Changing, Development and Current Issues New Oriental Facing during the pandemic

Pingxuan Chen*

College of Liberal Arts, Drew University, Madison, NJ 07019, America

*Corresponding author email: pchen2@drew.edu

Abstract. Represented by New Oriental Education Group in the education industry as the third industry, the service industry has been occupying an important status in China's market economy, and by 2020 showed a trend of a surge in its development, but since the outbreak of the pandemic in 2020, the education industry has received the unprecedented hit, many education training institutions are facing the risk of bankruptcy. As a result, the unemployment rate in China's labor market has increased significantly from 2020 to 2022, with countless unemployed workers in the education industry facing the dilemma of changing careers or losing their jobs. Therefore, this paper makes a deep analysis of the advantages, disadvantages, opportunities and challenges of education and training institutions represented by the New Oriental Education Group by using the SWOT model and puts forward relevant suggestions. This paper specifically analyzed that under the epidemic situation and after China's double reduction policy was promulgated; the New Oriental Education Group was faced with the need to significantly reduce the training part of primary and secondary schools, shift the focus of operation from the original K9 to overseas study and adult education, and change a large proportion of the traditional face-to-face teaching method to online teaching. At the same time, the New Oriental Education Group has developed its own special online training software and hardware, which enabled it to achieve a relatively smooth transition from offline face-to-face teaching to online teaching at the first moment of the outbreak. However, online teaching also has some inevitable problems and shortcomings. In this regard, this paper will put forward the corresponding suggestions.

Keywords: Educational institution, the pandemic, Double reduction.

1. Introduction

The essay mainly focuses on the enterprise New Oriental Education Group's development during the pandemic. The first part of this essay analyzes the current state of the Chinese education market before and after the epidemic. With the general understanding of situation of educational institutions in the Chinese market, the specific analysis of both business models and consistence of courses before and after the pandemic in New Oriental Education Group will be indicated. Listing current issues that the New Oriental Education Group is facing. In the last part of the analysis of the New Oriental Education Group, the advantages and disadvantages of current teaching methods will be listed. In the last part of the whole essay, the overview of advantages and disadvantages of the New Oriental Education Group and future possible developing direction will be indicated by using the SWOT method. Little literature has previously focused on how the New Oriental Education Group, as an educational institution, has coexisted with COVID-19. At the end of the essay, some specific recommendations are made for the New Oriental Education Group.

2. The introduction and analysis of New Oriental

2.1 Introduction to New Oriental, and comparison between different periods

Education industry has always been an important part of the Chinese market. Especially the after-class exercises and extra lessons. The desire of Chinese parents to make a better life for their children provides a huge demand for additional classes and hands-on activities [1]. According to Bao (2021), New Oriental Education Group covered a large range of services from compulsory to senior high

school; it also had set up a large number of educational institutions, including schools, bookstores, and learning centers. Although the will is now still present and strong, current Chinese government policies restrict the education industry, which mainly on extra lessons for children and teenagers. The action is called a 'double reduction' policy, which means reducing the burden of students both in and out of school. It limits the business of every educational institution, and the extra curriculum for teenager and children are forbidden. The policy is mainly focused on students under 18 years old, for every entrance examination, such as 'Gaokao,' is considered as the 'determination of the individual's life'. Most students are going through puberty when they are preparing for the examination, and their biological health and mental health are greatly influenced by the environment. It is the truth that too much learning and expectation from parents would bring students too much pressure and even cause mental illness. To sum up, because of the 'double reduction' policy, the current status of the education industry is showing a shrinking tendency. However, the expectation of parents and the need for extra lessons are still enormous.

Depending on the needs of our clients, New Oriental Education Group offers a wide variety of programs. New Oriental Education Group originated as an international English language test for students who want to study and live abroad. It mainly focuses on inspiring Chinese students and letting them know how and the reason for learning [2]. Besides products for students, adult certificate learning is also a part of its business. It also provides a systematic learning process for adults who wants to get both national and international certificate of specific skills, like CATTI (China Accreditation Test for Translators and Interpreters), NCEA(National Certificate of Education Achievement), and ACCA(The Association of Chartered Certified Accountants). These are the side products of the company, and it only took a slight part of the income before the pandemic. The main part is the relevant services for teenagers and younger children. It developed the needs of customers and opened up a wider market for preparing primary school, secondary school, and high school students for their school tests and entrance examinations. It has both domestic university tests and international entrance test lessons. International tests, like ACT (American College Test), GRE(Graduate Record Examination), and GMAT(Graduate Management Admission Test), have particular lessons. Then with the need for international English language tests, it also developed the market for applying bachelor and postgraduate of American, England, and Australian universities. With the needs of parents, New Oriental Education Group also provided K9 courses for students, which are the original lessons from America. The purpose and attraction of the courses are not only because English is the official language of America but also because parents believe that America has the best pedagogy. Parents want children to learn English as it is their first language, so they consider that the sooner they begin to let their children learn English, the better their children could master it. All the courses above are mainly offline, supplemented by online courses before the pandemic. The use of electronic devices and networks in teaching has just begun in recent years, and COVID-19 has accelerated this process.

Before the pandemic and 'double reduction' policy, the developing direction of New Oriental Education Group was to keep the leading position in children's education and develop the market for abroad studies. The pandemic brings a lot of inconveniences to society. For an educational institution, the major problem is the difficulties of providing offline lessons. Before the pandemic, online courses like video classes and live classes are mainly for adults who already have jobs but still what to learn systematically. But in the epidemic, offline teaching is much more difficult, and the risks and costs of offline teaching outweigh the benefits it brings. Although online teaching cannot be as effective as offline, considering the safety, it is necessary to replace offline teaching with online teaching. On the other hand, the 'double reduction' policy forces New Oriental Education Group to change its main direction of our school curriculum for primary, secondary, and high school students to apply to universities and adults for practical certificate tests [3]. According to New Oriental Education Group(2022), it would still focus on educational services, but responding to the 'double reduction' policy, it would not focus on 'K-9' Academic AST Services. Compared to the previous direction, the quality of teachers they need is higher than before, which also means they need to invest more to keep

specifically qualified personnel to help them run the business. With the raising of online study, self-study is now also becoming the main trend in education, and for New Oriental Education Group needs to keep its leading position in the educational industry, they need to put more effort into developing new materials and products for self-studying. In general, the current direction of development is more costly than the previous one, and, as the process is long-term, it will bring about a slower reciprocal effect than before.

2.2 Difficulties and new chances of New Oriental development during the pandemic

As previously said, during the pandemic, it is difficult to carry out offline courses, and with the changed policies, the risk of setting any courses for students under 18 is high. The 'double-reduction' policy had a huge impact on the education industry, and it caused the exiting of investors and the recruitment of teachers [4]. The impact of double reduction on the education industry is devastating. But the most serious impact of the epidemic is the closure of the city. When the city was in lockdown, the teaching of public schools themselves was lagging behind and delayed, not to mention the survival state of private educational institutions in this case. Although parents have a lot of demand in this regard due to the delay in teaching in public schools, educational institutions also need time to develop an online system for students. The epidemic is also affecting the company's work process. Each company worked hard to maintain the pre-the pandemic work efficiency at the early stage of the epidemic, but the effect was poor.

COVID-19 caused a decline of willing of universities' students to study abroad, and 73.44% of agencies got a lower number of related consultant [5]. With several popular study abroad countries closing their borders to China, the study abroad business reached the bottom in early 2020. Under the epidemic, students' parents themselves are not willing to ignore their children's personal safety for their studies. Considering many reasons, the option of studying abroad will no longer be dominant or even be considered. In this case, the business of New Oriental Education Group was greatly damaged.

According to the Ministry of Education [6], approving the establishment of new extra curriculum institutions should stop, and existing institutions should no longer be run as profit institutions. The double reduction policy prohibits any educational institution from providing extracurricular training to primary and secondary school students. Under the influence of this policy, most institutions whose main business is extracurricular training have closed down. For New Oriental Education Group, whose main business is extracurricular education in primary and secondary schools, this is nothing more than a huge blow.

Despite the dual pressure of the epidemic and policies, New Oriental Education Group could still find new opportunities in it. At the beginning of the pandemic, the education industry was affected by several factors, including changing offline teaching to online teaching. Although everyone involved agrees that online teaching is not an effective way to teach, New Oriental Education Group has seized the opportunity. New Oriental Education Group uses people's favorite way of selling products live, inserting English teaching while selling its own products. Entertainment and learning are combined to attract potential customers in the form of dialogue. But this form is not long-term, because it is never a complete system of the learning process. This is more inclined to sell products which have seriously deviated from the business direction of New Oriental Education Group itself. Student's expectation of online courses is relative to student's satisfaction [7]. Customers are expecting knowledge and actual lessons, but the products they are trying to sell. It could be totally another developing direction, but definitely not in the teaching area. However, the advantages of this format are easy to use and the high level of feedback students can get to learn and use. Even if it has deviated from the original business direction of New Oriental Education Group, it is also a good start if it wants to carry out sales business.

Another new opportunity that New Oriental Education Group may obtain is the popularization and development of online courses. The pandemic accelerated the raising of online education, and it only took one year for related enterprises to raise more than 3 billion dollars [8]. Now, a variety of online course software is emerging in endlessly, most of which need to install special apps, which is very

inconvenient. Switching between different learning software is very cumbersome. People may be confused about what software can be used to quickly and efficiently learn all the content they want to learn. At this time, the software developed by New Oriental Education Group for a long time has played a role. New Oriental Education Group has developed software for classes and exercises, and there are very comprehensive free materials. Among much other incomplete information, New Oriental Education Group has a great advantage in this regard. Relevant training advertisements can be implanted in the software to increase the conversion rate of users, develop user communities in the software, and also set some materials and functions as VIP user exclusive functions to further screen users.

Under the influence of the epidemic and the double reduction policy, New Oriental Education Group is facing the impact of being unable to carry out offline classes and losing its main business. On the other hand, the cause of the epidemic has also brought New Oriental Education Group the opportunity to carry out new business and the direction to continue to be a leader in this industry. The advantage of online teaching is that it can solve the problem that people can't arrange their time. In a similar situation, offline lessons took time for students to get to the institution to attend class. In general, the first advantage of online teaching is about the efficiency of time.

The second advantage of online teaching is the unlimited number of times you can watch the course video again. It is a very good advantage for students. Many students will be distracted in class and can't keep up with the teacher's progress, but they are embarrassed to delay the whole course to ask questions, so it is an effective solution to watch the course repeatedly. Although there are many advantages, online teaching also has its disadvantages. The first point is that the transmission of information across the screen will not be very accurate. In many cases, Chinese students are unwilling to turn on the camera to face the teacher and are unwilling to speak actively in class, which leads to the teacher's inability to accurately judge the progress and status of students and adjust the speed of the classroom.

Another disadvantage of online teaching is that it can't effectively separate students' study time and rest time. When teaching offline, the end of the course represents the end of an important stage. Students will go home and arrange their own time to finish their homework. However, with the high popularity of online teaching and mobile phones, homework and courses are completed online. Teachers and parents will default that students can complete tasks anytime, anywhere. When students use mobile phones and electronic devices, they cannot well separate their rest time from their study time. This situation will lead to increased pressure on students.

Both students and teachers have problems in the technology area, and the proportion of it takes around one-third of all the problems [8]. Before the double reduction policy, more than half of the domestic off-campus training for the college entrance examination (about 60 percent) and the proportion of foreign examination training, overseas study application, and adult education decreased once. The current direction of developing other kinds of services is a better direction than before, but the early investment in it is high. And the investment of widely searching and trying new areas could overweight the final direction it determined. Considering both the consistence of the business and the investment, it would be a better way for New Oriental Education Group to follow other companies in new areas and carefully select areas it could get in.

3. Suggestions based on SWOT theory

3.1 Basic introduction to SWOT theory and advantages of using the theory

From the perspective of entrepreneurs, both internal and external factors have a great impact on the overall business environment [9]. According to Benefits and limitations of SWOT analyze Business Queensland(2022), one of the advantages of using SWOT to analysis enterprise is that with the information and details you have, you can easily analyze the key issues which would affect the business you want to study. From this perspective, SWOT is a good tool to help entrepreneurs have a clear understanding of the overall environment and themselves. S and W are related to the inside of

the company. By analyzing the factors of these two categories, we can quickly identify the company's positioning and also help entrepreneurs lock in the same type of competitors for comparison. O and T are more inclined to analyze the general environment. Periodic external factor analysis can help entrepreneurs quickly lock in investment outlets for investment or avoid potential risks and threats. Therefore, SWOT analysis is a very basic and useful tool, especially in the current situation. Through SWOT, we can clarify the various states and development directions faced by an enterprise.

3.2 Analysis to New Oriental by using SWOT theory

Through SWOT, we can clarify and categorize the current advantages and challenges faced by New Oriental Education Group [10]. Strength, as the internal or controllable factor of New Oriental Education Group, has two sections. The very first strength is its reputation in the educational industry and among consumers. Its position and reputation are high in both industry and society as a large enterprise. As the top institution in the educational industry, it has a reputation among consumers. Although the extra curriculum is banned because of the 'double reduction' policy, consumers still trust it and look forward to the new products it develops. With the trust of customers and the capability of the company, it has the advantages of restarting. It can not only keep the services related to teaching but also new services as long as it is related to language study, such as live selling in English. The second strength it has is the formal management system. A clear system and formal structure of a company are very important. With clear instructions and an improving system, every employee could know what they need and should do, as well customers could also follow the instruction that New Oriental Education Group provides. Prevent extra fees and bad services because of unequal access to relative information.

Weakness also is the controllable factor of New Oriental Education Group. The first section of weakness is the main business range of New Oriental Education Group. The main range of its business is only related to education, especially in English. Although English is now the general language in international perspective, only developing English tests and related services is dangerous for a company as putting all eggs in one bucket. To prevent the risk of policy change, New Oriental Education Group should keep developing other businesses in different areas.

Opportunities and threats are the external or uncontrollable factors that would influence New Oriental Education Group. The opportunities it has are the reopening tendency of every country's borderline. Most countries adopt the method to co-exist with COVID-19. Under this situation, reopening borderline and applying for international students are also a part of the method. This is a chance for New Oriental Education Group to keep developing the needs of students who want to study abroad. And it could also form a complete system and instruction of different countries' policies for students to follow. Formal instruction and a complete system could convince customers fully trust New Oriental Education Group even though the fee here could be much higher than other agencies.

The threats are mainly in the limitation of language teaching. Although there is still a large amount need for high-quality of educational services, with the rapid development of the internet and other different websites, self-study apps and materials have become an assignable part of the educational industry. On the other hand, New Oriental Education Group now is only for Chinese to study English and tests of the Western system. It has already undergone dramatic changes under the 'double reduction' . Changes in policy and international relations are also a threat to it.

4. Conclusion

To sum up, this paper mainly points out the situations of China's education industry in different periods (before and after the epidemic) and how New Oriental Education Group, as a leading enterprise in the education industry, responds to the epidemic and the double blow of the double reduction policy. In the second part of the essay, SWOT theory has been used to explain the advantages and disadvantages of New Oriental Education Group facing in its current stage. New Oriental Education Group has made common progress with the times and found a new operation

mode under the impact of the epidemic and the double reduction. With covid-19 coexisting all over the world, New Oriental Education Group has the opportunity to recover again through business by studying abroad and other relevant businesses. New Oriental Education Group, with rich resources, should work hard to develop online teaching and self-study and continue to be a leading group in this regard. Utilize a convincing reputation and professional system to develop the education demand market in a new online way. Now that China is growing rapidly, teaching Chinese as a foreign language can also be a major advantage for New Oriental Education Group in the international market. As China's most famous educational institution in the world, New Oriental Education Group and its excellent educational resources are bound to attract potential international customers who want to learn Chinese.

References

[1] Bao, Z., 2021. Analysis on Economic Situation and Marketing Strategies of New Oriental Education. [online] Qingdao 266000, China: Atlantis Press International B.V. Available at: <https://www.atlantis-press.com/proceedings/icemci-21/125966111> [Accessed 2 August 2022].

[2] Neworiental.org. 2022. New Oriental Enterprise Network / enterprise English station. [online] Available at: <http://www.neworiental.org/english/index.html> [Accessed 2 August 2022].

[3] New Oriental Education and Technology Group, Inc. 2022. New Oriental Education & Technology Group Inc. Provides Business Updates | New Oriental Education and Technology Group, Inc. [online] Available at: <https://investor.neworiental.org/news-releases/news-release-details/new-oriental-education-technology-group-inc-provides-business> [Accessed 2 August 2022].

[4] Lin, L., 2022. The Impact of Double Reduction Policy on K12 Education and Training Enterprises: Case Studies of New Oriental and Tomorrow Advancing Life. [online] MALAYSIA: Atlantis Press International B.V. Available at: <https://www.atlantis-press.com/proceedings/icemed-22/125975492> [Accessed 2 August 2022].

[5] Mok, K., Xiong, W., Ke, G. and Cheung, J. Impact of COVID-19 pandemic on international higher education and student mobility: Student perspectives from mainland China and Hong Kong. International Journal of Educational Research, 2021, 10(5): 101718.

[6] En.moe.gov.cn. 2022. China issues guidelines to ease burden of young students - Ministry of Education of the People's Republic of China. [online] Available at: <http://en.moe.gov.cn/news/media_highlights/202107/t20210727_547230.html> [Accessed 30 July 2022].

[7] Gopal, R., Singh, V. and Aggarwal, A. Impact of online classes on the satisfaction and performance of students during the pandemic period of COVID 19. Education and Information Technologies, 2021,26(6): 6923-6947.

[8] Tiwari, V., 2022. [online] ResearchGate. Available at: <https://www.researchgate.net/publication/349179819_A_study_of_effectiveness_of_online_learning> [Accessed 2 August 2022].

[9] Business.qld.gov.au. 2022. Benefits and limitations of SWOT analysis | Business Queensland. [online] Available at: <https://www.business.qld.gov.au/starting-business/planning/market-customer-research/swot-analysis/benefits-limitations> [Accessed 1 August 2022].

[10] Benzaghta M A, Elwalda A, Mousa M M, et al. SWOT analysis applications: An integrative literature review. Journal of Global Business Insights, 2021, 6(1): 55-73.