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Commercial Development Plan of MF Online Tutoring Company

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Department of Marketing, Operations and General Management

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Resumo

Com o aumento da concorrência no setor de educação online, a empresa MF Online Tutoring enfrenta desafios na aquisição e retenção de clientes. Aspectos como perfis de clientes pouco claros, respostas tardias ao feedback dos clientes e fraca diversificação dos cursos dificultam o crescimento da empresa e o engajamento dos alunos.

Este projeto tem como objetivo desenhar um Plano de Desenvolvimento Comercial para expandir a base de alunos da MF, aumentar o seu engajamento e a sua retenção a longo prazo, através de estratégias de gestão de relacionamento com o cliente.

Para enfrentar esses desafios, o estudo aplica os 4R do marketing, composto por: Marketing de Relevância – Aperfeiçoamento na segmentação de potenciais alunos e pais, Marketing de Reação – Implementação de um mecanismo eficaz de feedback e resposta, Marketing de Relacionamento – Fortalecimento da gestão do relacionamento com o cliente através da personalização, Marketing de Recompensa – Melhoria na motivação e retenção dos alunos através de programas de incentivo e diversificação dos cursos.

Através da análise dos dados da MF, perfis dos alunos e registos das aulas, o estudo identifica os principais fatores que impactam o negócio e propõe soluções para atingir os objetivos delineados.

Com base nos resultados, foi proposto o seguinte plano de desenvolvimento comercial: utilizar insights baseados em dados para identificar e melhor atrair novos alunos, implementar um mecanismo eficiente de resposta para atender em tempo real às preocupações dos alunos e pais, melhorar a gestão de dados para personalizar a experiência de aprendizagem e fortalecer a fidelização dos clientes, bem como expandir os métodos de ensino e os sistemas de recompensa para aumentar a satisfação e a retenção dos alunos.

Ao adotar essas soluções, a MF pretende expandir sua presença no mercado e garantir um crescimento sustentável.

Palavras-chave: Plano comercial, tutoria de inglês online, relacionamento com clientes, vendas.

Códigos JEL: Marketing M31, I21 Análise da Educação

Abstract

With increasing competition in online education, MF Online Tutoring Company faces challenges in customer acquisition and retention. Issues such as unclear user profiling, delayed feedback responses, and limited course diversification hinder its growth and student engagement.

This project aims to develop a Commercial Development Plan to expand MF Company's student base, enhance engagement, and improve long-term retention through refined customer strategies.

To address these challenges, the study applies the 4R marketing framework, which consists of: Relevance Marketing – Enhancing precision in targeting potential students and parents; Reaction Marketing – Establishing an effective customer feedback and response mechanism; Relationship Marketing – Strengthening customer relationship management through personalized services; Reward Marketing – Improving student motivation and retention with incentive programs and course diversification. By analyzing MF Company's operational data, student profiles, and class records, this study identifies key factors affecting the company's online education business and proposes solutions to reach the defined objectives.

Based on the findings, the following commercial development plan have been proposed: leveraging data-driven insights to better identify and attract potential students, implementing an efficient response mechanism to address student and parent concerns in real time, improving data management to personalize learning experiences and foster long-term customer loyalty, expanding teaching methods and reward systems to enhance student satisfaction and retention. By implementing these solutions, MF Company aims to expand its market presence and ensure sustainable growth..

Keywords: Commercial plan, Online English tutoring, customer relationships, sales

JEL Codes: Marketing M31, I21 Analysis of Education

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Glossary

AI – Artificial Intelligence

CAL – Computer-Assisted Learning

CAGR – Compound Annual Growth Rate

CLV – Customer Lifetime Value

CNKI – China National Knowledge Infrastructure

COVID-19 – Coronavirus Disease 2019

CRM – Customer Relationship Management

EdTech – Educational Technology

4C – Consumer, Cost, Convenience, Communication

4Ps – Product, Price, Place, Promotion

Four Rs – Relevance, Responsiveness, Relationship, Retention

GDP – Gross Domestic Product

IBM SPSS – International Business Machines Statistical Package for the Social Sciences

ICP – Internet Content Provider

K12 – Kindergarten through Grade 12

MF – MF Online Education Company

MOOCs – Massive Open Online Courses

OLQ – Online Learning Quality

PEST – Political, Economic, Social, and Technological

Q&A – Question and Answer

RMB – Renminbi

STEM – Science, Technology, Engineering, and Mathematics

SWOT – Strengths, Weaknesses, Opportunities, and Threats

1. Introduction

The rapid development of science and technology, coupled with globalization, has driven online education's growth. In China, online education began in the 1980s with distance learning programs via mail, telephone, and email as the Internet gained popularity. By the 1990s, as Internet technology progressed, online education evolved into a multimedia format, enabling students to access educational websites and resources. In the 21st century, digital learning has significantly advanced, leading to an explosion of educational software and online courses. Students can now access video, audio, and text resources, while mobile devices and applications further enhance learning flexibility. The rise of artificial intelligence (AI) and big data has been crucial, as AI systems offer personalized learning paths and big data provides insights into students' needs, improving teaching methods.

Despite rapid growth, small online English tutoring companies face significant challenges in a highly competitive market. Large online education platforms and established English training institutions dominate, making it difficult for smaller companies to stand out. Additionally, the surge in AI advancements has disrupted traditional models, requiring companies to adapt quickly. These challenges make it crucial for small tutoring companies to develop effective strategies for attracting and retaining students.

The goal of this project is to create a Commercial Development Plan for a small online English tutoring company (MF Online Tutoring Company), focusing on how to improve customer acquisition and retention strategies in the face of intense competition and rapid technological changes. The plan will explore ways to enhance student engagement and long-term retention by leveraging both traditional marketing and innovative approaches enabled by AI and big data.

This study adopts a data-driven approach, analyzing market trends, customer feedback, and technological advancements. By examining operational data, customer profiles, and class records, it will identify key factors affecting growth. The 4R marketing framework — Relevance, Reaction, Relationship, and Reward Marketing — will guide strategies to enhance student targeting, improve communication, personalize services, and incentivize retention. Additionally, the project will assess AI and big data's role in shaping online tutoring's future.

The structure of this thesis is organized as follows: Chapter 1 provides an introduction to the research background, objectives, and significance. Chapter 2 presents a literature review on relevant theories and previous studies. Chapter 3 outlines the research methodology, including data collection and analysis methods. Chapter 4 discusses the external and internal situation. Chapter 5 makes the commercial development plan. Chapter 6 makes the implementation plan. Chapter 7 concludes the thesis with key insights, limitations, and suggestions for future research.

2. Literature review

In this chapter, the writer will briefly introduce the research status of private tutoring at home and abroad, the research status of online tutoring at home and abroad, and the marketing strategies of online tutoring companies.

2.1 Concept of Shadow education

Shadow education is a widely recognized term used to describe private supplementary tutoring that takes place outside of formal schooling hours(Stevenson & Baker, 1992). The presence of shadow education is closely tied to the existence of mainstream education. A significant portion of the shadow curriculum mirrors that of traditional schools, and the shadow sector expands in tandem with the growth of the formal education sector.

While the aforementioned definition is commonly employed, it has certain limitations in fully encompassing the dynamic nature and extensive diversities of shadow education. For instance, the terms 'shadow' and 'supplementary' imply that the content of shadow education largely mirrors that of formal schooling. However, recent research has unveiled that certain tutoring companies have developed distinct operational models with unique teaching focuses, pedagogies, and curricula. Consequently, they can no longer be regarded as mere shadows of mainstream schools (Bray, 2021).

Private tutoring can be provided through various formats, including one-on-one sessions, small-group settings, or lecture-style classes. As it involves charging fees, it is considered an edu-business industry. Critics argue that private tutoring perpetuates social class divisions, exacerbating inequality and contributing to social stratification(Tsiplakides, 2018).

2.2 Private tutoring

2.2.1 Private tutoring research in Europe, Asia and Pacific region

There is substantial variation in the availability of information on after-school programs across European countries. In Western Europe, researchers have displayed limited interest in investigating the characteristics of shadow education. (Suter, 2016).

Based on the findings of the Programme for International Student Assessment (PISA)1, there are significant variations in the participation rates of after-school programs for science, mathematics, and local language among European countries. Eastern European countries, including Greece, Poland, Bulgaria, Lithuania, Slovenia, Slovak Republic, Latvia, Hungary, and Croatia, exhibit notably high levels of student participation in these programs. Conversely, northern European countries such as Denmark, Iceland, and Germany have lower rates of participation in these programs (OECD, 2016).

Contrary to the general pattern observed in Europe, England stands out with higher rates of student engagement in out-of-school-time activities focused on science, mathematics, and language. However, limited research has been conducted thus far to fully understand the factors driving these disparities across European nations. Notably, terms such as "extended education" and "all-day education" have gained prominence in certain European countries, particularly Germany, as part of recent expansions in educational offerings (Fischer et al., 2011).

After the release of the PISA assessment surveys between 2000 and 2015, which revealed comparatively lower student achievement in Germany, there has been increased focus on the duration of the school day. In Germany, around one-third of fifth-grade students are enrolled in some form of extended education. The concept of "all-day schools" has gained popularity, where these schools offer extracurricular activities in the afternoon that are directly linked to classroom lessons and assist students with their schoolwork. All-day schools in Germany are available in different models, including compulsory all-day schools, voluntary open all-day schools, and mixed all-day schools that provide flexible options (Fischer et al., 2014).

Private tutoring has also experienced notable popularity in Eastern European countries. According to (Silova, 2010), there has been a substantial expansion of shadow education in Eastern Europe since the 1990s, following the dissolution of the Soviet Union.

In countries like Romania, Azerbaijan, Armenia, and Georgia, where teacher salaries are comparatively low, schoolteachers have become significant participants in the private tutoring market, utilizing it as an additional means of income (Popa & Acedo, 2006; Kobakhidze, 2018).

An analysis of countries in the former Eastern Bloc, such as the Czech Republic, reveals a favorable environment for the thriving private tutoring phenomenon. This encompasses both traditional face-to-face tutoring and the utilization of online platforms. (Šťastný, 2017).

A significant feature of East Asian education is the high level of student involvement in private supplementary education activities beyond regular school hours. (Stevenson & Baker, 1992; Kuan, 2011; Park, 2013).

In countries such as China and Vietnam, located in East Asia and Southeast Asia respectively, the influence of Confucian philosophy has had a deep-rooted impact on parents spanning multiple generations. Confucianism, which has endured for centuries, played a pivotal role during the Feudal periods by emphasizing the selection of officials based on their examination performance. This system aimed to ensure that candidates were considered capable based on their educational accomplishments (Feng, 2019).

Moreover, in South Asian countries such as Sri Lanka, the practice of private tutoring has been handed down through generations (Zhang & Bray, 2019; Zhang & Bray, 2020). Parents in countries like China and Vietnam, which are situated in East Asia and Southeast Asia respectively, are deeply influenced by the Confucian philosophy across multiple generations. Confucianism, prevalent for centuries, played a pivotal role during the Feudal periods, where rulers often elected officials based on their performance in examinations to ensure that candidates were deemed competent based on their educational achievements (Feng, 2019).

Shifting our focus to the Pacific region, the prevalence of private tutoring has been on the rise in Australia and New Zealand (Davis, 2013; Briant et al., 2020; Dhall, 2021). Countries like Fiji, Papua New Guinea, and Tonga exhibit less prominence in private tutoring compared to other regions. However, considering the impact of globalization, neoliberalism, and social competition, it is likely that these forces will contribute to the expansion of private tutoring in those countries as well. Private tutoring is now observable across all world regions, including Africa (Bray, 2021a), the Middle East (Bray & Hajar, 2022), South America (Lasekan et al., 2019; Galvão, 2020), and North America (Aurini et al., 2013). Despite their reputation for providing high-quality schooling that meets diverse needs without requiring additional supplementation, even the Nordic countries have witnessed the emergence of the private tutoring phenomenon (Christensen & Zhang, 2021).

2.2.2 Research status in china

Similar to other regions in East Asia, the utilization and intensity of private supplementary tutoring have experienced substantial growth in China in recent years (Lei, 2005; Chu, 2009; Huang & Wei, 2018). The phenomenon of shadow education in China first appeared during the 1990s and rapidly grew into the largest clandestine educational system globally (Zhang & Bray, 2021).

The national government agenda was formulated in response to the public's growing concern over the excessive pressure on students. Additionally, the government finally acknowledged the existence of extensive shadow education systems that had been operating alongside public schooling, despite previously disregarding this phenomenon for many years. It became evident to the authorities that their attempts to lessen the study burdens were being undermined to some extent by the shadow education sector. Moreover, they recognized that the private tutoring sector had significant implications for exacerbating social inequalities. These concerns of educational authorities were influenced, in part, by a study conducted in Shanghai, among other sources (Zhang & Bray, 2017).

Policies aimed at reducing official school hours were not only frequently undermined by the additional hours of tutoring, but the school curriculum itself was expedited as students engaged in supplementary learning beyond the prescribed syllabus. One of the major issues arose from tutoring programs established by elite schools or in collaboration with them, which served as an entry criterion and fueled intense competition among both schools and students. Moreover, when regular school teachers became involved in tutoring, problematic aspects emerged. These teachers often faced the temptation to neglect their primary responsibilities and could exert inappropriate pressure on their current students to seek tutoring (Zhang & Bray, 2015).

2.3 Online tutoring

In the age of information and rapid advancements in information and communications technology tools, online education has emerged as a significant innovation, offering diverse opportunities for lifelong learning. Progress in telecommunication and computer technologies

has made the creation of online courses and the establishment of networked learning communities more accessible and feasible for educators across all levels of education.

E-tutoring has expanded the boundaries of traditional tutoring, allowing its objectives to be accomplished in virtual environments. Therefore, e-tutoring encompasses personalized assistance provided by a tutor to an individual or a small group of learners, utilizing the Internet as the primary medium of communication (Flowers, 2007; Corrigan, 2012).

2.3.1 International research status of online tutoring

The rapid advancement of digital technology continually brings forth evolving characteristics in its development. Following the baby boomers and Generation X, new micro-generations emerge approximately every four years, introducing fresh concerns, motivations, and challenges across all aspects of their lives (Morin, 2016). These micro-generations can be categorized as follows:

Echo-Boomers or Gen Y: Born between 1989 and 1994, they are the first digital natives who grew up alongside the establishment of the Web. The advent of new technology significantly influenced their upbringing.

The net generation, often known as Gen Z: Born between 1994 and 1998, the internet is an indispensable part of their lives. This hyper-connected "selfie" generation has a profound attachment to their smartphones, considering them as extensions of their personalities.

The Post-Millennial Generation Z or the young mobile generation: Born between 2002 and 2006, this group predominantly acquires knowledge through social networks and mobile technology.

The youngest cohort of students, born between 2006 and 2010, is referred to as Gen Z—Silent Generation. They have been connected to technology since birth.

The current generation of students has come of age in a digital world characterized by computers, the internet, and various social media platforms like Instagram, Facebook, Twitter, Google, and other online networks (Jukes et al., 2010).

Engaging in active interaction with others online is an integral part of their learning process. A considerable number of students manage their web blogs and establish a visible online identity through personal profiles on the internet (Curtis, 2009).

These students exhibit a preference for active participation and collaboration, utilizing the latest technology and visualization tools. They have a strong inclination towards seeking information independently rather than passively receiving it (Morin, 2016). On-demand access to knowledge through the internet is their preferred method, enabling them to swiftly absorb information from various channels. They actively engage in networks to share and generate new knowledge, maintaining frequent contact with their peers.

Over the past few decades, there has been a significant development of a more social and interconnected web, fostering the concept of network learning. Open network learning environments have emerged as digital spaces that enable students to engage in social networking, curate social content, and facilitate collaborative activities by connecting individuals, resources, and tools. These environments integrate Internet tools to create transparent and interactive learning settings (Tu et al., 2012; Borba et al., 2016).

In the past few decades, we have witnessed the emergence of a more social and interconnected web, which has paved the way for the concept of network learning. Open network learning environments have been created as digital spaces that empower students to engage in social networking, organize social content, and facilitate collaborative activities. These environments connect individuals, resources, and tools, leveraging internet tools to design transparent and interactive learning settings (Tu et al., 2012; Borba et al., 2016).

Over the past few years, the advent of the internet has sparked a revolution in relationships, transforming the way we communicate in profound ways. (Van de Sande, 2011; Tu et al., 2012; Borba et al., 2016).

This advancement presents us with the potential for interactive communication through the Internet, as well as expanded avenues for collaborative learning. Additionally, it enables the customization of online experiences through personal devices. The significance of social media is growing, shifting the educational landscape from a traditional "push" model to a student-centered "pull" approach, where students actively engage in various aspects of the learning process (Martinovic et al., 2013).

Moreover, the emergence of digital resources and tools raises doubts about the effectiveness of existing teaching practices and conventional classroom settings (Drijvers et al., 2013; Gueudet & Pepin, 2020).

The social dimensions of the internet are increasingly significant, and concepts like "humans-with-media" highlight the potential for transformative changes in the process of knowledge acquisition when media are altered (Borba et al., 2018). Additionally, as humans continue to create and shape new forms of media, these media appear to have the power to reshape and influence the very nature of human existence.

The rise in online language learning has been consistently gaining popularity over the past decade due to the expansion of the internet and the widespread availability of computers both in households and educational institutions, spanning from K-12 to post-secondary levels. (White, 2003; Felix, 2003a; Hubbard & Levy, 2006; Stickler & Hauck, 2006a).

According to White (2003), over 1300 language courses were available through distance learning out of the 55,000 registered distance courses across 130 countries. She noted that the prevailing perception of online courses being cost-effective and time-efficient has attracted a growing number of providers to venture into the realm of online language learning. While distance language learning is not a novel concept, advancements in communication technology have accelerated the demand for online language learning, enabling learners to connect both synchronously and asynchronously, and facilitating autonomous learning.

While online tutoring platforms provide various tools to facilitate virtual learning, the effectiveness of these tools depends on how they are integrated into teaching strategies. A recent study by Cheung (2023) examines the factors influencing ESL teachers' levels of technology integration, highlighting critical implications for online tutoring companies. The study concludes that teachers' confidence in using digital tools, the availability of institutional support, and ongoing professional development are key drivers of successful integration.

2.3.2 Resarch status in china

Online tutoring encompasses the integration of technology and education. In terms of technology, both educators and students utilize digital devices such as computers, laptops, e-book bags, and more. Additionally, the presence of a wireless network is crucial.

Regarding tutoring itself, digital tutoring fulfills students' needs, as teachers cater their instruction to match what students desire to learn. This approach ensures teaching aligns with the individual aptitude of each student. Consequently, online tutoring goes beyond the traditional concept of using a computer as a mere instructional tool, instead enabling students to learn anything they desire, anytime and anywhere. This innovative approach promotes the seamless integration of technology and education.

The concept of "Internet+Education" has been implemented in diverse educational settings in foreign countries. As early as 1985, Computer-Assisted Learning (CAL) systems, developed by IBM in the United States, were utilized to facilitate teaching processes and streamline educational procedures (Holec, 1981). Stanford University pioneered the utilization of the "M-learning" model, integrating mobile phones into the field of education in 2001 (Ma, 2007). In 2012, an increasing number of online platforms were established by top-tier universities in the United States, offering free courses. This development has made it feasible for students to systematically acquire knowledge through structured online learning programs (Han & Han, 2014). Drawing inspiration from the aforementioned examples, China has initiated a notable emphasis on online education.

When it comes to online tutoring in China, numerous scholars have expressed their perspectives and ideas from various angles. In the present era, online education holds significant advantages over offline education, primarily due to its freedom from temporal and spatial constraints. Learning content is easily accessible and highly utilized, with a wealth of diverse resources available. Moreover, online education boasts lower study costs and reduced participation barriers (Na, 2021).

Currently, network marketing serves as the prevailing marketing approach employed by K12 online education companies. Liu (2018) highlights that network marketing involves utilizing online channels to engage individuals who are accustomed to using the internet,

ultimately transforming them into users. The network marketing process typically begins by offering free learning resources to rapidly attract a substantial user base. After accumulating a significant amount of traffic through this free strategy, revenue can be generated by leveraging advertising, implementing paid services, and other methods.

According to Zhao (2020), before 2020, the infrastructure for online education had largely been established and implemented in certain regions. However, it was the onset of the 2020 pandemic that proved to be a pivotal moment, prompting consumers to recognize online education as a viable alternative to learning.

Yu Jia (2020) remarked that the "Suspend classes but keep teaching" approach was introduced by the Ministry of Education in response to the COVID-19 pandemic in 2020. Subsequently, local governments began exploring diverse methods of online education. Through practical implementation, this approach demonstrated several noteworthy features, including the sharing of abundant educational resources, enhanced flexibility, and convenience. Online education exhibited distinct advantages in terms of resource availability, presentation formats, learning experiences, and communication, surpassing what offline art training could offer. Moreover, it addressed the deficiencies associated with offline art learning. However, it also unveiled certain drawbacks, such as the relatively solitary nature of the learning environment.

"Internet+" accurately refers to the strategic integration of the Internet with each traditional industry. It goes beyond the mere combination of these entities without careful consideration. Instead, it entails connecting new technological advancements with traditional industries to facilitate the effective redistribution of resources(Shi, 2001; Chen et al., 2020).

"Internet+Education" presents both opportunities and challenges in our pursuit of modernizing education, providing a superior platform for lifelong learning. It serves as an effective means of resource allocation and enhances the efficiency of education administration. In 2015, an international education conference titled "Information Technology and Future Educational Reform" took place in Shandong Province. This event symbolized the emerging fusion between education and big data, a topic of great significance and relevance in today's discussions (Wu & Zhao, 2013; Zhang & Zhou, 2015; Duan, 2020).

Online tutoring is witnessing a remarkable surge in popularity, positioning itself as the uncontested leader in the field of education, thanks to substantial investments and continuous updates in teaching methods. "Internet+education" is widely recognized as the new educational paradigm in contemporary society. It disrupts the conventional model of one classroom and one school, replacing it with a virtual platform and computer terminals, enabling the selection of teachers and students without geographical limitations(Gu, 2020).

In the realm of online tutoring, teachers and students engage in face-to-face communication, fostering student enthusiasm. This interaction is facilitated by seamless internet connectivity, enabling the seamless transmission of valuable information displayed on the screens visible to both parties(Lv, 2014; Dou & Wang, 2015; Ping and Du, 2016).

"Internet+Education," as the integration of technology and education, represents a distinct departure from traditional teaching structures and signifies a new era in educational organization(Wang, 2020).

"Internet+Education" embodies the vision of educational information technology, encompassing the essence of stages and online teaching. It serves as the guiding principle for leveraging the power of the Internet in the realm of education (He, 2002; Chen, 2016; Chen et al., 2017; He, 2018)

2.4 Four Rs marketing strategy of online tutoring

In the evolution of marketing strategies, McCarthy (1965) introduced the 4Ps framework—Product, Price, Place, and Promotion. This author highlighted how businesses could strategically use these elements to create an effective marketing mix. The 4Ps framework emphasized product offerings, pricing strategies, distribution channels, and promotional tactics, which helped marketers understand and manage their market positioning and customer reach. This concept resonated with both practitioners and academics and became a cornerstone of marketing theory.

As marketing theories evolved, McCarthy's 4Ps framework remains a foundational concept for both academics and practitioners.

Research on the development of K12 education and its related product forms, Liu (2018) has summarized the advantages and disadvantages of marketing strategies in K12 online

education. The author proposes a comprehensive approach that integrates online and offline services and emphasizes the establishment of the brand to attract new customers, retain existing customers, and promote the continuous development of K12 online education.

After conducting research on F Education Company's current marketing strategy and comparing it with other education and training institutions across the country, Liu (2017) put forward suggestions to improve the company's marketing situation. These suggestions included enhancing curriculum products and implementing online channel marketing strategies. In Zhao (2018)’s study, she used the Hangzhou branch of New Oriental Education and Training as a case study. Through an analysis of its marketing strategy, she identified areas for improvement in the company's growth and suggested that a key focus should be on enhancing its products to align with consumer demands. Moreover, she emphasized the significance of ongoing training for the teaching staff to enhance their teaching capabilities and deliver an improved learning experience to consumers.

As market competition intensifies, businesses relying on the traditional 4Ps marketing approach encounter mounting challenges. To remain agile and responsive to market dynamics and customer needs, Lauterborn (1990) redefined the fundamental elements of marketing and introduced the 4C marketing theory, as a counterpart to the traditional 4Ps of marketing. This new framework emphasizes the importance of customer-centric strategies and highlights the need for businesses to focus on customer needs, convenience, cost-effectiveness, and communication.

Li (2019) conducted a study focusing on the marketing strategies employed by New Oriental Education and Training in their secondary school and children's education businesses. Her findings indicated that a combination of marketing activities, with an emphasis on enhancing customer satisfaction, can more effectively attain marketing objectives.

The "4R" model signifies the significance of personalized marketing. Schultz (2004) proposed four tools to achieve this objective. First, relevance highlights the importance of aligning products with customers' specific needs and preferences. Second, responsiveness involves promptly adapting to market changes. Third, building strong customer relations is essential, emphasizing the fulfillment of promises made to customers. Lastly, the reward is

obtained from customers through the value they receive, leading to continued cooperation and collaboration.

Elliot (2001) presented a comparable model and introduced several marketing tools. These include the establishment of strong relationships between the enterprise and its customers. Additionally, retrenchment emphasizes the importance of economic factors, technological advancements, and convenience in facilitating closer interactions between the enterprise and its customers. Relevance is another tool that focuses on the alignment of brand value with customers' motivation to make purchases. Lastly, rewarding customers involves ensuring their long-term satisfaction by meeting their preferences and needs.

The three marketing strategy theories above exemplify the shift from a producer-centric approach to a customer-centric approach, showcasing the evolution of marketing practices in response to evolving market dynamics and customer expectations.

Yu & Feng (2002) conducted a comparative analysis of 4P, 4C, and 4R, explaining that they do not have a relationship of replacement but rather a relationship of improvement and development. Based on the 4R marketing theory, Sun (2014), in his study of the subject librarian service model, proposes the core idea and the most important part of the model is to set up and develop a long steady interactive relationship between the readers. Meanwhile, he also suggests that meeting and digging into the reader's needs is an effective way to obtain the reader’s loyalty, improve the reader’s satisfaction, and ultimately win the subject librarian's self-realization.

2.5 Customer acquisition and retention

Kotler’ s Loyalty Ladder is a marketing framework proposed by Philip Kotler, which illustrates the progressive stages of developing customer loyalty (Kotler & Keller, 2016). The model outlines a five-step hierarchy:

- Prospect – Potential customers who have not yet made a purchase.
- Customer – Individuals who have made a one-time purchase or used the service.
- Client – Repeat customers who demonstrate a preference for the service.
- Supporter – Satisfied clients who hold a positive attitude toward the brand.

- Advocate – Loyal individuals who actively recommend the service to others.

The primary goal of the loyalty ladder is to move individuals from being prospects to becoming advocates through consistent value delivery, customer satisfaction, and relationship-building activities. This model serves as a strategic tool for businesses seeking to increase customer retention and leverage word-of-mouth promotion.

Customer Lifetime Value (CLV) is a strategic metric that estimates the total net profit a business can expect to earn from a customer throughout their entire relationship with the brand. As Ali and Shabn (2024) emphasize, understanding and leveraging CLV enables organizations to identify high-value customers, allocate marketing resources more effectively, and ultimately enhance long-term financial performance. Their research underscores the predictive power of CLV not only in commercial sectors but also in service-based contexts such as education, where students may engage with multiple programs, refer peers, or return for further learning.

In the educational context, CLV reflects the cumulative value of a student's journey, including their enrollment in various courses, participation in extended learning opportunities, and potential referrals. Increasing CLV, therefore, depends on improving student satisfaction, retention, and engagement through consistently high-quality and personalized experiences (Ali & Shabn, 2024). When institutions adopt a long-term, value-oriented perspective toward learners, they can transition from transactional interactions to relationship-based strategies that build loyalty and advocacy.

Customer Relationship Management (CRM) encompasses the strategies, technologies, and systems that organizations employ to manage and analyze interactions with customers throughout their lifecycle. In the realm of higher education, CRM systems are instrumental in enhancing student engagement, retention, and satisfaction by facilitating personalized communication and support.

Seeman and O'Hara (2006) highlight that implementing CRM in educational institutions fosters a student-centric approach, improving the management of student relationships and contributing to increased loyalty and retention. Their study emphasizes the role of information systems in strengthening the student-school relationship, particularly as institutions expand their distance learning and e-business initiatives.

Furthermore, Khashab et al. (2020) propose the CRM Strategy Orientation Support (CRM-SOS) framework, designed to assist higher education institutions in aligning their CRM strategies with organizational goals. This framework aims to reduce the risk of CRM implementation failures by ensuring that CRM initiatives are strategically oriented and tailored to the specific needs of educational settings.

Data analytics and Customer Relationship Management (CRM) systems enhance customer loyalty by enabling institutions to analyze student data such as attendance, performance, and feedback. This data helps identify patterns and areas for improvement. CRM systems use these insights to provide timely interventions, recommend courses, and strengthen student relationships. By understanding student behavior, institutions can tailor learning experiences, improve satisfaction, and foster loyalty, ultimately boosting retention and encouraging word-of-mouth promotion.

Usino and Murtiningsih (2019) examined the implementation of CRM and social media marketing as competitive advantages in private higher education to increase student loyalty. Their research underscores the role of CRM in enhancing student loyalty through personalized communication and engagement strategies.

Furthermore, Indrayani and Pardiyono (2020) found that CRM and service quality significantly influence student loyalty in private higher education institutions in Bandung, Indonesia. Their study highlights the importance of CRM in fostering student satisfaction and loyalty, which are crucial for institutional sustainability.

As Ravald and Grönroos (1996) emphasize, the ability to provide superior value is a prerequisite for establishing and maintaining long-term customer relationships. Additionally, these authors suggest that reducing customer-perceived costs is an effective strategy for increasing value perception, as it not only benefits students but also enhances internal cost efficiency.

Booker and Rebman (2005) highlight that despite increasing demand for online education, institutions often struggle with low retention rates, particularly for students enrolling in subsequent courses. Their study, based on survey results from students at the University of Arizona, identifies key factors influencing student satisfaction and retention, including the quality of online course materials, teacher effectiveness, and accessibility of

digital learning resources. These findings align with the core principles of relationship marketing, which emphasize delivering value to customers by addressing their specific needs and expectations (Ravald & Grönroos, 1996).

Mikhael et al. (2023) investigated how online learning quality (OLQ) influences student satisfaction and their likelihood to promote a service through WOM. Their findings suggest that while OLQ has a positive effect on student satisfaction, it does not directly impact WOM promotion. However, student satisfaction itself plays a crucial role in encouraging students to recommend a service to others.

Alghamdi (2024) explored how students select MOOCs by analyzing their satisfaction factors through text mining and predictive modeling. The study identified key decision-making criteria that impact student preferences and demonstrated that certain learning experience attributes significantly influence student satisfaction and course selection.

3. Methodology

This thesis studies the marketing strategy of MF Education Company's online tutoring business, so the literature review method, quantitative analysis method, and content analysis method are used to prepare the preliminary data and related research, as follows：

Literature review method

The literature review method refers to the research method of searching and reading literature to have a comprehensive understanding of the research object. To fully grasp the relevant literature on extra-curricular tutoring, a great deal of literature have been collected. In the early stage of data collection, the keywords used are mainly K12 education, personalized tutoring, online tutoring, marketing strategies, etc., mainly in the following areas to search: officially published journals and books, online literature databases, research reports, industry information, etc., to understand the industry dynamics and provide useful information for research. Literature materials are mainly from Google Academic, CNKI, marketing management, and other related books and well-known websites.

Quantitative analysis

Quantitative analysis is a research method that analyzes, interprets, and inferences data through statistical methods to extract the information and rules behind the data. This thesis collects the information of MF students from September 2022 to January 2023, develops the corresponding scale, finds the group of the same type of personnel through the method of cluster analysis, analyzes their characteristics, establishes the target user portrait, and strengthens the company's ability to accurately obtain customers.

4. External and internal situational analysis

The marketing environment encompasses both internal and external factors that are beyond the direct control of a business but have an impact on its marketing decisions and the execution of marketing activities. It comprises all external actors and forces that influence the ability of marketing managers to establish and nurture relationships with their target customers. This encompasses the macro environment and micro environment, which are also referred to as the external and internal environment, respectively. The following chapter will analyze of the company's internal and external environment.

4.1 External situation analysis

The key factors affecting the business development of an enterprise are influenced by the macro marketing environment. It is crucial to adopt marketing strategies that are suitable for the macro environment. In the following, the PEST method will be used to conduct an in-depth analysis of the macro marketing environment faced by the subject of this thesis. Additionally, a more comprehensive analysis of the external environment faced by the enterprise will be conducted through Sector Analysis and Competitor Analysis.

4.1.1 PEST analysis

PEST analysis is a strategic planning tool that assesses the potential impact of political, economic, social, and technological factors on a project. It enables organizations to evaluate the external environment before embarking on a project, helping to identify and address potential risks and issues. PEST analysis serves as an analytical tool for strategic business planning, providing a framework for understanding external influences on a business or project. As shown in Table 4.1.

Table 4.1 PEST analysis

POLITICAL	This includes the social system of a country, the nature of the ruling party, government simulations, policies, and legal regulations.
ECONOMIC	This mainly includes macroeconomic conditions such as the speed and level of national economic development, as well as the income level of consumers.
SOCIAL	It primarily refers to the conditions related to the education level, cultural background, religious beliefs, customs, and values of the residents.
TECHNOLOGICAL	It refers to the scientific and technological level and technological development trends of a country or region.

Source:Author (2025)

Political

Education is the foundation of a nation, and the state attaches great importance to and supports education. In actively promoting the development of information technology in teaching methods, a series of top-level designs have been proposed. However, based on specific policy changes in recent years, the overall trend of policy regulation for extracurricular education and training during compulsory education has become more stringent. The national education authorities, in collaboration with local education departments, have implemented a series of measures aimed at rectifying the chaotic situation in the education and tutoring industry, alleviating the burden on students in the compulsory education stage, and enhancing equity in education. Particularly in 2021, the country introduced strong regulatory policies specifically targeting extracurricular tutoring during the compulsory education period, significantly intensifying the efforts to rectify the situation.

Political environment analysis primarily focuses on the policy environment within the education industry. With the implementation of a series of policies, the future of K12 online education will enter an era of strict regulation. There will be rigorous supervision and control over aspects such as approval and regulation of online education platforms, teacher training and certification for online education, and standards and quality assessment of online course content. While regulatory authorities crack down on the prevalent irregularities in the current

tutoring market, the overall policies still favor the market's development toward standardization

The policies related to the online education and tutoring industry that have been introduced by the country in the past three years are shown in the following table 4.2.

Table 4.2 National policies on online education and tutoring industry in recent years

TIME	POLICY AND REGULATION	MAIN POINT
Aug-18	Opinions on Standardizing the Development of Off-campus Training Institutions	Fully implement the "white list" system and establish a "negative list."
Nov-18	Notice on Establishing Special Governance and Rectification Mechanisms for Off-campus Training Institutions	Online training institutions conducting subject-specific courses should register their classes; provincial-level educational administrative departments should collaborate with relevant departments such as public credibility and internet information to strengthen the supervision of online training content.
Feb-19	China's Education Modernization 2035	Utilizing the "Internet Plus" as the primary characteristic of educational informatization, this will be treated as an endogenous variable driving systematic reforms within the education sector. It will serve to support and lead the development of educational modernization, fostering the renewal of educational concepts, the transformation of methodologies, and the restructuring of systems to align with the information-oriented society.
Jul-19	Implementation Guidelines for Standardizing Online Off-campus Training	Implementation of a Filing and Review System for Off-campus Online Tutoring in Subjects Targeting Primary and Secondary School Students
Aug-19	Opinions on Guiding the Orderly and Healthy Development of Educational Mobile Internet Applications	Educational mobile application providers should, after obtaining an ICP (Internet Content Provider) filing, proceed to file their educational operations with the provincial-level education administrative department.
Sep-19	Guiding Opinions on Promoting the Healthy Development of Online Education	Formulate a negative list for admission to online education, allowing various entities to enter areas not included in the negative list management on an equal basis by the law, and regulate subject-specific Off-campus online tutoring activities for primary and secondary school students using internet technology.

Mar-20	Guiding Opinions on Strengthening the Implementation of the "Three-Classroom" Model	Actively promote the development of "Internet + Education," facilitate the deep integration of information technology with educational and teaching practices, and provide support for building a new ecosystem of "Internet + Education."
Jul-20	Opinions on Supporting the Healthy Development of New Forms and Models of Business to Stimulate Consumer Markets and Drive Employment Growth	Build a mechanism for the normalized integration and development of online and offline education; allow the purchase and appropriate use of qualified socialized and market-oriented excellent online course resources, and explore incorporating these into the daily teaching system of certain educational stages.
Jul-21	Opinions on Further Reducing the Homework Burden and Extracurricular Training Burden of Students in Compulsory Education Stage	Uphold Strict Regulation and Comprehensive Standardization of Off-campus Tutoring Activities

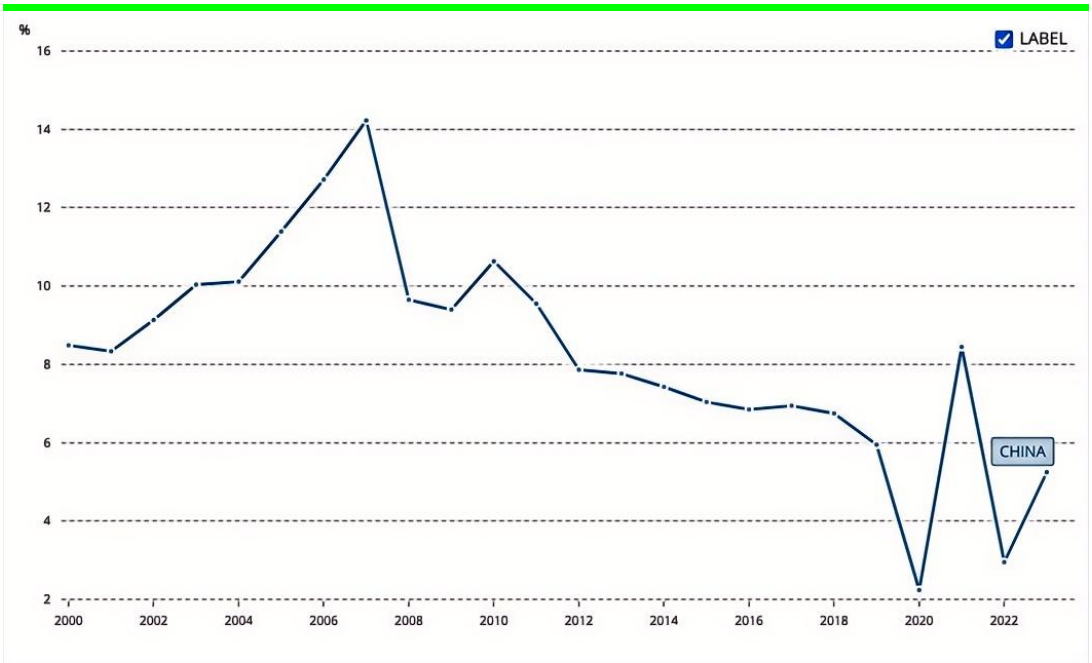
Source: General Office of the State Council

The "Opinions on Further Reducing the Academic Burden and Off-campus Training Burden of Students in the Compulsory Education Stage and Preschool Children" issued by the General Office of the Communist Party of China Central Committee and the State Council in 2021 have made more standardized requirements for the entire educational and training industry. It puts forward several explicit requirements, such as prohibiting subject-specific training during the compulsory education stage and online training for preschool children. This brings significant uncertainty to the entire industry, especially the K-12 education and tutoring sector, which occupies a significant portion of the industry. The government is using non-market factors to intervene in the education and tutoring market, aiming to prevent the industry from deviating further down the path of K-12 education and tutoring and addressing the burden issues imposed on parents and students by the chaotic development of the education and training market. It also provides rationality and legitimacy for better regulating the education and training market.

Economical

It can be said that the rapid development of any industry is inseparable from the macroeconomic improvement behind the market. Economic growth and income level will affect parents' affordability of education expenditure, and thus affect parents' demand and ability for educational counseling. China's economy has maintained sustained high growth over the past few decades. Despite the slowdown, China remains one of the fastest-growing major economies in the world. In addition to the impact of the COVID-19 epidemic in 2020, the GDP growth rate is stable, and the domestic macro economy maintains steady growth. As shown in Figure 4.1 below, this provides a broad space for the development of the online education industry, so that the main consumer group of the education and tutoring market, that is, the consumption power of parents, has sufficient protection.

Figure 4.1 China’ s GDP growth rate over the years

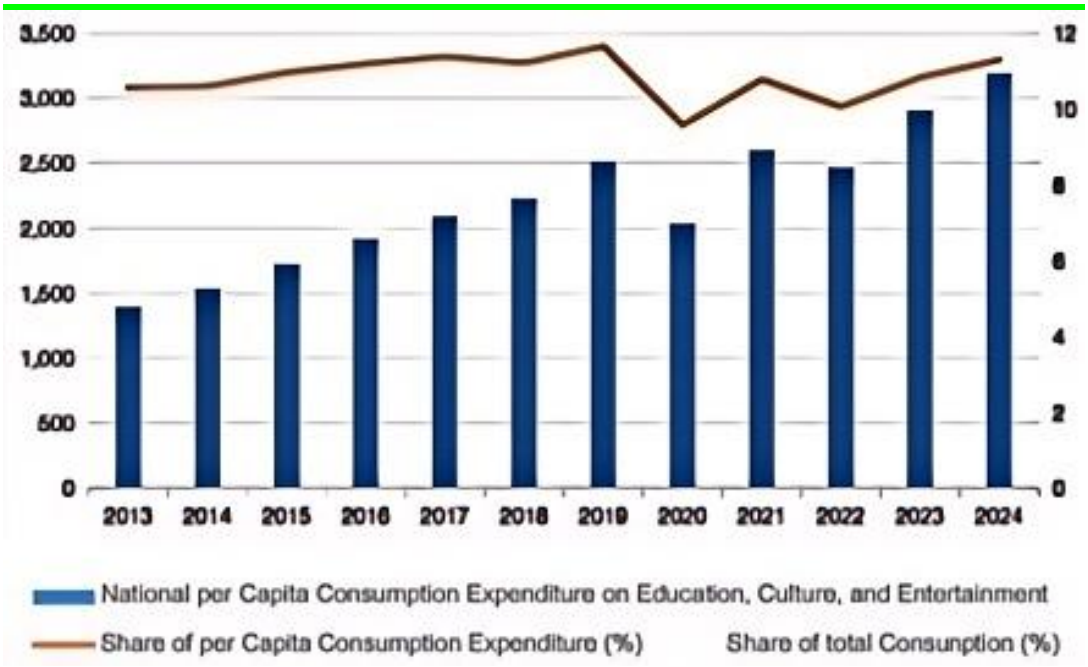


Source: Word Bank website

From the perspective of the consumption level of online education users, the per capita disposable income of Chinese residents has gradually increased, the amount of cultural education and entertainment expenditure has maintained a steady increase, and education-related expenditure has become an important part of the total household consumption expenditure. Data from the National Bureau of Statistics show that from 2013 to

2024, and the proportion of per capita consumption expenditure increased steadily (as shown in Figure 4.2). Especially in our country, education is regarded as the main way to obtain knowledge, skills, and qualifications, has an important impact on personal career development and social and economic status, relatively high-quality education resources are less, so parents tend to improve education investment to strive for better educational resources, making after-school tutoring itself "rigid need" attribute is strong.

Figure 4.2 Per capita expenditure on education, culture, and entertainment and its share of total consumption in China (2013–2024)



Source: National Bureau of Statistics of China, China Statistical Yearbook (2013–2023) and relevant official releases (2024 estimate).

Social

Educational concept and value: The promotion of Chinese residents' educational consciousness promotes the demand for education.

The degree of importance and the changes in people's perceptions of education will have an impact on the market demand and positioning of the education and tutoring industry. Influenced by traditional Confucianism, the traditional concept of "learning for a successful career" has continued to affect the Chinese people until today. Confucianism encourages

individuals to pursue learning and excellence to become outstanding individuals, thereby entering the official career and making contributions to the country and society.

Therefore, emphasizing education is an eternal topic in China. As time goes on, the degree of importance people place on education has been passed down from generation to generation. Moreover, people are increasingly valuing the improvement of their spiritual and cultural levels and advocating lifelong learning.

Parents attach great importance to the education of their children. It is common for parents to expect their children to achieve excellent academic results, enter good schools, and eventually have outstanding careers. This expectation is often reflected in high demands for their children's academic performance, test scores, and competitiveness. Therefore, Chinese parents usually invest a significant amount of time, energy, and money in their children's education. They strive to provide their children with good learning resources, including purchasing educational materials, enrolling them in tutoring courses, and hiring private tutors. Currently, offline education is no longer sufficient to meet the increasing demand for education. With the continuous increase in academic pressure, K-12 online education that caters to users' fragmented learning needs has received widespread attention. The importance that Chinese residents attach to their children's education provides a social background for the development of K-12 online education.

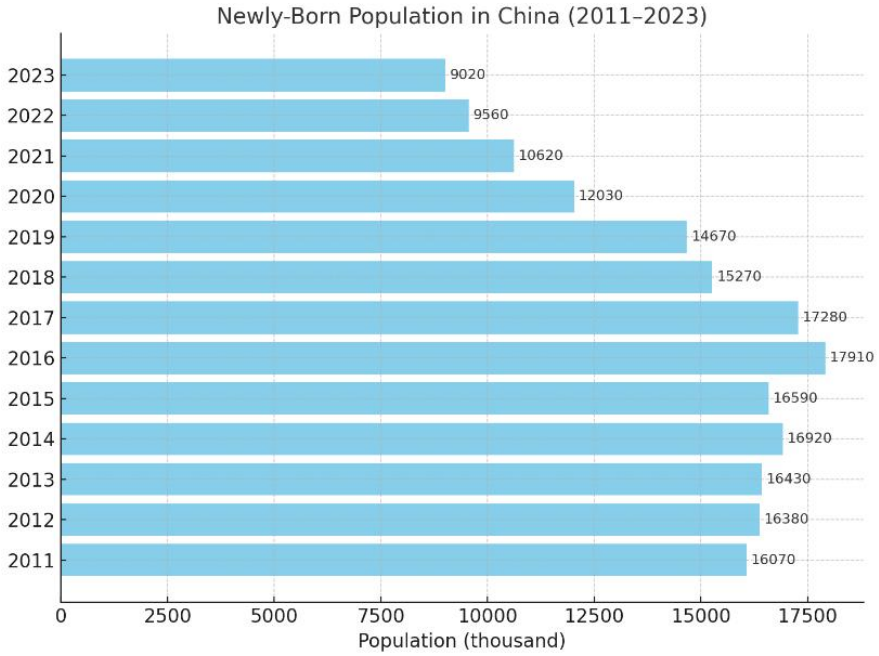
COVID-19 expands online education, of which people are more accepting. In 2020, the sudden outbreak of the COVID-19 pandemic changed people's lives and the way they work and study. Schools postponed their reopening, offline educational activities were restricted, and offline tutoring companies delayed resuming their operations. As a result, traditional offline educational activities shifted towards online platforms. During the pandemic, the Ministry of Education proposed the call for "suspending classes without suspending learning" and local administrative regions introduced implementation plans for continuing education during school closures, making full use of online teaching through various means such as internet platforms. To effectively implement the normalization measures for epidemic prevention and control, television, smartphones, computers, and the internet were widely used for online teaching. Online education platforms such as Yuanfudao, and New Oriental, as well as internet giants like Tencent, DingTalk, and ByteDance, actively joined the K-12 online

education field. The public's demand for and acceptance of online education has also increased. At the same time, there has been a gradual improvement in public awareness and trust in K-12 online education.

Moreover, the significant amount of free time resulting from the pandemic has prompted more parents to have the desire to enhance their children's learning and skills through online education. The demand for K-12 online education has grown rapidly, showing an explosive growth trend.

K12 group is about to enter the stock market. Population is the cornerstone of the education market, and only with an adequate population can the education market flourish. According to the seventh national census, population growth is slow in China, the process of low birth rates is accelerating, and the aging problem is beginning to manifest. The number of births in 2020 was 12 million, in 2021 it was 10.62 million, and in 2022 it was 9.56 million. The birth rate was 6.77 per thousand, and the natural population growth rate was -0.60 per thousand. This is the first time since 1950 that the annual number of births has fallen below 10 million (National Bureau of Statistics, 2023).

Figure 4.3 The number of births in China in the last ten years(2011-2023)



Source: National Bureau of Statistics of China, Statistical Communiqué on National Economic and Social Development and China Statistical Yearbook (2011 – 2023).

The rapid decline in the number of newborns in the future will greatly reduce the growth potential of the education and training market. In addition, the gradually growing population born at the beginning of this century means that fewer people entering the K-12 stage than leaving it. As a result, the overall number of the K-12 population is showing a decreasing trend, and the remaining market space is becoming smaller. This poses severe challenges to the entire industry in terms of how to survive and develop in a market with limited growth and a declining existing customer base.

The population issue is a problem for the future, and the immediate question is how to improve parents' and students' perceptions of online training providers. This generation of parents, as the natives of the Internet, have a perspective on online education that parents did not have in the past and have the parenting anxiety of Chinese society for thousands of years. The education and tutoring companies amplified this anxiety to carry out marketing in the past few years, resulting in a more complex attitude towards training institutions. The parents not only emphasize that all people are equal but also do not want to let their children lose at the starting line. They hope that tutoring companies can play an appropriate complementary role in children's school study, but also worry that excessive reliance on extracurricular guidance will lead to students' lack of independent learning ability and interest, and increase academic burden and competitive pressure. How to look at the problem from the perspective of parents, help alleviate parents' anxiety, and start by cultivating students' self-learning ability are the issues that education companies should seriously consider when they are committed to changing parents' attitudes towards them.

Technological

The advancement of communication technology and network technology - The rise of technological advancements and online education platforms may change the competitive landscape and business models in the education tutoring industry. The next generation of mobile communication technology and network technology has improved data transfer rates and enhanced network stability. This means that users can download and upload data faster, enabling quicker web browsing, video playback, and file transfers. It effectively enhances the smoothness of live-streaming courses. The widespread use of electronic devices such as

computers and smartphones, along with the gradual improvement of networking and big data technologies, is of significant importance to the online education industry. Online education has transitioned from the PC era to the current mobile era, and the mobilization of online education is a major trend at present.

The rise of live broadcasting - with the popularity of TikTok and Kuaishou all over China, live broadcasting, a new technology that originated from e-commerce, has also been used more and more by other industries, and online education is no exception. Live broadcasting has brought good interaction to online education, further narrowing the difference between online education and offline education.

Expansion of network coverage area - thanks to the country's "Village Network" plan, the 5G network has improved in network coverage and can provide broader coverage, including some areas that were previously difficult to cover, which is very important for users in rural areas and remote areas, and can get more reliable network connections, which makes the network situation in rural areas greatly improved. Moreover, there are successful cases of Pinduoduo "sinking market", so bringing high-quality education resources into rural areas in remote areas can become an opportunity for the transformation of current online education institutions. By sinking the market of online education to remote areas with a large population base, online training institutions must do a good job of allocating their resources.

Technological innovation - the innovation of educational technology can provide more opportunities for the development of company businesses. Emerging technologies such as artificial intelligence, augmented reality, and virtual reality have provided new technological conditions for educational informationization, giving online education more room for imagination. 3D animation can bring revolutionary impact to teaching methods, and the possible forms of online education are increasing. Combining online education with these technologies facilitates increased online interaction between teachers and students, creating an immersive and experiential teaching atmosphere. Online education is gradually breaking free from the early stage of recorded lectures, further enriching teaching formats and content, and greatly enhancing the fun and interactivity of online teaching. The continuous maturity of software like Tencent Classroom and DingTalk provides new choices for student and classroom management in Internet education.

4.1.2 Sector analysis

In recent years, the development of China's Internet economy has entered a new stage, and major Internet enterprises continue to expand their business scope, providing online education technology, platforms and other application scenarios, rich learning resources, flexible learning methods, and global learning opportunities, laying a solid foundation for the online education industry.

In 2020, the epidemic has limited offline activities, and in this case, online education, which can break the time and space constraints, has become an important way for students to acquire knowledge and has played a great role in complementing traditional education. To deal with the epidemic, the state proposed the education strategy of "suspending classes without suspending learning", and major primary and secondary schools, as well as offline education and tutoring companies, have transferred offline courses to online, and online education in China has entered a period of the concentrated outbreak. According to the data, the global online education market reached USD 166.55 billion in 2023. Among this, the market sizes of online universities, online learning platforms, and professional certificate platforms were USD 103.28 billion, USD 56.63 billion, and USD 6.66 billion respectively, accounting for 62%, 34%, and 3% of the total market. In terms of growth rate, the compound annual growth rate (CAGR) of the global online education market from 2017 to 2023 was 16.8%, and it is projected to reach a CAGR of 9.1% from 2023 to 2028. (China Research Institute for Industry and Commerce, 2023)

After the release of the "double reduction" policy in 2021, the market quickly became the abandoned son of capital, and the stock price of head enterprises such as Good Future and New Oriental plunged more than 50% on the day of the "double reduction" policy. Data show that in 2021, the size of China's online education market is about 513.03 billion yuan, an increase of 5.6% over the previous year (China's online education industry development trend analysis and investment prospects Research report 2023-2030), so far, online education business has been reduced and the growth pace has slowed down.

The implementation of the “double reduction policy” has had a significant impact on the education and counseling industry. The government has limited the size and operating hours

of off-campus tutoring institutions and regulated the fees charged by the institutions. The goal of these policies is to reduce the academic burden of students and promote equity in education. But the need for parents to choose extracurricular tutoring for their children (not the deformed need that once existed) is still there, it means that the market for education and tutoring is still there. The departure of capital from this market may not be bad news. What the crazy capital brings the entire industry is only disorderly and barbaric development, after the capital is left, the needs of parents will slowly recover. The entire online education industry, especially K12 education and tutoring will be reborn in this great change. Meanwhile, the entire industry will be more standardized and more close to the people's actual demand.

On the other hand, the “double-reduction policy” has also triggered a wave of the educational technology (EdTech) industry. The government encourages the development of online education and intelligent education tools to provide a more flexible and efficient way of education. Many tech companies have ventured into the education sector, launching online learning platforms and education apps, which have attracted large capital investments. As a result, the attitude of the capital market towards the educational tutoring industry has shifted to some extent to the EDtech sector. Investors are paying more attention to developments and opportunities in the EDtech sector because parents and students still need additional tutoring and opportunities to improve their academic level. Therefore, some educational tutoring institutions may look for innovative ways to adapt to policy changes and seek to integrate with educational technology to adapt to the new market environment.

Industry’s prospect - China is one of the largest education markets in the world, with a large student population and a high emphasis on education. Online education can meet people's demand for high-quality educational resources, especially in densely populated cities and areas where education resources are scarce. At the same time, China has a large group of mobile Internet users and a high penetration rate of smartphones. This provides convenience for online education, people can receive education and training anytime and anywhere through mobile phones, making online learning more flexible and convenient. China has been undergoing digital transformation in recent years, especially in the field of education. Governments and schools are promoting online education, strengthening network infrastructure, and formulating policies to support online learning. This digital transformation

will further promote the development of online education. With the rapid development of technologies such as artificial intelligence, big data and cloud computing, online education platforms can provide personalized and interactive learning experiences.

According to the perspective of industry development from 2016 to 2021, the overall growth of online education in China is stable, although the scale of main K12 online education has been affected by the double reduction, with the gradual formation of users' awareness of online payment and the development of professional online education, it is expected that online education in China will continue to grow in the next 3-5 years. By 2026, it will exceed 1.4 trillion yuan (China's online education industry development trend analysis and investment prospects Research report 2023-2030). In addition, as the author analyzed above, the demand for K12 education users is still there, and after the withdrawal of capital, it will promote the development of this segment of the online education industry in a healthier direction.

4.1.3 Competitor Analysis

Table 4.3 Competitor 1: Zhaoyan Language Arts Training Institute

Operation	Zhaoyan Language Arts Training Institute originally specialized in Chinese public speaking and communication training. Over time, it has expanded its offerings to include English public speaking and bilingual STEM courses. The institute operates primarily from high-traffic shopping mall, which provides easy access to potential customers.
Strategy	Zhaoyan leverages its existing student base in Chinese public speaking, particularly kindergarten-aged learners, to promote its newly introduced English courses. By integrating English public speaking into its curriculum, the institute aims to retain current students while attracting parents looking for a holistic language education.
Products	- Chinese public speaking training (core program) - English public speaking courses - Bilingual STEM courses for young learners - Online one-on-one English improvement courses
Price	Courses cost over 200 RMB per session, which is slightly higher than MF Online’s pricing.
Place	Located in a high-traffic shopping mall, benefiting from natural foot traffic and visibility.
Promotion	Internal cross-promotion is the primary marketing strategy. Existing students in Chinese public speaking programs are encouraged to enroll in English-related courses, minimizing reliance on external advertising.
Sales strategy	The institute directly markets its English programs to parents of current students, making it easy to upsell. Its established reputation in language arts training adds credibility to the new English offerings.

Source: Author (2025)

Table 4.4 Competitor 2: Meilian Education

Operation	Meilian Education is a comprehensive training center that offers a wide range of extracurricular courses, including music, dance, martial arts, and sports. Over the past two years, it has expanded into academic subjects, starting with pinyin courses and recently adding English courses for kindergarten students.
Strategy	Meilian Education focuses on variety and affordability to attract students. By offering a broad selection of courses at relatively low prices, it appeals to families looking for convenient and budget-friendly learning options. The organization’s multi-course enrollment model encourages students to sign up for multiple programs at once.
Products	- Extracurricular courses: piano, painting, dance, martial arts, basketball, soccer - Academic courses: pinyin (introduced last year), English for young learners (introduced this year)
Price	Meilian’ s courses are priced just over 100 RMB per session, making them significantly cheaper than both Zhaoyan and MF Online.
Place	The center operates from a recently opened shopping mall, located 2 kilometers away from MF Online. While the location is new and developing, it may not yet have the same level of foot traffic as Zhaoyan’ s venue.
Promotion	Meilian relies on its course variety and affordability to attract customers. Parents appreciate the convenience of enrolling their children in multiple programs under one roof, making it a practical choice for families with diverse educational needs.
Sales strategy	Meilian’s primary sales approach is bundling and upselling. Since many students initially enroll in extracurricular activities, the institute encourages them to take advantage of the affordable pricing and sign up for additional academic courses. The accessibility of low-cost English courses makes them an attractive add-on for parents already engaged with other programs.

Source: Author (2025)

4.1.4 Porter's Five Forces

Porter's Five Forces model is a strategic tool used to analyze the competitive environment of an industry. The following is an analysis of the five forces of the industry where MF Online Tutoring Company operates.

Rivalry among Existing Competitors

The competition in the online tutoring industry is moderately intense. MF faces competition from two main competitors: ZhaoYan and MeiLian, both of which are mid-sized institutions with approximately 200 students each.

ZhaoYan primarily targets high-end customers who prioritize teaching quality, learning environment, and faculty qualifications. Their offerings include offline small group classes, one-on-one online English Q&A sessions, and pre-recorded free courses.

MeiLian, on the other hand, focuses on offering a wide variety of courses at lower price points. Their business model relies on large course packages with low per-session costs, catering to the mass market. They mainly provide offline classes without strict student number control, sometimes accommodating over ten students per class.

The primary competitive strategies in the industry revolve around pricing and aggressive digital marketing campaigns. Institutions utilize various online platforms for course promotions to attract potential students.

Risk Level: Medium.

While there are only a few direct competitors, their distinct positioning—one focusing on premium quality, the other on affordability and variety—means that MF must constantly balance its value proposition to retain and grow its customer base. The use of digital marketing and platform competition further intensifies the rivalry.

Bargaining Power of Suppliers

Currently, MF Online Tutoring Company does not face significant supplier constraints as the company founder still teaches most of the courses. However, with an increasing number

of students, MF will soon require part-time teaching assistants to handle tasks such as grading assignments and responding to student inquiries. Since these tasks are relatively basic and can be performed by university students, their bargaining power remains low.

Regarding technology and content supply, MF uses stable and cost-effective platforms for live streaming and assignment submissions, minimizing their impact on pricing strategies. Course content is primarily created in-house by the founder, with some external procurement.

Learning materials are sourced through MF's designated channels, but students purchase them independently.

Risk Level: Low.

The limited dependence on external suppliers for both human resources and technology, combined with the flexibility of sourcing basic support tasks, indicates minimal risk from the supplier side at the current stage.

Bargaining Power of Buyers

The target customers are primary and secondary school students, with purchasing decisions made collectively by students and their parents. Students prioritize the learning experience and engagement. Parents focus on academic improvement and pricing. The target customer segment has moderate to high purchasing power and values course quality while being price-conscious.

One key factor affecting customer retention is the ability to enhance students' academic performance. If students show significant progress, parents are generally willing to accept price increases. However, they are sensitive to class size and prefer smaller groups. MF enjoys high customer loyalty, with over 85% of students continuing their studies for at least three to four years.

Risk Level: Medium.

Although MF enjoys high loyalty and positive retention rates, buyers remain price-sensitive and performance-driven, meaning consistent delivery of quality and outcomes is essential to avoid churn or resistance to pricing adjustments.

Threat of Substitute Products/Services

Several alternatives exist in the extracurricular tutoring market, including offline tutoring centers, private tutors, AI-based self-learning tools, and free online courses. Each substitute has its own advantages and drawbacks:

Offline tutoring centers offer face-to-face interaction but are limited by the availability of qualified teachers.

Private tutoring provides personalized attention but is often expensive and constrained by geographical distance.

AI-based self-learning tools are free and accessible but require students to have strong self-discipline and study planning skills.

Free online courses have no cost but lack tailored content selection and direct interaction with instructors.

Although these substitutes pose a threat, they do not entirely replace the structured and interactive nature of online tutoring services like MF.

Risk Level: Medium.

While substitute services are abundant and attractive in terms of cost or accessibility, their limitations in customization, effectiveness, and engagement reduce the overall threat to MF. Nonetheless, their presence requires MF to continue differentiating itself through quality instruction and personalized service.

Threat of New Entrants

The barriers to entry in the online tutoring industry are relatively low. Establishing an online tutoring business does not require significant capital or technical expertise—qualified educators can enter the market with minimal investment. However, brand recognition and credibility take time to build.

Government regulations on after-school tutoring also pose challenges for new entrants, creating certain market entry restrictions. Despite these policies, the industry remains

Risk Level: Medium.

While regulatory hurdles offer some protection, the low cost of entry and ease of launching online courses allow many new players to enter the market, gradually increasing competitive pressure on MF Online.

Conclusion

The competitive landscape for MF Online Tutoring Company is shaped by moderate industry rivalry, low supplier power, and a customer base that values quality over price. While substitute products exist, they do not fully meet the personalized and interactive needs of students. However, the threat of new entrants remains a challenge due to low entry barriers.

4.2 Internal analysis

4.2.1 Company development and main business

MF, established in May 2021, specializes in developing course content tailored for extracurricular English tutoring in senior high school. Their primary goal is to assist students in recognizing and addressing their weaknesses while offering flexible, diverse, efficient, and expert tutoring services. By doing so, they aim to enhance students' learning efficiency and academic achievements.

Following more than two years of development, the company has grown up from two start-up employees to a team of four. Among them, two teachers handle teaching and research, a marketing staff is dedicated to course promotion and pre-class consultations, and another operations staff member manages class scheduling, after-school services, and related tasks.

The approach of having one person with multiple roles indeed helped save costs during the company's early establishment phase. However, as the company continued to develop and the number of students increased, several issues arose, including heightened work pressure, reduced efficiency, and limited depth of work. These challenges require attention and resolution to ensure the company's sustained growth and success.

MF has opted to outsource its personnel and financial tasks to professional service providers, encompassing functions such as recruitment, training, payroll, social security provident fund management, benefits administration, tax compliance, audit, and financial statement preparation. This strategic decision not only saves valuable time and costs but also

ensures access to expert services and reliable data support. As the company continues to grow and expand further, it envisions the possibility of establishing its own in-house personnel and finance departments. However, at present, outsourcing has proven to be an efficient and effective approach to handle these critical aspects of the business.

The teaching mode of MF Company initially focused on recorded courses supplemented with video conferencing for further explanations about which students may not be particularly clear. In May 2022, the company adjusted its courses to be delivered in a live format. During the process of grading post-class assignments, if teachers discovered that certain parts were not thoroughly understood by the students, they would record dedicated explanatory videos and send them to the students. When necessary, teachers also provided individual video conferencing sessions to explain certain parts in more detail. Since this change in teaching approach, the number of the company's students has doubled within a short period.

In response to the rapid advancement of AI technology in recent years, MF launched an innovative AI-driven course during the winter vacation of 2025, coinciding with the Chinese New Year holiday. This course utilized AI-generated storytelling as a novel method for teaching English grammar, moving away from the traditional, monotonous classroom approach. By engaging students in the creative process of story development, the course allowed them to naturally acquire and apply grammatical concepts in an interactive and enjoyable manner.

This initiative marked MF’s first bold attempt to integrate AI into its curriculum, serving as a trial for future AI-enhanced educational offerings. The positive reception and initial success of this AI-driven course provided valuable insights for the company’s future development, reinforcing its commitment to leveraging cutting-edge technology to enhance teaching effectiveness and student engagement. As MF continues to explore innovative teaching methods, AI-powered learning solutions are expected to play an increasingly significant role in shaping the company’s educational strategies.

4.2.2 Marketing model

The company follows a word-of-mouth marketing model, with all its students coming from referrals and recommendations by existing students. MF has consistently upheld a customer-first business philosophy, placing special emphasis on serving its old students to foster and strengthen their loyalty and repurchase rates. By maintaining excellent relationships with its existing customers, the company enhances customer satisfaction and loyalty, which in turn promotes the steady growth of the business. Over the past two years, the number of students has grown from an initial 10 to nearly 80 at present, leading to stable profits.

Based on 4R theory, current marketing situation is as follows: Not enough focus on customer demands of the relevance aspect. In the domain of relevance marketing, MF presently prioritizes teaching research and curriculum development. They have one marketing staff member dedicated to course scheduling and after-school services. As referred to above, employing a single person to handle multiple roles can be cost-effective during the initial stages of the company's establishment. However, as the company grows and the number of students increases, this approach gives rise to various challenges that demand solutions. These issues include elevated work pressure, reduced efficiency, and limited depth of work, among others.

Due to the inadequate allocation of operational personnel, their tasks are restricted to basic activities like sending pre-class reminders and collecting homework. Moreover, there is a lack of dedicated channels to gather feedback from students. All course designs rely solely on relevant syllabi and teacher experience, resulting in a poor understanding of users' real needs and a subpar user experience. The absence of a specialized platform for managing user information further limits the company's ability to gather valuable insights for business development. Furthermore, teachers often handle multiple classes, making it challenging to offer personalized attention and interaction. The limited contact outside of class diminishes direct engagement between students, teachers, and fellow students, potentially impacting the effectiveness of learning.

Hence, it becomes crucial to obtain accurate customer profiles by segmenting customer groups and focusing on their behavioral characteristics.

Untimely response to customer feedback of the reaction aspect. From an external perspective, MF demonstrates a lack of understanding regarding market dynamics. For instance, even minor alterations in the English policy of the college entrance examination, such as changes in score distributions for different question types, can significantly impact high school students' learning arrangements and their focus at various stages. Presently, MF's efforts in market research are inadequate, leading to slow updates in course content and schedule design, failing to keep pace with the ever-changing market trends and thereby missing valuable opportunities to attract students.

From an internal perspective, based on quarterly follow-ups, the company has identified the following issues concerning how staff members handle and respond to student queries. It sometimes takes a considerable amount of time to respond to customer inquiries or issues. Due to the relatively small size of the company and inadequate staffing, there aren't enough personnel to promptly address and provide solutions to customer queries. As a result, customers may receive vague or incomplete responses, or their issues may go unresolved altogether.

Additionally, to save costs, employees are often assigned multiple roles, and their responsibilities are not clearly defined. For example, teachers might have to temporarily assume the roles of course advisors or consultants during their free time. As a result, they may not know how to respond to questions beyond the scope of teaching subjects and might simply use generic response templates. This might lead to timely replies, but they do not effectively solve the students' problems, resulting in ineffective responses and potentially causing student dissatisfaction.

At times, students may have urgent issues but struggle to reach staff members promptly, leading to delayed problem resolution. The company lacks a mechanism for following up on customer feedback or improvement suggestions, which might make students feel that their opinions and suggestions are ignored or not taken seriously, ultimately lowering their satisfaction with the tutoring service.

Situation(Problem) of the relationship aspect. MF currently operates as a small company, with its student referrals predominantly originating from existing students. The company places significant emphasis on the quality of its courses and strives to cultivate long-term, mutually beneficial, and stable relationships with students. A group of highly sticky fans has emerged as well. At present, the company gives permanent discounts to the earliest online students to enhance their membership and loyalty. This practice grants them tangible price advantages for subsequent studies, thus fostering enduring, steadfast, and mutually advantageous connections.

However, a large part of the students in MF company do not have a strong sense of belonging although they recognize the quality of teaching, and some students have poor overall participation and interaction, resulting in a sense of alienation from the company.

Therefore, the company still has a large room for improvement in relationship marketing.

Single revenue of the reward aspect. At present, although MF company places great importance on teaching quality and research, course preparation relies heavily on teachers' experience, and it does not continuously follow up on the needs and feedback of students to update the teaching content in real-time. Therefore, it is still necessary to improve the course value in this aspect. Then MF can increase the course price by continuously improving the value of courses.

In addition, MF's course offerings are relatively limited, primarily offering tutoring exclusively in the English subject. There's a notable absence of diversified courses tailored to meet students' different demands, which could serve as a means to expand the company's revenue streams. The company's revenue sources are not diversified.

4.2.3 Cause of the problem analysis

Based on the 4rs theoretical model, the following analysis is carried out on MF company's inaccurate grasp of user needs at the level of related marketing, inadequate response to market and student needs at the level of response marketing, weak stickiness of some students at the

level of relationship marketing, enhancement of course value and diversification at the level of reward marketing.

At the level of relationship marketing, some of MF company's competitors establish dedicated personnel to gather customer feedback, conduct satisfaction surveys, and assess customer needs.

Some companies even establish online feedback systems, allowing students to submit feedback at any time via online platforms. This enables institutions to promptly grasp student insights. Alternatively, certain competitors invest in customer information collection systems and academic management platforms. These tools aid rivals in comprehensively analyzing customer needs and evaluating the strengths and weaknesses of their courses, which in turn enables them to design more effective course offerings.

Currently, MF company primarily focuses its efforts on course research, with this research being guided by the teaching experiences of relevant teachers. However, there exists a lack of exploration into whether the current courses align with the ever-changing needs of the students. While MF does conduct student follow-ups every three months, the scope of information collection from customers remains limited. Moreover, updates to this information often occur at significant intervals, resulting in a much more pronounced asymmetry of information compared to competitors. MF has yet to achieve a concentration on user behavior patterns and the differentiation of user segments.

An analysis is conducted on the student data of MF Tutoring Company from September 2022 to January 2023. The company offers tutoring courses for English subjects targeting students in grades 10, 11, and 12. These courses are conducted through online live sessions and are reasonably priced, offering better cost-effectiveness compared to offline courses. A sample of 78 students was used. Data includes 8 variables about the students (as can be seen in the following table)

The attendance rate is the ratio of the actual number of classes attended by a student to the total number of classes they have enrolled in. For example, if a student has enrolled for 50 classes and has attended 40 classes, then the attendance rate for that course would be 80%.

All data is sourced from the company's operational records and class logs. Partial data is

presented in Table 4.5 as shown below.

Table 4.5 Data sample example

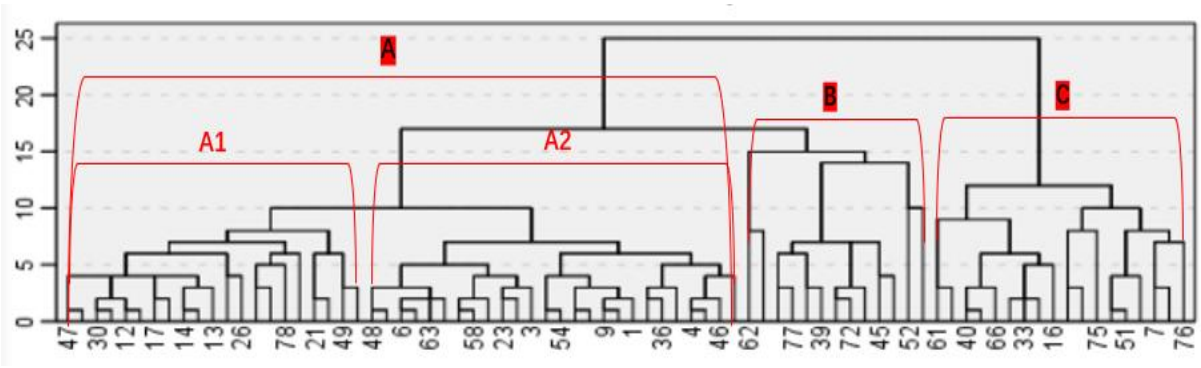
Name	Sex	Grade	Parent's occupation	Attendance Rate	Engagement Level In Class	Willingness to Renew	Referral	Performance
A001	F	Senior 1	Employed in government or state-owned enterprises and institutions	95%	high	high	1	improve slightly
A002	F	Senior 2	Employed in government or state-owned enterprises and institutions	90%	very high	high	1	improve slightly
A003	M	Senior 3	Employed in government or state-owned enterprises and institutions	92%	high	high	4	improve significantly
A004	M	Senior 2	Employed in government or state-owned enterprises and institutions	93%	high	high	1	improve slightly
A005	F	Senior 1	Employed in government or state-owned enterprises and institutions	90%	high	very high	1	improve significantly
A006	F	Senior 3	Employed in government or state-owned enterprises and institutions	98%	very high	very high	3	improve significantly
A007	M	Senior 1	Private employee	77%	low	high	1	improve slightly
A008	M	Senior 1	Employed in government or state-owned enterprises and institutions	97%	high	high	1	no change
A009	F	Senior 1	Employed in government or state-owned enterprises and institutions	100%	high	high	1	improve slightly
A010	M	Senior 3	Employed in government or	98%	very high	very high	2	improve significan

			state-owned enterprises and institutions					tly
				.....				
A071	M	Senior 1	Employed in government or state-owned enterprises and institutions	85%	low	high	1	no change
A072	F	Senior 2	Freelancer	96%	moderate	high	1	improve slightly
A073	M	Senior 3	Employed in government or state-owned enterprises and institutions	99%	moderate	high	0	improve significantly
A074	F	Senior 3	Employed in government or state-owned enterprises and institutions	96%	very high	very high	4	improve significantly
A075	M	Senior 2	Private employee	100%	moderate	moderate	0	decline slightly
A076	M	Senior 3	Private employee	89%	low	moderate	1	no change
A077	F	Senior 1	Private employee	100%	moderate	high	0	improve slightly
A078	M	Senior 1	Employed in government or state-owned enterprises and institutions	97%	moderate	very high	0	improve slightly

Source: Author (2025)

The data above was subjected to cluster analysis, and through this analysis, users can be categorized. The clustering analysis was conducted using IBM SPSS Statistics software, employing a hierarchical clustering approach and utilizing the squared Euclidean distance algorithm. The results of the analysis for all 78 sets of data are presented in Figure 4.4.

Figure 4.4 Customer cluster analysis chart



Source: Author (2025)

Based on the results of the cluster analysis, we can roughly divide the above data into three major categories, Class A, Class B, and Class C, with Category A further divided into two subcategories Class A1 and Class A2. The specific explanations are as follows:

Class A consists of a total of 47 students, accounting for 60% of the total. It can be further divided into two subcategories, explained as follows:

There are 21 students in Class A1, making up 45% of Class A and 30% of the total.

Upon analyzing the data, it is observed that the parents of these students are mostly employed in state-owned enterprises or institutions. They have stable salaries and benefits, and a small percentage of parents are entrepreneurs with sufficient financial capability to support their children's educational needs. These parents themselves possess higher educational backgrounds, understand the importance of education, emphasize their children's academic performance, and readily cooperate to address any issues. During communication between academic staff and parents, these parents prefer straightforward discussions, focusing solely on addressing their children's learning-related problems and seeking solutions. They are not inclined towards excessive communication and interaction.

Class A1 students have high attendance rates and strong intentions to continue in the program. They exhibit concentration during classroom learning. Most of these students have introverted personalities, prefer independent thinking, and can accurately respond to teacher questions, but rarely engage actively in discussions or share their viewpoints. They tend to prefer solitude or interactions limited to a few close peers. The referral rate for A1 students is 19% within this class and 5% of the total.

Class A2 consists of 26 students, accounting for 55% of Class A and 33% of the total. Similar to Class A1 students, these students share the common traits of having parents with stable employment, relatively high educational backgrounds, good financial conditions, and a strong emphasis on their children's long-term educational plans. However, the difference lies in the fact that parents of A2 students are more inclined to maintain frequent interactions with teachers and advisors, enjoying sharing their educational experiences and their children's learning strategies. These students also possess a strong intrinsic motivation for learning. Through reviewing classroom records, it's evident that they actively participate in various learning activities. They display high engagement during class, proactively discussing various challenges and concerns they encounter during their learning journey with their teachers. A2 students have an exceptionally high referral rate and enthusiasm, with nearly all students having referred at least once. Upon analyzing the data for A2 students, it's found that the highest referral frequency is among the senior year (Grade 12) students. Grade 12 students face the pressure of college entrance exams, leading to a strong desire to find a suitable tutoring program. Additionally, if these students achieve outstanding results or significant improvements in their exam performance, they enthusiastically recommend our courses to others, with a high level of persuasiveness. The referral rate for Class A2 students stands at 100% within this category, constituting 33% of the total. This trend is especially prominent among Grade 12 students who have shown significant improvements. Among them, the ratio of one student referring multiple students is 15% of the total.

There are 13 students in Class B, accounting for 16% of the total. Most of these students can complete classroom tasks and assignments well, maintaining high attendance and active class participation. Some parents of Class B students have irregular working hours or busy work schedules, leaving them with limited time to focus on their children's studies. Additionally, some parents have unstable employment and challenging financial situations. As a result, they might hesitate to continue enrolling their children unless there is a significant improvement in their child's learning. Although these students' parents might not be able to provide 100% support due to time or financial constraints, the students themselves show good initiative and possess strong study habits. As a result, their academic performance generally maintains a significant or consistent level of improvement. Among these students, those who

demonstrate notable progress in their academic performance and exhibit improved study habits, or those who are attracted by referral incentives, contribute to an overall referral probability of around 54% within Class B, which represents 8% of all students.

Class C consists of 18 students, accounting for 23% of the total. Through reviewing classroom records, it is evident that these types of students lack intrinsic motivation for learning. They tend to remain silent during class, avoiding answering questions or participating in discussions. They are prone to distraction, often struggling to comprehend the questions asked in class. Procrastination is a common issue when it comes to completing homework, and their submissions might be perfunctory. When communicating with administrative staff, it becomes apparent that these students lack clear learning objectives and often lack confidence. They might believe that even if they set goals, they cannot achieve them. Faced with challenges or setbacks, they lack the courage to persevere and are prone to feelings of frustration, even to the point of giving up. Additionally, due to subject preferences, they might allocate their time and energy to other subjects, neglecting the study of English. During communication with students' parents, the administrative staff discovered that due to their children's long-standing lack of interest in studying and poor academic performance, parents hold complex attitudes. On one hand, they don't have high expectations for their children's academic improvement, but on the other hand, they are influenced by the high expectations of other parents or society regarding educational achievements. This leads to conflicting and hesitant feelings when considering continuing enrollment in courses. The mindset behind enrolling in tutoring classes is that the parents believe regular school classes have a high student-to-teacher ratio and their child's foundational knowledge is weak, causing them to struggle to keep up with the school's pace. They hope that tutoring classes can provide additional learning support and guidance. Furthermore, since the child lacks intrinsic motivation for learning, extracurricular tutoring classes offer more learning opportunities, allowing the child to continue studying during their free time and preventing them from wasting time or indulging in games due to idleness. Such students rarely generate referrals, and any occasional referrals typically involve children of similar types.

Through the clustering analysis mentioned above, customer segmentation has been achieved, which can be utilized for subsequent improvement strategies.

Problem cause analysis of the reaction aspect

In terms of response marketing, the company currently focuses its main efforts on educational research and curriculum development, while investing very little energy into pre-sales, consultation, and post-course follow-up services. Additionally, the company lacks sufficient resources to handle a large volume of customer requests, there is a lack of clear division of responsibilities among employees, and an efficient customer service process has not been established. There is also a lack of effective feedback mechanisms, failing to promptly respond to and address the opinions and suggestions put forward by customers. Regarding the issue of ineffective or unclear responses to learners, the superficial reason is insufficient business training for employees, leading to difficulties in understanding customer needs, comprehending issues, or providing accurate information. The fundamental reason is the company's inability to provide personalized solutions, which prevents customer service personnel from offering tailored solutions based on each customer's specific situation or requirements. As a result, customer service representatives rely on generic responses when faced with customer inquiries, instead of providing targeted solutions.

The customers being unable to reach staff members promptly when they have urgent issues highlights the weak communication channels of Company MF. A comprehensive communication and feedback system has not been established yet. The academy can only contact the company through a single method. This results in a disruption of communication between customers and the company when that particular method fails. Such a situation can have highly negative implications for the company's development and is one of the urgent issues that need to be addressed. Additionally, when arranging employee vacations or conducting company-wide activities such as outings or meetings, the company has not properly designated personnel to handle urgent matters. This is another reason why customers cannot reach staff members promptly and it is an area that Company MF needs to improve in its future work.

Problem cause analysis of the relationship aspect

Relationship marketing is a marketing strategy aimed at increasing sales and business growth through the establishment and maintenance of strong relationships with customers, partners, and other relevant stakeholders. This approach emphasizes long-term collaboration and mutual benefit rather than just short-term transactional relationships. In terms of relationship marketing, based on the clustering analysis results mentioned earlier, there are high-quality sources comprising 33% of the total students, represented by Class A2 students, who are the main force behind MF Company's referrals. Within this group of high-quality sources, 8% of them are responsible for 2 or more referrals each, showcasing their recognition of our teaching quality and willingness to actively promote us through positive relationships, thus driving our business growth.

Among the existing users, a significant portion of students are not achieving satisfactory learning outcomes. For instance, Class C, accounting for 8% of the total students, has an attendance rate of around 70%, takes frequent leaves, or exhibits poor learning habits and self-discipline. These factors prevent them from completing their studies according to the original course plan and make them prone to giving up during course renewal. Addressing how to provide effective learning motivation and long-term learning plans for these students to enhance their learning outcomes is a challenge that MF Company needs to address.

Moreover, a single teacher often has to instruct around five to ten different classes, making it challenging to provide personalized interaction and attention. Besides classroom time, there is little other contact, and students lack direct engagement and interaction with teachers and fellow students. This lack of interaction can hinder the establishment of deep relationships and affect their learning outcomes and engagement levels.

Single course mode of the reward aspect

Analyzing the current situation of reward marketing from the following two aspects:

Currently, MF Company places a strong emphasis on teaching quality and educational research, which leads to offering compensation higher than market rates to attract teachers.

The high compensation for teachers places significant pressure on MF Company's budget, necessitating cuts to the salary budgets of other employees. Currently, MF Company has two full-time teachers responsible for research and teaching tasks, one marketing personnel in charge of course promotion and consultation, and another operations personnel responsible for scheduling and post-course services, as well as other related educational and operational tasks. Operations personnel are responsible for all post-class communication and follow-up work with students, a task that is complex and demanding. However, the compensation they receive is not even a third of what teachers earn. This is also a significant reason for their low work efficiency and quality.

Operations personnel act as a bridge of communication between teachers and students. They receive feedback from students regarding courses or teachers, and if the efficiency of their work is low or their attitude is poor, it directly impacts the improvement of teacher work. The relationship between teachers and operations personnel is rather tense, making it difficult to have detailed and regular communication about students' classroom and extracurricular performance. This directly impacts the quality of customer service. Additionally, the turnover rate of operations personnel has reached 30%, which significantly affects the continuity and stability of operational work.

On the other hand, MF's course offerings are quite limited, currently only providing tutoring courses for high school English subjects. Due to the lack of diverse courses, the company struggles to attract customers with varied needs. Analyzing from a compensation perspective, this limited course diversity externally portrays the company's revenue sources as narrow, affecting the company's business and development. Internally, it can lead to insufficient utilization of company resources, leaving teachers' time idle outside of live classes, resulting in resource wastage.

This chapter has analyzed the cause of the current operational problems of MF Company from four aspects: relevance, reaction, relationship, and reward marketing. The next chapter will build upon this analysis to delve into commercial commercial development plan.

4.3 SWOT analysis

This chapter employs the SWOT analysis approach to conduct an internal analysis of MF Company.

Table 4.6 SWOT analysis

Strengths	Excellence in teaching quality.
	Arrange courses more flexibly according to student's needs.
	Respond swiftly to market change because of streamlined decision-making process.
	Excellent in-class and after-class service.
	Cost saving due to the online teaching method. Low marketing cost based on the word-of -mouth marketing model.
Weaknesses	Personnel insufficient.
	As a small-scale company, MF lacks recognition.
	Online courses can hardly guarantee students' learning status.
	Limited technical input and unable to provide some advanced teaching techniques and tools.
	Limitation of teaching experience.
	Lack of diverse course.
Opportunities	Increasing demand for online learning.
	Cooperate with offline training institutions to develop integrated courses.
	Focusing on specific subject makes it easier to provide more refined services.
	The rapid development of Internet technology brings more advanced online teaching tools.
Threats	Competition from large-scale tutoring companies.
	Information security of student information and sensitive data.
	Unable to keep up with the rapid update of industry technology, losing competitive advantage.
	Due to limited resources, it is unable to adapt to changes in market demand in time, thus facing survival pressure.
	Legal risks caused by ignorance of relevant laws and regulations in the online education industry.

Source: Author (2025)

5. Commercial development

5.1 Objectives of this plan

Through a conversation with the General Manager of MF Company, it was revealed that the company aims to achieve the objectives as follow:

- A student enrollment of 180 people by the end of 2025
- Achieve a student retention rate of at least 90% by the end of 2025, ensuring that the majority of enrolled students continue with MF’s tutoring services for multiple terms.
- Enhance student engagement and satisfaction, aiming for at least 85% positive feedback in post-course surveys by the end of 2025.
- Reduce early dropout rates to below 5% by the end of 2025, ensuring that students complete at least one full cycle of their enrolled course.

5.2 Proposals for the 4R

Building upon the analysis of the company's current situation and the examination of the causes of the issues mentioned earlier, the author now presents a commercial development plan that spans four dimensions based on the 4R theory: improve precision marketing from the relevance marketing aspect, create customer feedback response mechanism from the reaction marketing level, improve customer information management from the relationship marketing aspect, improve internal rewards equity and diversify course development from the reward marketing level.

5.2.1 Relevance Marketing

For the development of relevance marketing, MF Company's precision commercial development plan should be considered from two aspects: creating course content and services that align with learner needs and diversifying class sizes and teaching modes.

Create Course Content and Services that Align with Learner Needs

The most closely related factors between the tutoring company and students are course quality and teaching effectiveness. The primary purpose for students to choose a tutoring company is to enhance their academic performance or skills. Therefore, course quality and teaching effectiveness are the most crucial concerns for students. The tutoring company needs to provide high-quality courses and effective tutoring services to meet students' needs to attract and retain them. Currently, MF Company offers a single course, which consists of English tutoring sessions of the same difficulty level. Based on the results of the cluster analysis in Chapter Six, it is possible to arrange different course content and services according to the diverse needs of various types of students.

The results of the cluster analysis indicate that Class A1 students exhibit a high willingness to learn and a strong focus, but tend to be introverted with a reserved personality. They have low classroom engagement and are not very inclined to actively participate in class discussions and activities. They seldom communicate and share ideas with teachers and classmates, which makes it difficult for teachers to understand their learning situation and issues. This can impact their learning outcomes and also hinder teachers' understanding and guidance, potentially leading to a growing gap between them and other students.

For this type of student, when designing courses, MF can tailor their approach to their inclination for autonomous learning. They can provide opportunities and resources for independent learning, such as self-study, self-exploration, and self-discovery. This empowers them to acquire knowledge and skills through their efforts and explorations, thus boosting their enthusiasm and self-confidence. Additionally, when group discussions are required, special incentive mechanisms should be implemented for Class A1 students who have a high willingness to learn but are less expressive. This might involve timely recognition and encouragement, enhancing their self-confidence and willingness to participate. Designing rewards in the form of participation points, which can be exchanged for courses, can be a strategy. Capturing moments of progress and creating visual records can help students review and perceive their growth, thus fostering a sense of accomplishment.

Class C students have poor foundational knowledge and exhibit negative learning habits and attitudes. For such students, it's evident that using coursework of equal difficulty to that

of other classes will not provide substantial assistance. Without effective support, there won't be any positive referrals, and there's even a risk of gradual attrition. This would hurt the company's business growth. In response to these students, MF Company should adopt the following strategies: Firstly, focus on guiding their learning attitudes, which is highly desired by their parents. Transforming the learning attitudes of underperforming students involves building strong relationships with them, genuinely caring about their lives and growth, offering personalized help and support, and ensuring they feel the teacher's concern and encouragement. This gradual approach will help in changing their resistant attitudes. Secondly, tailor individualized coaching plans based on each student's unique circumstances and needs. This will aid in developing correct study methods and habits, ultimately boosting learning efficiency. Timely encouragement and recognition should be provided when students make progress or achieve accomplishments. This recognition will make them feel their efforts are acknowledged, thereby enhancing their confidence and motivation. Provide a wealth of learning resources and support, including textbooks, reference materials, and video courses. Assist students in forming study groups to facilitate mutual exchange, and sharing of learning experiences and techniques. This will help them establish a sense of belonging, thereby improving learning effectiveness and interest.

Diversify the Class Size and Teaching Modes

Currently, MF's class size is fixed at 6 students. To cater to the diverse needs of different learners, various class sizes and teaching modes can be implemented. In terms of class size, options could include one-on-one, one-on-two, and 6-student small-group classes.

One-on-one tutoring is primarily designed for students who excel exceptionally or lag in their performance. These students often have varying learning paces and distinct tutoring requirements. The personalized nature of one-on-one instruction aligns well with their individual needs. Before commencing one-on-one tutoring, teachers need to understand specific student details such as English proficiency, learning attitude, and difficulties faced. This understanding helps in devising tutoring plans encompassing learning objectives, content, and teaching methods, ensuring the teaching is targeted and effective. During the one-on-one

tutoring process, regular testing and assessment are necessary to gauge student progress and shortcomings, allowing for timely adjustments to tutoring plans and teaching methods.

The one-on-two class format caters to students with noticeable personalized needs who also desire a study partner. Having a study partner enhances interactivity and communication, enabling mutual encouragement, supervision, and progress. This format also alleviates feelings of isolation, thereby enhancing the enjoyment and interest in learning.

The 6-student small-group class is the current class size at MF and is primarily directed toward students with relatively similar foundational knowledge and learning performance.

Regarding teaching methods, MF Company can complement its current live class format by introducing recorded lessons. While live classes are a predominant aspect of MF's curriculum and offer distinct advantages, such as eliminating geographical limitations for students and saving time on commuting, as well as allowing for replaying missed content, relying solely on one teaching mode can also have negative implications for both the company and students. The singular teaching mode doesn't fully utilize teaching resources, leading to underutilized and wasted resources within the company. Additionally, it may not meet the diverse learning needs of all students, resulting in a suboptimal learning experience.

In the future, MF Company could consider supplementing its offerings with recorded lessons, such as a "Daily Practice Question" series. This could involve selecting classic or tricky questions, recording solution strategies, and providing related practice questions to help students consolidate their understanding. Another option might be a "Daily Sentence Analysis" series, where complex sentences that often confuse high school students are analyzed for sentence structure. Students could engage in learning during fragmented periods through this type of course.

Tailoring courses and class sizes based on the varying needs of different students can better meet their expectations, enhance their satisfaction, and consequently attract a higher number of participants.

5.2.2 Reaction Marketing

For optimizing reaction marketing, MF Company's approach to improving student feedback responses should be considered from two aspects: establishing comprehensive course services and creating a rapid response mechanism to adapt to market changes.

Establish Comprehensive Course Services

MF will establish and refine a comprehensive service system that covers pre-class, in-class, and post-class stages. This system will promptly identify and provide feedback on customer needs, while also delving deeply into potential customer demands. It will offer customers complete guidance and support throughout their learning journey.

Pre-course services are carried out in the following aspects. Through methods such as market research, surveys, and face-to-face communication, student information is collected. This helps understand students' characteristics and needs, their goals, learning backgrounds, strengths, weaknesses, and the type of assistance they hope to receive during the tutoring course. Additionally, inviting students' parents to participate in the needs analysis process is possible. Parents can provide information about students' study habits, learning styles, and interests, aiding MF in better understanding students' needs and devising relevant plans. Before the formal course begins, students receive pre-course guidance. The upcoming courses are introduced to students, providing them with preview and review materials such as textbook chapters, practice questions, reading materials, or online learning resources. This enables students to independently study and consolidate related knowledge before class. Students can present their doubts or questions encountered during their studies to teachers before the course, who can provide answers and guidance. This assists students in resolving uncertainties before class, obtaining timely assistance, and preparing for future learning. Through this interaction, a closer connection and cooperative relationship can be established between students and teachers, promoting the formation of a conducive learning atmosphere.

During the in-class period, MF company can utilize personalized teaching tools, such as learning management systems, online assignments and exercises, adaptive learning modules, and more. These tools can adjust teaching content based on students' learning progress and abilities, providing a personalized learning experience. Relevant learning resources, such as

textbooks, reference books, practice questions, online learning platforms, or tutoring videos, are promptly provided to students. Additionally, teachers need to guide students in effective learning methods and techniques. This includes time management, memory techniques, reading and note-taking methods, problem-solving strategies, and more. Furthermore, personalized teaching is a dynamic process. MF company evaluates students' learning outcomes and feedback, regularly tracking students' progress through activities like periodic tests, assignment assessments, or mock exams. Based on student feedback and performance, teaching methods, content, and resources are adjusted to ensure the effectiveness of personalized teaching. Regarding the results of stage learning, MF should provide feedback and suggestions to students promptly. This can take the form of verbal feedback, assessment reports, progress meetings, and more. This approach helps students identify their strengths and areas for improvement, providing targeted advice and guidance.

In the post-course services, in addition to regular homework grading, relevant learning summaries and review materials are provided based on the classroom content. This assists students in reviewing and reinforcing the knowledge they have learned. When students have questions after class, they can consult with the instructors to promptly resolve any learning difficulties they encounter. MF tracks and assesses students' learning progress, communicates with students and parents, understands their learning situation, and provides corresponding adjustments and suggestions.

Through this comprehensive pre-class, in-class, and post-class service system, MF can better meet students' learning needs, enhancing students' academic performance and learning abilities. Simultaneously, parents can better understand and participate in their children's learning process through close cooperation with MF, jointly promoting the comprehensive development of their children.

Establishing a Rapid Market Response Mechanism

MF needs to establish a flexible organizational structure and create a talent pool to enable timely resource and manpower adjustments. It should constantly monitor market changes and customer demands to ensure rapid product and service launches and updates. Timely collection of operational data in daily work, and in-depth analysis of market, customer, and

product data should be conducted to better understand market and customer needs. This will help improve products, services, and operational processes, and shorten the time required for course product research, development, and launch, thus enabling quicker responses to market changes and customer demands.

Responding promptly to students demonstrates a professional attitude and dedication to their needs, reducing the likelihood of students leaving due to unresolved issues. This aids in maintaining student retention rates and preventing attrition. Additionally, it can attract new students. When potential students observe the institution's attention and responsiveness to current students, they are more likely to develop an interest in the institution and join the learning community.

5.2.3 Relationship Marketing

For optimizing relationship marketing, MF Company's student information management improvement plan should be considered from two aspects: building collaborative partnerships with students and establishing a customer relationship management system

Build partnerships with students

Class A students account for 60% of the total number of students, which is the student group that needs to be focused on.

Among them, Class A1 students exhibit excellent academic performance but tend to be introverted with weaker interactive skills. They prefer solitary reflection and independent learning. To establish a profound partnership with such students, inviting them to engage in question bank creation is recommended. Implementing relevant incentive systems, such as offering specific course discounts or certificates, can be effective in enticing student participation. Based on the course content and the student’s proficiency levels, a comprehensive plan for composing the question bank should be devised. This plan should encompass aspects such as question types, difficulty levels, and coverage of key concepts. Grouping the students and encouraging them to collaborate on tasks can be effective. Throughout the question bank writing process, providing relevant guidance and learning resources to students is essential. This could include reference answers, problem-solving

techniques, recommended books, and more, all of which aid them in crafting the question bank effectively. Ultimately, the question bank written by the students needs to undergo review and revision to ensure the accuracy and quality of the questions. An indispensable step involves offering feedback and summarizing the students' question writing efforts, highlighting areas for improvement, and providing constructive suggestions. This approach not only offers tangible course incentives to A1 students but also boosts their engagement and enthusiasm. It enhances their sense of accomplishment and belonging. Importantly, the question bank writing process fosters a more precise grasp of the subject matter and a deeper comprehension. This approach achieves multiple positive outcomes simultaneously.

Class A2 students exhibit excellent academic performance, enjoy communication and sharing, and their parents attach great importance to their children's education. These students have introduced the most clients to MF Company and form the highest-quality customer segment. To effectively nurture relationships with these students, it's recommended to provide them with certain privileges. For instance, they could receive priority scheduling for classes and access special discount offers. For this group of students, additional services could be provided, such as extra learning materials and simulated exams, to enhance their learning outcomes and satisfaction. Additionally, considering their sharing-oriented personalities, MF Company could establish social groups where these students can interact and exchange learning experiences and resources. This initiative will enhance their loyalty and sense of belonging, fostering stable and long-lasting relationships.

Class B students demonstrate excellent learning attitudes, habits, and academic performance. However, due to unstable family financial situations or parents' unpredictable work schedules, they might not have much time to dedicate to their children's education. About these students, when employing relationship marketing strategies, MF Company should focus on establishing close connections with them. Understanding their needs and challenges is essential, and offering timely assistance and solutions will help them feel cared for and supported by the institution. Assigning scores based on their regular performance and enrollment rates could be used as credits for redeeming "free after-school learning services." Similarly, offering "referral special discounts" could be tied to the number of times they refer new clients to the company.

Class C students have weak foundational knowledge and lack effective study planning. For these students, expecting significant academic improvement in a short period isn't realistic. Instead, the focus should be on initiating change by altering their habits and setting goals. These improvements need to be quantifiable, such as increased attendance rates within a certain time frame, enhanced quantity and accuracy of assignments, and memorization of a specific number of vocabulary words and phrases. By achieving these measurable milestones, their self-confidence can be built, gradually transforming their attitude toward learning. These quantifiable improvements should be documented in professional progress reports, allowing parents to witness their children's transformations. Simultaneously, guiding Class C students to conduct self-assessments regularly is crucial. This empowers them to reflect on their progress and shortcomings while proposing strategies for improvement. With shifts in study habits and attitudes, consistent efforts will undoubtedly lead to improvements in academic performance. As they progress, a strong and inseparable mentorship relationship is established with MF Company.

Establish a Customer Relationship Management (CRM) System

Based on MF's actual needs and budget considerations, select suitable customer management software and arrange necessary training for all staff to effectively utilize the system. Through the robust and comprehensive information management capabilities of the software, create detailed customer profiles encompassing essential details like customer information, learning progress, purchase history, etc. This enables staff members to promptly access required information, enhancing communication with customers.

The system should track and manage information for all students, including their learning progress, interaction records, and any specific requirements. It should categorize them based on distinct customer needs, expectations, and attributes, and adjust service strategies accordingly to improve the service. Efficient use of CRM software helps maintain customer relationships, improving customer satisfaction and loyalty.

Establishing a CRM system and building long-term relationships with students not only helps maintain student numbers but also fosters growth, establishes a stable student

foundation, enhances the company's reputation, and creates a more enduring educational impact.

5.2.4 Reward Marketing

From the perspective of compensation marketing, considerations revolve around two aspects: diversifying course development and optimizing internal compensation equilibrium.

Diversified Course Development Improvement Plan

Due to the singular nature of MF Company's courses, there is a misallocation of teaching and research resources acquired through high-salary recruitment. Additionally, students with specific needs lack corresponding courses. To address this issue, MF Company will implement a diversified course development improvement strategy. This strategy involves conducting interviews or surveys to understand the requirements and interests of the target students, determining course objectives and content, and designing English courses suitable for different age groups and proficiency levels. Based on the needs analysis, various types of English courses will be designed, such as speaking, listening, reading, writing, crash courses before exams, and specialized grammar courses. Depending on different stages and requirements, students can choose courses of various types and levels to meet their diverse needs and goals. This approach is aimed at achieving revenue growth.

Furthermore, a combination of live courses and recorded courses can be employed to diversify revenue sources. From an open-source perspective, MF Company can offer a wider range of course options, setting different prices and durations to cater to the varying needs of different students. This allows students to flexibly choose their learning method based on their time and pace, enhancing flexibility and efficiency in their studies. This, in turn, increases the likelihood of students purchasing courses and contributes to revenue growth. From a cost-saving perspective, live courses enable MF to serve more students within a limited time frame, thereby optimizing the utilization of teaching resources. Recorded courses allow teachers to provide support to students outside of class hours, making better use of teaching resources and expanding revenue streams. This approach results in a win-win situation.

Simultaneously, MF can leverage the advantages of both methods to introduce bundled packages or membership systems, offering discounts and incentives to attract more students to choose the institution's courses. This strategy diversifies revenue sources for MF and fosters a more dynamic income structure.

Internal reward balance improvement strategy

MF Company's current compensation system is noticeably skewed towards the teaching team, while the administrative team not only receives salaries below the average level but also lacks performance incentives. This has resulted in significant dissatisfaction among the administrative team, leading to a lack of motivation and commitment to their work. As a consequence, they are unable to provide students with stable and seamless services. This has caused a decline in the trust of some students in the company. If the internal compensation balance is not addressed promptly, the continuous imbalance will increasingly generate negative impacts on the overall services provided by the company. To address this issue, MF can consider implementing a compensation model that combines base salary and performance-based pay for both the teaching and administrative teams, thereby introducing additional incentives. Establishing a compensation system that is competitive in the market ensures that the salary levels remain competitive within the industry. Furthermore, introducing performance rewards will encourage employees to enhance the quality and efficiency of their work. Additionally, both for teachers and administrative staff, there have been issues with unclear promotion criteria, unstructured promotion processes, and unclear career development paths. To address these concerns, MF Company should comprehensively consider performance in various areas such as teaching achievements, student management, training experiences, team building, customer satisfaction, innovation capability, knowledge sharing, and project management. By establishing clear promotion criteria, the company ensures fairness and impartiality. Implementing standardized promotion procedures guarantees compliance and offers employees diverse career development paths, including management, technical roles, and business positions. This approach provides staff with more opportunities for advancement, motivating team members to continuously enhance their

professional skills. This, in turn, contributes to the growth of the tutoring company and generates improved performance.

By offering a diverse range of courses, you can meet the needs of different students, attract a wider student audience, and expand your market share. Achieving an internal compensation balance within the company can incentivize teachers and staff to deliver better teaching and service, and enhance student satisfaction, thus increasing student retention and attracting more new students. The combined effect of these two factors can significantly contribute to the growth in student numbers.

6. Implementation plan

In order to implement the proposals presented on the previous chapter, MF Company should take into consideration the following aspects: human resources, funding, and technology. The following will provide a detailed analysis of these three aspects.

6.1 Human resources

Marketing and Operations Personnel

For a small-scale online training company to stand out, it must implement effective safeguard measures. Among these, the sufficiency of marketing and operations personnel is of paramount importance to the company's development. MF will utilize various channels to recruit talents, expanding the recruitment scope to attract more exceptional individuals. Based on the significance of positions and skill requirements, reasonable compensation and benefits will be set to entice and retain outstanding marketing and operations professionals. Building long-term collaborative relationships, providing robust career advancement opportunities, and fostering a sense of belonging and loyalty among employees will be prioritized. Internal training within the company can be arranged, allowing experienced employees to share insights and knowledge. Additionally, external training or participation in industry conferences can also be organized to ensure an adequate and well-utilized pool of marketing and operations personnel.

Teaching Personnel

Having adequate teaching personnel is crucial to ensuring the teaching quality and reputation of MF. MF should establish a rigorous recruitment process to ensure the selection of suitable teachers. Continuous training and development opportunities should be provided to the existing teaching staff, aiding them in enhancing their teaching skills and professional competence. Moreover, implementing reasonable incentive mechanisms and welfare policies is essential. For instance, offering flexible working hours and remote work options to teachers can enhance their sense of belonging and satisfaction within the company, thereby attracting and retaining outstanding educators and elevating teaching quality. This approach in turn

drives the company's ongoing development.

6.2 Technology

To ensure the stable operation of the company's business and the security of user data, technical safeguard measures are of utmost importance. Selecting server equipment with stable performance and high-security levels is crucial to meet the company's operational requirements and providing users with secure and reliable online tutoring services. Additionally, prioritizing the security of data storage is essential. Regular data backups should be conducted, and data encryption techniques should be employed to protect user privacy and sensitive information.

Formulating emergency plans is essential, encompassing the anticipation of potential disaster scenarios such as server failures or natural calamities. Establishing a disaster alert mechanism allows for the timely detection of emergencies and activation of corresponding emergency response plans.

6.3 Schedule

The following table presents the schedule of implementation of this plan.

Table 6.1 The schedule of implementation of this plan

4R theory	**Proposal**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Relevance	Develop 2 new course modules per month based on learner feedback, market trends, and demand	X	X	X	X	X	X						
Reaction	- Pre-class: Ensure 100% of enrolled students receive course introduction materials 1 week before class. - In-class: Achieve 90% of students receiving real-time support and feedback during classes. - Post-class: Achieve 80% student participation in post-course surveys and offer personalized follow-up plans within 1 week of course completion.		X	X	X	X	X	X	X	X	X	X	X
Relationship	Host 3 webinars per quarter to strengthen student relationships and receive feedback.			X	X	X	X						
Relationship	Implement a CRM system to track student progress, preferences, and feedback by June 2025.				X	X	X	X					
Reward	- Introduce live + recorded course packages including different course categories (like speaking, listening, reading etc.), offering at least 3 pricing tiers for different student needs. - Launch 10+ recorded courses to be used for flexible learning.					X	X	X	X	X	X	X	X

Source: Author (2025)

Note: The numbers 1 to 12 in the table correspond to the months of the year 2025.

6.4 Budget

The following table presents the budget for the implementation of this plan.

Table 6.2 The budget for the implementation of this plan

4R theory	Proposal	Budget
Relevance	Develop 2 new course modules per month based on learner feedback, market trends, and demand	RMB 10,000/month (Hiring Teaching Researchers teaching assistants, advertising and promotion)
Reaction	- Pre-class: Ensure 100% of enrolled students receive course introduction materials 1 week before class. - In-class: Achieve 90% of students receiving real-time support and feedback during classes. - Post-class: Achieve 80% student participation in post-course surveys and offer personalized follow-up plans within 1 week of course completion.	RMB 0
Relationship	Host 3 webinars per quarter to strengthen student relationships and receive feedback.	RMB 0 (Free app or software)
Relationship	Implement a CRM system to track student progress, preferences, and feedback by June 2025.	RMB 2000/year (Subscribe to the basic version of CRM and moderately optimize data management.)
Reward	- Introduce live + recorded course packages including different course categories(like speaking, listening, reading etc.), offering at least 3 pricing tiers for different student needs. - Launch 10+ recorded courses to be used for flexible learning.	RMB2000/month (Live platform + recorded platform fees; Content materials fees; Advertising and promotion fees)
Total Annual Budget: RMB 146.000		

Source: Author (2025)

6.5 Control and assessment

Table 6.3 Control and assessment

Objective	Target	Measurement Method
Student Enrollment	180 students by the end of 2025	Enrollment records
Student Retention Rate	Retain at least 90% by the end of 2025	Student retention analysis
Student Engagement	At least 85% positive feedback in post-course surveys	Post-course survey results
Student Dropout Rate	Less than 5% dropout rate	Dropout analysis

Source: Author (2025)

7. Conclusion

The objective of the master's thesis was to develop a commercial development plan for MF company. To achieve the previous objective, a deep literature review was done to collect relevant scientific information on online private tutoring companies and their marketing strategy. This allowed me to understand the historical research results on the phenomenon of online tutoring and how a proper marketing plan must be done, step by step. In this case, all the authors taken into consideration made it possible to create a well-structured thesis, starting with an external context, sector analysis, and internal analysis, followed by the company situation(problem) situation analysis, cause analysis, and improvement plan.

The external analysis allowed us to make it clear that in recent years, the government has introduced a series of regulatory measures to standardize the market behavior of extracurricular training, addressing the burden caused by the rampant development of the education and training market on parents and students. This has provided rationality and legality for the better regulation of the education and training market, enabling the industry to develop in a healthier and more orderly environment. The steady growth of the national macro economy has provided a broad development space for the online education industry, ensuring sufficient protection for the consumption capacity of the main consumer group in the education and training market, namely parents. As China's population growth slows down and the process of a declining birth rate accelerates, the future decrease in the birth rate will significantly reduce the incremental space of the education and training market, posing a severe challenge to the entire industry. The population issue is a concern for the future; however, the immediate challenge is how to improve the perception of parents and students towards online training institutions. Overall, the external environment of the tutoring industry is characterized by opportunities outweighing challenges.

The internal analysis made clear that the advantages that the company possesses stem from its small scale, resulting in flexibility and cost-effectiveness. This allows the company to make and adjust decisions more swiftly and flexibly to adapt to market changes. Cost control enables the company to offer relatively favorable prices and more competitive services to

students. However, the limited teaching resources constrain the number of students the company can accommodate. Being a lesser-known small-scale company also adds to the challenges of student recruitment. The growth in demand for online learning presents significant opportunities for the company's development, but the intensifying industry competition also poses substantial challenges. MF needs to continuously enhance its competitiveness and sustainability. It requires timely commercial development to adapt to changes and achieve better development in a constantly changing environment.

The author employs the 4R theory to analyze the current state and challenges faced by MS Company across four dimensions: Relevance Marketing, Reaction Marketing, Relationship Marketing, and Reward Marketing. Through data collection and analysis, specific causes of the current issues have been identified. These include unclear customer profiles at the Relevance Marketing level, imprecise understanding of user demands, slow response to market and student needs at the Reaction Marketing level, the need to enhance student engagement at the Relationship Marketing level, and the requirement to elevate course value and diversification at the Reward Marketing level.

Finally, based on the underlying causes of these issues, corresponding commercial development strategies have been developed, along with Schedule, Budget and Control & Assessments for implementing these strategies.

This thesis presents specific strategies and methods for customer relationship marketing at MF Company. While cultivating customer relationships in practical implementation, certain challenges may arise. It is important to analyze specific situations based on the actual conditions of the students during the practical operation and further refine these strategies in future practices.

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ANNEXES

Interview Transcript:

Consultant (C): Good morning, I'm pleased to be talking with you. What goals does the company currently want to achieve?

General Manager(GM): Good morning, thank you for your time. Yes, here's what we're aiming for by the end of 2025:

*We want to enroll 180 students.

*We're hoping to keep at least 90% of students sticking with us, so they continue taking MF's tutoring for multiple terms.

*We also want to boost student engagement and satisfaction, aiming for at least 85% of students giving us positive feedback after their courses.

*Lastly, we want to keep early dropouts below 5%, making sure most students finish at least one full term of their course."

C: That's a worthwhile goal. Could you share with me some of the challenges you're currently facing?

GM: We've encountered a few issues. First, we currently lack an understanding of customer information, so we don't have a good grasp of their needs and interests. Additionally, our courses might be a bit monotonous and lack sufficient appeal. Lastly, our response to customer feedback isn't timely enough, which could affect their satisfaction and loyalty.

C: These are common issues, but they can be resolved. First, let's discuss customer profiles. Have you considered conducting surveys or analyzed to gain a deeper understanding of the interests, needs, and characteristics of your target student group?

GM: Yes, we're aware of this. We're considering conducting surveys to better understand them, but we're not sure where to start.

C: Conducting surveys is a good starting point. You can collect feedback and opinions from students through online surveys, interviews, or focus groups. This will help you better shape your courses and services to meet their needs.

GM: That sounds promising. As for the attractiveness of the courses, do you have any

suggestions?

C: Certainly, ensure that your course content is diverse, covering different levels and interests. You might consider adding innovative elements such as interactive learning activities, case studies, and practical applications. These can make students more engaged and invested.

GM: That makes sense. Finally, we're aware that our response to customer feedback needs improvement. Do you have any suggestions to strengthen this aspect of our work?

C: Make sure you have clear feedback channels, such as online forms, email, or phone. Also, establish reasonable response times for feedback. You could also consider setting up a customer support team dedicated to handling feedback and responding promptly.

GM: These are all very practical suggestions, thank you. I believe that if we can make improvements in these areas, our number of students will certainly increase.

C: I'm glad to be of help. Continuously focusing on student needs, innovating courses, and optimizing the customer experience will contribute to achieving your goals.

GM: Thank you for your assistance. If there are further questions in the practical process, I'll discuss them with you. Thanks for your time.

C: You're welcome. I wish you success in achieving your goals! Stay in touch. Have a pleasant day.

GM: Likewise, thank you again for your advice.

(Interview concludes)