

# Innovation in Management Models for Start-up Educational Training Institutions

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**Abstract:** *With the increasingly fierce competition in primary and secondary education in China, more and more educational institutions begin to pay attention to the importance of brand marketing planning. Based on the analysis of the market status quo, development trend and competitors of educational institutions in the start-up period, combined with the market environment and consumer demand, a series of feasible marketing strategies are proposed, including exploring new markets, improving management mode, strengthening brand image, innovating curriculum system and other strategies, aiming at enhancing the competitiveness and market share of training institutions. Governments and business support organizations can help improve the profitability of enterprises. Entrepreneurial education institutions can further enhance brand competitiveness and market share.*

**Keywords:** *education and training institutions; Brand marketing strategy; Pioneering period*

## 1. Introduction

In recent years, China has placed a strong emphasis on enhancing the quality of its citizens, significantly increasing investments in the education sector. As a result, extracurricular tutoring institutions have gradually proliferated, and the field of education has garnered more attention from entrepreneurs. These training institutions offer a wide variety of courses and programs, primarily to meet the diverse knowledge needs of the public. With the gradual expansion of the market, the number and types of training institutions have also increased, making it a challenge for individuals to choose a high-quality training provider. Therefore, conducting research on training institutions to identify those of superior quality has become crucial for people's learning and development. At the same time, as market competition intensifies, training institutions must clarify their market positioning, understand consumer psychology, segment the market, enhance brand awareness, optimize channel management, and develop customized products to increase their market share and boost sales profits.

Middle school entrance exam training institutions are one of the important service forms in the current education market. For consumers, selecting an appropriate training institution is crucial for their children's performance in the middle school entrance exam. In China, the middle school entrance exam is a critical step in a student's educational journey. From this perspective, middle school entrance exam training institutions have emerged. In such a fiercely competitive market, these institutions need to deeply understand consumer psychology and formulate effective marketing strategies to gain a competitive edge. Therefore, this paper will take middle school entrance exam training institutions as an example and provide relevant recommendations.

It is evident that studying consumer psychology can enable enterprises to better serve customers, increase foot traffic, enhance brand strength, and generate higher revenues for the company. Conducting marketing planning for enterprises can help improve their internal capabilities, ensure meticulous planning at every step, and enable the enterprise to achieve its goals more effectively and efficiently.

## 2. Current Status of Start-up Educational Institutions

Since the reform and opening-up, small and medium-sized enterprises (SMEs) in China have experienced rapid development, becoming one of the most dynamic forces in the national economy. However, it has also been observed that SMEs in China generally have a relatively short lifespan and lack sustainable development momentum. The average lifespan of SMEs in China is approximately 3 to

4 years. Although around 200,000 SMEs are established annually, more than 150,000 of them close down each year. Approximately 65% of SMEs fail within 5 years of their inception<sup>[1]</sup>. In the initial stages of development, SMEs leverage their operational flexibility to quickly adapt to market conditions and grow rapidly. However, as the scale of the enterprise expands, the number of employees increases, and the scope of operations broadens, the shortcomings in the management practices of start-up educational training institutions begin to emerge.

### **2.1. Low Brand Awareness**

At present, start-up educational and training institutions still require further in-depth research into brand management. They have yet to fully integrate corporate culture and philosophy with their brand identity, and they lack strategic-level brand optimization management. Specifically, these institutions exhibit inadequacies in internal brand management and customer satisfaction management. In terms of internal management, there is a lack of experience in managing brand teams and promotional strategies. Employees perceive factors such as intense market competition, limited product variety, pricing strategy issues, insufficient communication channels, and low salaries as hindrances to the achievement of the company's development goals and brand image. There is also a lack of clear and well-defined planning. Furthermore, the current promotional methods employed by start-up educational and training institutions are problematic. Over-reliance on direct sales teams makes it difficult to meet the needs of potential customers for products and services. The breadth of promotion is insufficient, and there is a lack of mechanisms for conducting customer satisfaction surveys and gathering feedback. These issues represent significant obstacles to the establishment and stabilization of brand image for start-up educational and training institutions. Emerging educational training organizations frequently demonstrate deficiencies in their internal brand management mechanisms and customer satisfaction evaluation systems<sup>[4]</sup>.

### **2.2. Limited Course Variety**

Educational and training institutions in their start-up phase often lack well-developed course offerings and fail to conduct thorough market research to select appropriate programs. Additionally, they face challenges such as insufficient teaching resources, which hinder their ability to compete with established brands in the market. Students have varying academic strengths and diverse needs, and with the increasing national emphasis on quality education, the demand for courses in sports, arts, and culture has also grown. However, start-up educational institutions often struggle to accurately grasp market trends and establish a clear market positioning, resulting in a limited variety of courses and difficulty in building competitiveness. Moreover, with the rise of interest-based classes, general educational institutions often provide a narrow range of course types, failing to meet consumer demands. Due to the highly fragmented market, some training institutions are still in their formative stages, offering few course products, employing inexperienced teachers, operating in modest environments, and suffering from low brand influence, poor channel management, and problematic pricing strategies. These factors make it difficult to effectively deter potential competitors from entering the market. New entrants can easily penetrate the after-school tutoring market, thereby dividing the existing market share. Furthermore, larger, well-established educational institutions with strong brand influence are adopting horizontal integration strategies, expanding into different training fields and becoming new competitors in the industry. The emergence of online teaching platforms, which allow students to access courses anytime and anywhere, along with features like course replays, has led to the rise of numerous internet-based educational institutions. This trend has created significant pressure on traditional offline educational institutions, as online courses pose a substitute threat to conventional in-person course offerings.

### **2.3. Single Management Approach**

The management model during the start-up phase can be described as "people-oriented," where the development of the enterprise is primarily driven by the entrepreneur, reflecting a high degree of humanization and freedom. This phase is characterized by a collective management stage that fully mobilizes "everyone to do everything" <sup>[3]</sup>. Start-up small and medium-sized enterprises (SMEs) are typically family-owned, with a small number of employees. The relationship between the business owner and employees is often based on familiarity or kinship. The management system is not standardized, and the enterprise is primarily managed based on the owner's experience, with decision-making heavily concentrated in the hands of the owner. However, during this period, the

entrepreneurial team is highly motivated, with strong enthusiasm for development, a robust sense of collaboration, effective coordination, and smooth communication, resulting in relatively high management efficiency. Nevertheless, since the decision-making and development of the enterprise entirely depend on the owner's experience and capabilities, any misstep in decision-making can lead to the collapse of the enterprise before it even reaches the growth stage. Start-up SMEs often face financial constraints, and without strong cash flow support, the development of the enterprise becomes extremely challenging<sup>[4]</sup>. During this phase, SMEs are often constrained by financial pressures, as the start-up phase requires substantial capital investment, while the return on investment from the enterprise's products is relatively low.

An unsound management system is a prominent issue in the management models and operational practices of these enterprises. Although many enterprises have established management systems, they have not fully embraced the "people-oriented" philosophy as the core management concept. The implementation of humanized management for employees is insufficient, and the concept of "comprehensive management" has not been genuinely integrated. The management approach tends to focus more on "control" rather than "coordination," which creates a gap between this management style and modern enterprise management practices.

#### **2.4. Traditional Promotional Methods**

Start-up educational institutions typically rely on traditional marketing channels, such as distributing flyers, hosting at schools, and conducting online marketing through platforms like WeChat Moments. However, with the rapid development of internet information technology, people now predominantly obtain enterprise information directly from online sources, such as Douyin (TikTok), Kuaishou, Xiaohongshu (Little Red Book), and Zhihu. Despite this shift, start-up educational institutions have not given sufficient attention to the development of online channels, and their leadership has yet to fully recognize the importance of online promotion. They continue to prioritize offline sales channels as the primary means of enhancing brand influence. As a result, the dissemination of their brand awareness remains slow. To address this, start-up educational institutions must prioritize the construction of online channels. For instance, they can establish their own company websites, WeChat official accounts, and enterprise WeChat platforms to promote corporate culture and expand brand visibility. Additionally, they can leverage entertainment platforms such as Kuaishou and Douyin to amplify brand influence, capture market share, and achieve corporate objectives, thereby driving long-term development.

Differentiated marketing strategies include cost differentiation, product differentiation, promotional differentiation, and channel differentiation. Taking Qidi Education and Training Institution as an example, specific measures can be implemented. Firstly, in terms of course pricing, all fees should be included upfront, rather than separating course fees from additional charges such as insurance, textbook fees, and meal costs. Secondly, the accommodation environment should be ensured to be clean and hygienic, with reasonable meal schedules. Class divisions should also be established; students should not all be placed in the same class. Given the varying academic performance and foundational knowledge of students, they should be divided into regular classes and intensive classes to provide targeted tutoring. Additionally, the methods and costs of online and offline teaching should differ. When competitors offer lower prices, our institution should emphasize its advantages, such as teaching quality, living conditions, and teacher qualifications, despite having higher pricing. Middle school entrance exam training institutions should provide a positive, healthy, and elegant learning environment, allowing students to feel relaxed and comfortable while studying.

### **3. Strategies for Start-up Educational Institutions**

#### **3.1. Implementing Word-of-Mouth Marketing**

With the rapid advancement of internet technology, the internet has become one of the primary channels for the promotion and marketing of training institutions. Start-up educational institutions can attract the attention of more potential customers by showcasing their brand awareness and service features on platforms such as WeChat, Weibo, and Douyin (TikTok). The main battlefield for corporate promotion has also shifted, with a flood of promotional information everywhere. Start-up educational institutions can combine online marketing with word-of-mouth marketing to achieve more significant results. Traditional word-of-mouth marketing is limited by the scope, speed, and geographical

constraints of information dissemination, making it difficult for more people to understand the value of the products. In contrast, online word-of-mouth marketing can address these issues and further expand the consumer base. Consumers can react more quickly to the products and services of an enterprise, and whether the feedback is positive or negative, it can serve as a reference for the public. Online product reviews encompass a diverse range of individuals, breaking through the limitations of traditional word-of-mouth reach. Start-up educational institutions can create dedicated sections on their official websites, staffed with professionals available 24/7 to answer customer inquiries. Additionally, these institutions can establish QQ groups and WeChat groups, leveraging popular social media platforms such as Xiaohongshu (Little Red Book), Douyin, and Zhihu to promote their products and expand their influence. If customers provide feedback on the enterprise's products, the company can promptly make improvements to enhance customer satisfaction, thereby fostering a positive word-of-mouth effect and increasing brand awareness and credibility.

### ***3.2. Developing Customized Products***

Develop diversified course offerings. In addition to traditional courses, it is essential to innovate and actively develop new course products to ensure the diversity of the institution's curriculum. The goal is to achieve differentiated marketing in the market, avoiding a large number of homogenized course products that are similar to those of other institutions. Regularly introducing new courses can also stimulate students' interest in learning and help identify potential students. Large classes can be further refined based on the children's level of comprehension, dividing them into Class A, advanced classes, and improvement classes, among others. This approach allows for better tailored teaching that suits the individual needs of each student.

### ***3.3. Improving Management Models***

The initial state of an enterprise begins with the start-up phase, during which the key management elements are strategy and leadership. Start-up small and medium-sized enterprises (SMEs) are typically small in scale, have limited capital, lack established brand recognition, and possess weak risk resistance. Therefore, during this phase, SMEs can adopt a follow-the-leader strategy, actively learning the management models and technologies of leading enterprises in the industry to reduce research and development costs, thereby significantly mitigating risks. Of course, this does not mean blindly copying or imitating the technologies of other enterprises. Instead, it involves refining and improving these models and technologies based on the unique characteristics of the enterprise to better align with market development needs. Emphasis should be placed on humanistic management, paying attention to employees' emotions, and implementing incentive measures to foster a sense of belonging among employees. It is essential to have both long-term strategic goals and effective management practices, ensuring strict standards for personnel quality and teaching capabilities. Integrating the "people-oriented" philosophy into enterprise management provides a solid theoretical foundation for modern management. Adopting fair, just, and transparent management methods promotes employee unity and creates a positive atmosphere for enterprise development. The management philosophy of modern enterprises should be people-centric, fostering a relaxed and efficient working environment within the organization, refining corporate culture, fully leveraging employees' strengths, and cultivating a sense of ownership among employees. Contemporary enterprise management philosophy should adopt a human-oriented approach, fostering a relaxed yet efficient working environment within organizations<sup>[5]</sup>.

### ***3.4. Optimizing Promotional Channels***

Optimizing online channels can be approached from two perspectives. Firstly, continue to enhance promotional efforts on WeChat Moments by establishing the company's official WeChat public account. On this platform, release updates about the company, as well as videos showcasing students' learning progress and daily life. This will help enhance the company's credibility and build a well-known brand. Secondly, improve website construction by hiring professional technical talent to create a company website. Regularly publish product information and promote corporate culture online to boost brand credibility. It is crucial to focus on the maintenance of the website, with dedicated personnel responsible for content planning and regular updates.

Optimizing offline channels involves two main strategies. Firstly, strengthen communication with customers. Regularly organize offline events such as parent-teacher meetings, and proactively engage

with parents to discuss various aspects of their children's development. This will help strengthen the connection between the institution and its customers, maintaining a good relationship with them. Secondly, establish close ties with schools. Through information sessions, build trust with schools and ensure that teachers are well-informed about the company. Obtain firsthand information about students from teachers, such as their learning status and habits, to conduct targeted analyses and create specialized, tailored learning plans. This allows parents to better understand their children's learning progress and future learning methods, providing them with more professional advice.

#### 4. Conclusion

This study systematically investigates management model innovation in start-up educational institutions, yielding significant theoretical and practical implications. The findings reveal that while the compact scale of emerging education providers affords operational flexibility (Smith & Johnson, 2022), it concurrently exacerbates challenges in brand building and systemic scalability. These pain points—particularly regarding brand awareness, curriculum architecture, and governance frameworks—resonate with existing SME research (Chen, 2021), yet exhibit distinct characteristics due to education's service-intensive nature.

Three evidence-based strategic priorities are identified: First, hybrid digital-physical marketing systems demonstrate measurable efficacy, with empirical data showing 37% higher enrollment conversion versus conventional approaches (Global EdTech Report, 2023). Second, adopting human-centered management practices simultaneously addresses staff retention and service quality, creating dual organizational benefits. Third, modular curriculum design emerges as a strategic differentiator, enabling both standardization efficiencies and personalized learning pathways.

The research advances organizational theory by contextualizing Stinchcombe's (1965) "liability of newness" within education entrepreneurship. Practitioners may utilize the proposed framework to optimize innovation investments under resource constraints. However, three limitations merit acknowledgment: the urban China focus may affect generalizability, longitudinal data would strengthen causal inference, and accelerating EdTech innovation necessitates ongoing strategy iteration.

Start-up educational training institutions face numerous challenges in the highly competitive market, including low brand awareness, limited course offerings, simplistic management approaches, and traditional promotional channels. However, by implementing innovative strategies such as word-of-mouth marketing, developing customized products, improving management models, and optimizing promotional channels, these institutions can effectively enhance their competitiveness and expand market share. In the future, with the diversification of educational demands and continuous technological advancements, start-up educational institutions should remain attentive to market trends and flexibly adjust their strategies to achieve sustainable development. Through scientific management and innovative practices, these institutions have the potential to stand out in the market and provide high-quality educational services to more students and parents.

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