The Relationship between Competitive Strategies of Kindergartens with Different Characteristics and Parent Satisfaction

Yi-Gean Chen, Department of Early Childhood Education, National University of Tainan, Taiwan

ABSTRACT

The study on competitive strategies was based on the theory of competitive strategy proposed by Porter, whereas the research on parent satisfaction was based on a model of school children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people. After survey sampling was conducted in 20 municipalities and counties across Taiwan, the structural equation modeling (SEM) statistical technique was adopted to establish a model addressing the interplay between the competitive strategies of kindergartens with different characteristics and parent satisfaction. The results included that the large-sized kindergartens’ competitive strategies should place stress on providing quality and establishing a good brand name, whereas small-sized kindergartens should focus on each child’s learning and student performance. In addition, given the close-knit school-parent relationship in rural kindergartens, word-of-mouth communication and brand strategy are both important for rural kindergartens. In contrast, as parents of urban kindergarten children value their children’s performance at school, urban kindergartens should give students more opportunities to demonstrate what they have learned to show the kindergartens’ success in education.

Keywords: Kindergarten’s competitive advantage; Competitive strategy; Parent satisfaction

INTRODUCTION

Due to the effect of low birth rates, kindergartens in all industrialized countries are contemplating how to develop competitive strategies to prevent being eliminated from the market. Although studies have generated some results in recent years (Chen & Cheng, 2013; Tsai, 2007), the majority of these studies are based on case studies investigating individual or small samples of kindergartens in a chosen geographic area. As no large-scale studies have been conducted so far, there are no statistical data as to the effects of competitive strategies and whether competitive strategies will differ as a result of different kindergarten characteristics.

On the practical side, kindergartens all have different characteristics such as urban/rural, and large-sized/small-sized kindergartens. Are different competitive strategies required for kindergartens with different characteristics, and do these competitive strategies generate different effects? Sturman & McCabe (2008: 94) believed that each company should decide their own competitive advantages after a thorough assessment of their unique characteristics. Kindergartens therefore need to adopt different competitive strategies after factoring into differences in their characteristics and situations. This study investigated suitable competitive advantages for kindergartens with different characteristics, in order to achieve the goal of increasing student enrollment. Using the theory of competitive strategy proposed by Porter as the research framework, this study designed the items for the scale on kindergartens’ competitive strategies. Customer retention rate,
customer repurchase rate, and customer referral rate are the three customer satisfaction indexes that business operators are most concerned about (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994: 166). This study adapted them to create three suitable customer satisfaction indexes to run a kindergarten business and recruiting new students. The new satisfaction indexes were children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people. Subsequently, survey sampling was conducted in 20 municipalities and counties across Taiwan to come up with competitive strategies for kindergartens with different characteristics. The effects of these strategies were also analyzed.

In summary of the above statement, this study proposed the following research objectives: (1) to design the items for the scale of kindergartens’ competitive strategies, using the theory of competitive strategy proposed by Porter as the research framework; and (2) to apply the structural equation modeling (SEM) to perform analysis and explore what competitive strategies are more effective for kindergartens with different characteristics (urban/rural, and large-sized/small-sized kindergartens) to enhance children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people.

**LITERATURE REVIEW**

**Theory of competitive strategy**

The theory of competitive strategy was proposed by Porter. It has been widely adopted in a multitude of competitive advantage research (Deimel, Theuvesen, & Ebbeskotte, 2010; Onyango, Monica, Edwin, & Roselyne, 2009), and it was also adopted as this study’s theoretical framework. Competitive strategy refers to defensive and attacking behavior which a company uses to effectively cope with threats from external competitors, stand in a defensive position, and achieve better investment returns (Porter, 1980: 34). In Porter’s three generic competitive strategies, which have been adopted extensively, Overall Cost Leadership Strategy is essentially a low-cost strategy that involves gaining competitive advantages through cutting back on the costs of production while maintaining a normal standard of product quality and services. Differentiation Strategy refers to offering unique products or services to take a unique position in the market. Furthermore, Focus Strategy refers to focusing on and aiming at a specific target (such as a specific customer group, product, or geographic market) and customizing services with a particular target in mind (Porter, 1980: 35-40). Porter believed that a company’s competitive strategies may encompass a number of dimensions. These dimensions include: (1) Specialization that centers on the breadth of a product line and that targets customers or a particular geographic market; (2) Brand Identification strives to mold a brand image; (3) Push versus Pull refers to selling products through exercising brand appeal or strengthening sales channels; (4) Channel Selection in which sales channels can range from company-owned channels to specialty outlets and broad-line outlets; (5) Product Quality, including materials, product specifications, and product appearance; (6) Technological Leadership refers to getting a head start at technology rivalry; (7) Vertical Integration refers to the backward or forward integration of sales channels, specialty shops, and company-owned service networks; (8) Cost Position refers to investing in highly-efficient equipment to reduce production and sales costs; (9) Service refers to supplementing products with supporting services such as technical support and after-sales services; (10) Price policy refers to the position of a product’s price on the market; (11) Leverage refers to balanced financial capacity and operating capacity; (12) Parent company/subsidiary company relationship; and (13) The relationship with the home government and the host government. Dimensions 11 through 13, which are relatively rare in kindergartens, were excluded from this study’s discussions.
Other competitive strategy studies

This study derived a number of important competitive strategies by summarizing relevant studies from the past. These strategies are listed as follows.

1. **Segmentation Strategy** refers to differentiating and identifying homogenous consumer groups according to different consumption needs (Woolf, 2008) in order to attract a specific consumer group (Dickson & Ginter, 1987), provide different products or services, or satisfy the desire of a specific consumer group (Woolf, 2008: 52).

2. **Supporting Services Strategy** is subordinate to core services and is not compulsory (Gronroos, 2000). According to the research of Woolf (2008) on the fitness industry, businesses should develop bundling strategies to gain competitive advantages. Supporting services should be provided on top of core services to better satisfy consumer needs.

3. **Brand-Oriented Strategy** is a key strategy for the survival and growth of a business (Urde, 1994). Many researchers regarded image and reputation as a company’s most important intangible assets which can assist a company to gain ongoing competitive advantages (Amis, Pant, & Slack, 1997), and that Brand-Oriented Strategies can be used to establish a company or products’ image and reputation.

4. **Marketing Strategy** refers to the principles of selling developed by a company in order to attract customers in the long run (Kotler, 1998). Based on data of a survey conducted in Egypt, Eraqi (2006) learned that e-marketing strategies are conducive to improving the tourism industry’s competitive advantages. In a study on the tourism industry around the Caribbean Sea, Miller & Henthorne (2006) found that Marketing Strategies are effective strategies for strengthening competitive advantages.

5. **Diversification Strategy** is adopted for business growth and expansion when a company is about to launch a new product or step into a new market/industry (Berry, 1975). Many kindergartens are facing business operation crises as a result of low birth rates, and some studies have suggested that kindergartens should adopt Diversification Strategy (Tsai, 2007).

6. **Strategic Alliance** refers to an alliance formed by two or more members for the purpose of achieving mutually-beneficial goals in a strategic manner (Murray & Mahon, 1993). Mistilis & Daniele (2004) believed that Strategic Alliance can lead to partnerships, congregate the labor force, funds, and information, and realize communal goals for all participating parties. Tsai (2007) suggested that kindergartens should apply strategic alliances, develop new markets, and create competitive advantages.

**Application of the theory of competitive advantage in kindergartens**

This study integrated the dimensions of competitive strategies proposed by Porter (1980: 127-129) and competitive strategies proposed by other studies to draw up 12 competitive strategies for kindergartens as follows:

1. **Segmentation Strategy** is used to segment target customers by differentiating the needs of the children’s parents, i.e., the customers (Woolf, 2008).

2. **Brand-Oriented strategy** is used to establish the image of a leading brand (Urde, 1994), which encourages parents to speak highly of the kindergarten.

3. **Marketing Strategy** is used to design a set of principles for sale (Kotler, 1998) that attracts parents to send their children to the kindergarten.

4. **Strategic Alliances** is used to form alliance partnerships with other organizations that not only benefit parents and children but also benefit both parties of the alliance (Murray & Mahon, 1993).

5. **Diversification Strategy** is used to develop additional business operations other than the primary nature and scope of a kindergarten’s business (Berry, 1975).
(6) Supporting Services Strategy is used to provide parents with extra services on top of their children’s education (Gronroos, 2000), such as take-out dinners.

(7) Quality Strategy, which originally referred to the product quality standard (Porter, 1980), and which is used to create a set of standards for children’s learning, such as setting learning targets, examining whether targets have been achieved, and providing teachers’ guidance, along with other measures to achieve quality education.

(8) Student Performance Strategy is based on the perspective of Porter (1980), and which can be used to demonstrate the students’ learning results and outcomes and reflect the kindergarten’s performance.

(9) Technological Leadership Strategy is based on the technological leadership perspective of Porter (1980), in which kindergarten teachers’ excellent teaching skills and use of advanced teaching technologies are examples.

(10) Vertical Integration Strategy refers to strategies that involve forward and backward integration (Porter, 1980), in which baby-sitting, daycare, kindergarten, and after-school tutoring are examples.

(11) Cost Position Strategy refers to a kindergarten’s cost-down measures in reducing administration and personnel costs (Porter, 1980) in order to increase business revenues.

(12) Price Strategy refers to a kindergarten’s endeavors to cut back on enrolment fees and monthly tuition fees and use a low-price measure (Porter, 1980) to attract parents.

**Relationship between different conditions and competitive strategies**

According to the study of Woolf (2008), not all competitive strategies are applicable in all situations. Instead, competitive strategies vary according to individual companies’ situations. Former researchers have conducted research on suitable competitive strategies in accordance with different kindergarten scenarios. A summary of the relevant studies is given below:

Urban/rural kindergartens: As shown in the study of Deimel et al. (2010), a company’s geographic location may affect the company’s competitiveness. Also, it is easier for a company which is closer to a congregation of businesses in a particular industry, or an area with thriving commercial and industrial activities, to obtain information, knowledge, and competitive advantages. In Taiwan, a large difference can be observed between urban and rural kindergartens in terms of the curriculum, teaching style, facilities, and tuition fees (Wei, 2002). Therefore, it is expected that urban and rural kindergartens will have different competitive strategies.

Large-sized/small-sized kindergartens: Large-sized organizations enjoy the privilege of having a large scale and are more likely to form an alliance with other organizations, which leads to large organizations’ higher survival rate when facing more ferocious competition in the external environment (Hannan & Freeman, 1989). For that reason, a large-sized kindergarten may be more competitive than a small-sized kindergarten, and they may have different competitive strategies.

Based on the foregoing analysis, this study concluded that urban/rural kindergartens, and large-sized/small-sized kindergartens may have different competitive strategies. However, how kindergartens with different characteristics choose appropriate competitive strategies requires further analysis.

**Relationship between competitive strategies and customer satisfaction**

According to the study of Heskett et al. (1994), customers who are satisfied with a company’s services will show customer loyalty to the company. Such loyalty can be measured in terms of three customer satisfaction indexes: (1) the customer retention rate; (2) repeated purchases; and (3) referrals. These three indexes denote the consumers’ willingness to continue their purchase behavior for the same
product or service provider, have repeated purchase behavior, and refer the product or service provider to family or friends. Such consumer behavior can generate increased revenues for a company and reinforce a company’s competitive advantages. Considering that previous studies have pointed out the close relationship between competitive strategies and customer satisfaction (Chiang, 2009), this study chose customer satisfaction as the dependent variable when looking into kindergartens’ competitive strategies. In addition, the three customer satisfaction indexes proposed by Heskett et al. (1994) were converted to match the context of a kindergarten, and they became the children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people.

RESEARCH DESIGN AND EXECUTION

Research framework of this study

Drawing on the above literature review, this study further constructed a theoretical model involving 12 competitive strategies and three parent satisfaction indexes. In order to shed light on which competitive strategies were appropriate for kindergartens in different situations, this study analyzed the relationships in between the competitive strategies of kindergartens with different characteristics (urban/rural, and large-sized/small-sized kindergartens) and parents’ satisfaction. The research framework of this study is shown in Figure 1.

![Figure 1: Research framework of this study](image)

Research Hypotheses

The following hypotheses were proposed to verify the above model:

**H1:** Various kindergarten competitive strategies will effectively predict the three indexes of parent satisfaction with their chosen kindergarten.

**H2:** The competitive strategies of kindergartens with different characteristics and the three indexes of parent satisfaction with their chosen kindergartens will have different levels of influences.

The information of kindergartens was used to analyze the relational model involving kindergartens’ competitive strategies and the three indexes of parent satisfaction with their chosen kindergarten (H2-1).
The information of rural kindergartens (H2-2), large-sized kindergartens (H2-3), small-sized kindergartens (H2-4) was employed to analyze the relationship between kindergartens’ competitive strategies and the three parent satisfaction indexes.

Research Tools

The main research tool of this study was a scale of kindergartens’ competitive strategies, which was divided into three parts: (1) Basic Information (urban/rural kindergartens, and large-sized/small-sized kindergartens), (2) Scale of Competitive Strategies (SCS), the question items on the scale were based on the conceptual definitions in the studies of Eraqi (2006), Gronroos (2000), Miller & Henthorne (2006), Mistilis & Daniele (2004), Porter (1980), Berry (1975), Urde (1994), and Woolf (2008), and (3) Parent Satisfaction Scale (PSC), it was designed based on the three customer satisfaction indexes proposed by Heskett et al. (1994), which were customer retention rate, repeated purchase, and referrals. In this study, the three customer satisfaction indexes were converted to three indexes of parent satisfaction, which were children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people.

A five-point scale was used on SCS and PSC, in which scores of five to one represented a high degree of conformity, an adequate degree of conformity, an acceptable degree of conformity, inconformity, and a high degree of inconformity, respectively. Further, principal components analysis (PCA) was employed to extract factors and select the factors with an eigenvalue greater than 1. A total of 12 competitive strategies were derived from SCS (S1: Diversification Strategy; S2: Brand-Oriented Strategy; S3: Price Strategy; S4: Cost Position Strategy; S5: Marketing Strategy; S6: Vertical Integration Strategy; S7: Supporting Services Strategy; S8: Market Segmentation Strategy; S9: Quality Strategy; S10: Student Performance Strategy; S11: Technological Leadership Strategy; S12: Strategic Alliance Strategy) and the Cronbach’s Alpha reliability coefficient value was .88, and the construct validity of each question item was .43 ~.92. There were three factors in PSC (R1: Parents’ willingness to refer the kindergarten to other people; R2: Children’s willingness to enroll in more courses; R3: Children’s willingness to continue studying at the same kindergarten) and the Cronbach's Alpha reliability coefficient value was .77, and the construct validity was .66~.95.

Research Subjects and Sampling

The population of this study was legally registered kindergartens and there were a total of 7,021 kindergartens in Taiwan as of 2011 (Ministry of the Interior, 2011; Ministry of Education, 2011). This study’s ideal sample size was 400 kindergartens. To enhance the representativeness of the research samples, stratified random sampling was adopted as the sampling method. The kindergartens were classified according to the four main geographical regions (northern, southern, central, and eastern Taiwan). Furthermore, stratified sampling was performed in proportion to the number of kindergartens in each geographical region. After drawing, the researcher contacted the headmaster of each kindergarten and sent out the questionnaire to the headmaster. A total of 312 out of 400 distributed questionnaire copies were collected, indicating a response rate of 78%. After the invalid questionnaire copies were eliminated, there were 272 valid questionnaire copies left.

Data Analysis

The SPSS Statistics software package was used to perform factor analysis and construct validity, Cronbach’s Alpha reliability coefficient was used to examine the scale’s reliability, structural equation
modeling (SEM) was used to establish a relational model involving the 12 competitive strategies and three parent satisfaction indexes, and each model’s goodness-of-fit was examined.

**RESEARCH RESULTS**

Based on each kindergarten’s different characteristics, the kindergartens were classified into four categories: urban, rural, large-sized, and small-sized. Structural equation modeling (SEM) was used to analyze the correlation between competitive strategies of kindergartens in each category and the parent satisfaction indexes. There were 12 relational models in total and the results are shown below:

**Analysis of rural kindergartens’ competitive strategies**

Brand-Oriented Strategy and Quality Strategy were the competitive strategies that affected rural children’s willingness to continue studying at the same kindergarten, and that Quality Strategy was more effective than Brand-Oriented Strategy (see Figure 2). Meanwhile, Supporting services strategy and Vertical Integration Strategy were the competitive strategies that affected rural parents’ willingness to let their children enroll in more courses (see Figure 3), and Vertical Integration Strategy was more effective than Supporting Services Strategy. Brand-Oriented Strategy was the best competitive strategy that affected parents’ willingness to refer the kindergarten to other people, but Diversification Strategy had somewhat negative effects (see Figure 4).

**Analysis of urban kindergartens’ competitive strategies**

Brand-Oriented strategy, Student Performance Strategy, and Quality Strategy were the competitive strategies that affected urban children’s willingness to continue studying at the same kindergarten (see Figure 5), and that Student Performance Strategy was more effective. However, Technological Leadership only brought about negative effects. Meanwhile, Price Strategy and Vertical Integration Strategy were the competitive strategies that affected parents’ willingness to enroll their children in more courses (see Figure 6). For urban children, Vertical Integration Strategy was favorable to boost children’s willingness to enroll in more courses, but Price Strategy only resulted in negative effects. Brand-Oriented Strategy and Student Performance Strategy were the competitive strategies that affected parents’ willingness to refer the kindergarten to other people (see Figure 7), and that Student Performance Strategy was more effective than Brand-Oriented Strategy.

**Analysis of large-sized kindergartens’ competitive strategies**

Brand-Oriented Strategy and Quality Strategy were the competitive strategies that affected large-sized kindergarten children’s willingness to continue studying at the same kindergarten (see Figure 8). Supporting Services Strategy, Marketing Strategy, and Vertical Integration Strategy were the competitive strategies that affected children’s willingness to enroll in more courses (see Figure 9), and Vertical Integration Strategy was more effective than other strategies. Brand-Oriented Strategy was the foremost competitive strategy that affected parents’ willingness to refer the kindergarten to other people. However, Diversification Strategy had somewhat negative effects (see Figure 10).

**Analysis of small-sized kindergartens’ competitive strategies**

Student Performance Strategy affected small-sized kindergarten children’s willingness to continue studying at the same kindergarten (see Figure 11), whereas Supporting Services Strategy, Price Strategy,
and Vertical Integration Strategy were the primary competitive strategies that affected children’s willingness to enroll in more courses (see Figure 12). Vertical Integration Strategy was more effective than Supporting Services Strategy; however, Price Strategy was not conducive to children’s willingness to enroll in more courses. In terms of parents’ willingness to refer the kindergarten to other people, Student Performance Strategy and Price Strategy only brought about negative effects (see Figure 13), which coincided with the findings of Onyango et al. (2009) that price cuts are unfavorable for the quality of services and cause a negative impact on children’s willingness to enroll in more courses and parents’ willingness to refer the kindergarten to other people.

Figure 2: Relational model of rural kindergartens’ competitive strategies and parents’ willingness to let their children continue studying at the same kindergarten
χ²=52.13, p=.00; NFI=.92; NNFI=.90; CFI=.94; IFI=.94; GFI=.92; RMSEA=.12

Figure 3: Relational model of rural kindergartens’ competitive strategies and parents’ willingness to let their children enroll in more courses
χ²=22.43, p=.17; NFI=.94; NNFI=.97; CFI=.98; IFI=.98; GFI=.96; RMSEA=.046

Figure 4: Relational model of rural kindergartens’ competitive strategies and parents’ willingness to refer the kindergarten to other people
χ²=38.80, p=.029; NFI=.96; NNFI=.97; CFI=.98; IFI=.98; GFI=.95; RMSEA=.064

Figure 5: Relational model of urban kindergartens’ competitive strategies and parents’ willingness to let their children continue studying at the same kindergarten
χ²=115.24, p=0.002; NFI=.89; NNFI=.92; CFI=.94; IFI=.94; GFI=.87; RMSEA=.082
Figure 6: Relational model of urban kindergartens’ competitive strategies and parents’ willingness to let their children enroll in more courses at the same kindergarten

\[ \chi^2 = 32.17, \ p = 0.14; \ NFI = 0.92; \ NNFI = 0.93; \ CFI = 0.96; \ IFI = 0.96; \ GFI = 0.93; \ RMSEA = 0.092 \]

Figure 7: Relational model of urban kindergartens’ competitive strategies and parents’ willingness to refer the kindergarten to other people

\[ \chi^2 = 18.36, \ p = 0.37; \ NFI = 0.98; \ NNFI = 1.00; \ CFI = 1.00; \ IFI = 1.00; \ GFI = 0.96; \ RMSEA = 0.027 \]

Figure 8: Relational model of large-sized kindergartens’ competitive strategies and parents’ willingness to let their children continue studying at the same kindergarten

\[ \chi^2 = 57.18, \ p = 0.0016; \ NFI = 0.94; \ NNFI = 0.95; \ CFI = 0.97; \ IFI = 0.97; \ GFI = 0.93; \ RMSEA = 0.092 \]

Figure 9: Relational model of large-sized kindergartens’ competitive strategies and parents’ willingness to let their children enroll in more courses

\[ \chi^2 = 72.20, \ p = 0.00068; \ NFI = 0.90; \ NNFI = 0.92; \ CFI = 0.94; \ IFI = 0.94; \ GFI = 0.93; \ RMSEA = 0.074 \]

Figure 10: Relational model of large-sized kindergartens’ competitive strategies and parents’ willingness to refer the kindergarten to other people

\[ \chi^2 = 47.29, \ p = 0.0031; \ NFI = 0.96; \ NNFI = 0.97; \ CFI = 0.98; \ IFI = 0.98; \ GFI = 0.94; \ RMSEA = 0.077 \]

Figure 11: Relational model of small-sized kindergartens’ competitive strategies and parents’ willingness to let their children continue studying at the same kindergarten

\[ \chi^2 = 3.40, \ p = 0.49; \ NFI = 0.98; \ NNFI = 1.01; \ CFI = 0.95; \ IFI = 1.00; \ GFI = 0.99; \ RMSEA = 0.000 \]
CONCLUSION AND SUGGESTIONS

This study centered on what competitive strategies should be adopted by kindergartens with different characteristics to effectively enhance the three indexes of parent satisfaction: children’s willingness to continue studying at the same kindergarten, children’s willingness to enroll in more courses, and parents’ willingness to refer the kindergarten to other people. This study reached the following important conclusions:

Rural kindergartens should adopt Brand-Oriented Strategy as well as take heed of Diversification Strategy’s negative effects.

Rural kindergartens should adopt Brand-Oriented Strategy to enhance children’s willingness to continue studying at the same kindergarten and parents’ willingness to recommend the kindergarten to other people. Also, Vertical Integration Strategy should be adopted to enhance children’s willingness to enroll in more courses. However, Diversification Strategy has somewhat negative effects on parents’ willingness to refer a kindergarten to other people. Due to the effect of lower birth rates in recent years, rural kindergartens especially need competitive strategies. This study suggested that rural kindergartens use Brand-Oriented Strategy to build their brand image, which is conducive to children’s willingness to continue studying at the same kindergarten and parents’ willingness to recommend the kindergarten to other people. However, rural kindergartens should take heed that adopting Diversification Strategy could possibly result in a kindergarten’s negligence in teaching and students’ learning, and to some extent affect parents’ willingness to refer the kindergarten to other people.

For urban kindergartens, Student Performance Strategy was more effective in enhancing children’s willingness to continue studying at the same kindergarten and parents’ willingness to recommend the kindergarten to other people.

For urban kindergartens, Student Performance Strategy was more effective in attracting parents in urban areas and enhancing parents’ willingness to let their children continue studying at the same kindergarten. Meanwhile, the strategy of improving students’ performance was also favorable to reinforce parents’ willingness to recommend a kindergarten to other people. The results could mean that urban parents are more concerned about their children’s performance at school. Thus, using Student Performance Strategy as the main strategy could better assure parents that they feel safer about referring...
the kindergarten to other people.

For large-sized kindergartens, Quality Strategy was favorable to enhance children’s willingness to study at the same kindergarten, Vertical Integration Strategy was favorable for children’s willingness to enroll in more courses, and Brand-Oriented Strategy was able to enhance parents’ willingness to refer the kindergarten to other people.

For large-sized kindergartens, the competitive strategies that positively affected students’ willingness to continue studying at the same kindergarten included Brand-Oriented Strategy and Quality Strategy. Quality Strategy was more effective than Brand-Oriented Strategy. The strategies that affected children’s willingness to enroll in more courses included Supporting Service Strategy, Marketing Strategy, and Vertical Integration Strategy, and among these, Vertical Integration Strategy had the best effects. Brand-Oriented Strategy also made a difference on parents’ willingness to refer a kindergarten to other people. Therefore, building brand reputation for large-sized kindergartens is conducive to enhancing parents’ willingness to refer the kindergarten to other people, and Quality Strategy is more effective in keeping students. In brief, large-sized kindergartens should make brand reputation and quality a priority.

Price Strategy was not suitable for small-sized kindergartens, which should put Student Performance Strategy as a priority.

For small-sized kindergartens, adopting Price Strategy was unfavorable to enhance children’s willingness to enroll in more courses and parents’ willingness to refer the kindergarten to other people. On the contrast, adopting Student Performance Strategy was conducive to enhancing students’ willingness to continue studying at the same kindergarten and parents’ willingness to refer the kindergarten to other people, and Vertical Integration Strategy was favorable to enhance students’ willingness to enroll in more courses. The results indicated that instead of competing through the use of cut-throat prices, small-sized kindergartens should focus more on student performance to highlight the attention and care.

In conclusion, kindergartens with different characteristics should consider the following issues in choosing competitive strategies. First, rural kindergartens should put building a brand reputation as a priority as applying Brand-Oriented Strategy, as this is more effective in enhancing children’s willingness to continue studying at the same kindergarten and parents’ willingness to refer the kindergarten to other people. Small-sized kindergartens should not use price-cut strategy to boost their competitiveness, as the Price Strategy is unfavorable to boost children’s willingness to enroll in more courses and parents’ willingness to refer the kindergarten to other people. Alternatively, small-sized kindergartens should keep calm, put effort into teaching, enhance each child’s performance, and keep students by using Student Performance Strategy. Different from small-sized kindergartens where the educators have more one-on-one teaching and focus on each child’s learning, large-sized kindergartens should work on the overall quality and give the impression of a high-quality kindergarten, which may encompass the quality of teaching, the quality of learning, and the overall school quality. Meanwhile, large-sized kindergartens should build a brand image based on quality to give parents a good impression, and in turn make a good brand impression. In addition, urban kindergartens need to be aware that parents might focus more on their children’s performance, and therefore Student Performance Strategy apparently could prompt parents’ willingness to refer a kindergarten to other people. As such, in an education environment with low birth rates, urban kindergartens should put more effort into student performance, as excellent student performance will encourage parents to refer the kindergarten to more people.

In brief, large-sized kindergartens should start with Quality Strategy and try to establish brand reputation using Brand-Oriented Strategy, while small-sized kindergartens should focus on each child’s learning and focus on Student Performance Strategy. Brand-Oriented Strategy is important for rural kindergartens, as parents might participate in word-of-mouth communication. Parents who enroll their
children in an urban kindergarten value students’ performance and scores at school. Subsequent research after this study should further consider the correlation between competitive strategies and the competitiveness of kindergartens, which might provide a clearer picture of each competitive strategy’s effects on a kindergarten’s overall competitiveness.

REFERENCES


