

CHILD CARE SERVICE

Challenge:

The client is exploring the idea of launching a new pre-school in a city municipality. While the pre-school business is prevalent, this city municipality remains fertile ground for the business. The client is currently seeking primary and secondary market research to gauge the viability of the pre-school business and the competitiveness of this business in the targeted municipality.

Solution:

Primary market research approach was used for exploratory analysis.

Secondary market research approach was used for descriptive analysis.

Results:

- At the time of the research, there were 626 childcare service seats available in the city municipality of interest to service a population of 5-year-old and under children that totals 2,274.
- There are 17 childcare establishments located in the city municipality of interest. These childcare establishments generated approximately \$1.24M in annual gross revenue with an estimated yearly operating cost of \$809,452 in this municipality.
- The average hourly wage for childcare establishment directors is approximately \$18.75/hr (\$39,000 annually) and for non-directors is approximately \$10.20/hr (\$21,210 annually) in this municipality.
- The research findings indicated that 92.3% of parents that are currently using childcare services would use childcare services if they were available at the client's commercial healthcare/recreational facilities.
- The research findings indicated that 88.9% of parents that consider \$80-\$130 per week per child a reasonable amount to pay for childcare would use childcare services if they were available at the client's commercial healthcare/recreational facilities.. The findings also indicated that 55.6% of parents that consider \$131-\$180 per week per child a reasonable amount to pay for childcare would use childcare services if they were available at the commercial healthcare/recreational facilities.



- The research findings indicated that 91.7% of parents using childcare services that are satisfied with their current childcare arrangement would use childcare services if they were available at the commercial healthcare/recreational facilities.

Conclusion:

The results guide the development of a strategic marketing and business model that will act as a financial restraint & mechanism to guide financial and business decisions; thus, safe guarding the business resources and maximizing shareholders' return-on-investment (ROI).



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