and management quality, thus qualify the private preschool as parents’ best selection among the other private or public preschool.

Product in educational sector is related to students’ performance as it is the value for selecting the private preschool. Gajic (2012) stated the majority of services represent combinations of tangible and intangible elements. The quality of educational services can be perceived differently, depending on students’ expectation and wishes. The service is not determined only by user satisfaction with that service, rather their perception of the service without satisfaction. Therefore, their decision is also determined by other sources, such as: media, friends, association etc. (Bruhn & Georgi, 2006). Branding also a strategy to enhance customers’ trust. Mostly parents response positive feedback about branding because many testimonies had been advertised to increase customers’ trustworthiness. The testimonies give warranties for the students to learn in an environment which provide various knowledge and skills for them preparing to enter primary school.

The most important decision, when considering marketing mix in educational institutions is to ensure the steps orderly manage. The steps also popular as POLC, which start with planning then organizing, follow by leading and lastly controlling the marketing strategies being implemented. POLC remind managers to prepare a plan before making any decision or action in a business childhood education.

Thus, planning concerns with five important Ps as explain below:
1. People who will provide, educate and monitoring the service education;
2. Place is the location being select for students to learn;
3. Promotion as the medium of information to educate importance of childhood education program;
4. Physical evidence consists of decorative building and informative notice board to increase customer’s attractiveness.

The second and third steps follow by organizing and leading respectively, considers with other three Ps as stated below:

1. Price is the payment made for registration, monthly and yearly preschool fees
2. Process is the operation part such as transferring knowledge and skills to outcome with a quality product
3. Product is the main criteria when parents making decision. Even though the preschool with complete modern facilities but not having a quality of teacher to use the equipment may not result a good performance of students. Therefore, a good quality product is not easily developed.

In the planning stage, 4 Ps; People, Place, Promotion and Physical Evidence contributed at the early stage and whereby Promotion strategy continued until the stage of organizing and leading. However, the marketing mix of People continued until the end of controlling stage.

After finishing the planning stage, organizing and leading stage concerned to take important part for implementing the strategies being planned. Thus, 3 Ps; Price, Process and Product involved at this stage. Price is organized after considering various sources such as customer’s affordability and comparing other preschool fees at the nearby location. Then, Process and Product strategies continued until controlling stage as to sustain the quality services and retain customers’ satisfaction. From the framework, 3 Ps; People, Process and Product strategies should be continued until stage of controlling to ensure the achievement of education institutions.

Hence, marketing a service involved one important P; People to contribute in handling and monitoring the operation started with planning stage until controlling as known the final stage. Managers and teachers together participate in service delivery and influence perception of service users. All the students that participate in service delivery influence the decision of parents who registering their children at the private preschool chosen. How the students dress, the way of children communicates and personal behaviour influences the parents’ perception. Those who provide services to the students are highly important, considering who deliver the service, create the service. Everyone in vertical hierarchy from managers, principal, teachers, and staff must be aware of the significance of the role they perform. All employees have to recognize intentions and request of the students, as well as specific nature of services, shaped with marketing concept. Staff quality is improved with training and self-motivation. Staff motivation represents a significant element in marketing plan implementation.

![Fig 3. Integrated framework of marketing strategies 7 Ps and management stage](image-url)
People work in order to meet physical, psychological and social needs. Managers have to detect the staff needs and develop motivational methods to satisfy employees while educating the young children. Patient, caring and loving teachers towards children are qualified to entitle as teacher quality. Besides that, supportive parents are contributed to the good performance of the children. Monitoring the children homework and helping them to understand the learning process at home is a supportive method to increase students’ good performance. In addition, teachers and parents communicate to solve the problems occurred during the learning process.

Thus, from the marketing strategies discussed above will help the preschool operators to compete the challenges with other preschool competitors. Research findings regarding parents’ choices towards the private preschool institutions are listed. The previous researchers contributed to expose preschool managers about factors involved when customers making decisions. Table 2. explained the factors of parents’ choice towards the private preschool. There are 13 factors parents’ choices as discussed such as branded, language medium, word of mouth, enriched curriculum, religious based, fees, location, transportation, quality of education management, quality of teacher, safety and hygiene.

Table 2. Factors Parents’ Choices towards Private Preschool

| No. | Factors of parents’ choices | Research Findings |
|-----|-------------------------------|-------------------|
| 1.  | Branded                       | 4.0 % chose branded preschools as opposed to non-branded preschools (13.6%). Parents as consumer tend to have emotional feeling on their relation with brand (Dahari & Ya, 2011). |
|     |                               | Brand image perceptions directly affect customer loyalty, which leads to customer retention (Allen & Rao, 2000). |
| 2.  | Language medium               | 71.6 % of participating parents chose English Medium pre-school and 27.8% parents chose Malay Medium. Parents prefer to introduce English in the early stage (Dahari & Ya, 2011) |
| 3.  | Word of mouth (WOM)           | Word of mouth among parents regarding perception of sending children to the private preschool compared to the government preschool (Yahaya & Ramli, 2001). |
| 4.  | Enriched Curriculum           | Preschool education program should be well aligned with primary school program that children will eventually attend, so that the transition to school is successful (Krupicka, 2005). |
| 5.  | Religious based               | Out of 162 participating Malay parents, 95.1% parents decided on Islamic-based preschool as their choice of pre-school for their children (Dahari & Ya, 2011). |
|     |                               | Teaching children religion is reckoned as one of the most important aspects of family life and is primarily the responsibility of parents (Waddy, 1982). |
|     |                               | *Ilm’* is one of the most fundamental and powerful concepts of Islam, the absolute source of knowledge and the judge of validity is the *Qur’an* (Sardar, 1988). |
| 6.  | Fees                          | The population of parents at large in Malaysia, will sent their children to the preschool at the government primary school, Tadika Kemasi, or Tadika Perpaduan. Middle and higher income parents will look for affordable preschool nearby their house or office, such as branded preschools because they belief the qualities and benefits this branded institutions can gives (Dahari & Ya, 2011). |
| 7.  | Location                      | Parents will limit themselves to schools closest to their homes or working place. Some organizations take social responsibility by providing preschools in the same building of their working area or department (Dahari & Ya, 2011). |
| 8.  | Transportation                | Currently, parents settle with preschool that provide transport to their children because they do not have the time (Dahari & Ya, 2011). |
| 9.  | Quality of education management | The quality of education is also influenced by the teacher-children ratios in preschool. The government preschool teacher-student ratio was one teacher for every 25 children (Ministry of Education, 2003) while the private preschool teacher – children ratio was one teacher for every 15 to 25 children (depends on certain private preschool policies) (Masnan, 2009). |
| 10. | Quality of teacher            | The results from regression analysis showed quality of teaching and qualified teachers are predictors for the choice of a branded preschool. This result is consistent with the observation made by Jensen and Hannibal (2000) that high quality pre-school programs are associated with well-trained and qualified teacher (Dahari & Ya, 2011). |
| 11. | Safety                        | Safety features of preschool are becoming important features and factors for parents in deciding the preschool for their child. Parents are looking for preschool which provides a safe and congenial environment for the well being of their child. Safety features such as how many CCTV inside and outside the building (Dahari & Ya, 2011). |
12. Hygiene
Hygiene and cleanliness are especially important to ensure children’s health and safety. Dirty rooms and compounds can cause skin diseases and cases of infected by worms to children (Dahari & Ya, 2011).

4. Marketing Challenges of Private Preschool

The existence of many preschools in the education market has created a various demand of parents in terms of their children’s performance in academic and moral attitude. Competitions among the preschool managers help parents making options while choosing the best preschools. Given the highly competitive education market, preschool institutes need to overcome challenges in order to make profits or to maintain their existence. Table 3 below are the challenges facing by the preschool managers:

| Challenges                                      | Implications                                                                 | Marketing-Related Topics                                                                 |
|------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Most service products cannot be inventoried    | Customers may be turned away or have to wait if the quantity of teacher is not enough to teach their children or the quantity of student exceed the space of class provided. | Smooth demand through promotions, dynamic pricing, and reservations                       |
| Intangible elements usually dominate value creation | Customers cannot taste, smell or touch these elements and may not be able to see or hear them. Harder to evaluate service and distinguish from competitors until one whole year studying in that particular preschool chosen. | Make services tangible through emphasis on physical clues Employ concrete metaphors and vivid images in the advertising and branding |
| Services are often difficult to visualize and understand | Customers perceive greater risk and uncertainty because they do not know the quality provide until their children learn at the education center for a certain period of time. | Educate customers to make good choices, explain what to look for, document of students’ performance and offer guarantees. |
| Operational inputs and outputs tend to vary more widely | Harder to maintain consistency, reliability, service quality or to lower cost through higher productivity Difficult to shield customers from results of service failures | Set quality standards based on customer expectations such as targets of children’s performance after learning certain period of time. Provide additional class for children who are the slow learner. Although children are absent for a certain time, the teacher will help them to recover the syllabus. |
| People may be part of the service experience | Appearance, attitude and behaviour of teachers and other customers can shape the experience and affect satisfaction | Recruit, train, and reward employees to reinforce the planned service concept Target the right customers at the right times, shape their behaviour. |

4. Conclusions

As we all know, preschool is an education place for children to learn at their early age. The children will become the next generation for our asset to lead our country mission and vision. Thus, preschool managers should put a big concern and high effort to study the marketing strategies and their facing challenges. Many of these early childhood education industries are undergoing dramatic transformations, driven by advances in technology, globalization, and changes in government policies and customers trends. In such an environment, effective marketing plays a vital role in determining whether an individual organization survives and thrives or declines and fails. The private preschool managers should take more concern regarding the strategies and challenges to help them sustain in the business
profit organizations. Succeeding as a marketing manager in a service business requires them not only to understand key marketing concepts and tools, but also know how to use them effectively. Each of the 7 Ps has a role to play, but it’s how well they tie them together that will make the speciality of delivering early childhood education services.

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