

# Challenges and Opportunities in the Music Training Industry: Insights from Yamaha and Daqian in Guangzhou, China

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**Abstract:** As an important part of the cultural industry and a key way for the public to learn music, music training institutions is widely recognised to play a key role for music development, becoming indispensable in improving the overall level of music literacy among people and generating economic value. However, music training institutions are currently facing challenges such as difficulties in enrolment, profitability issues, limited income streams and outdated management systems. Furthermore, many music training institutions are also experiencing operational difficulties and even closure due to the impact of the Internet and the COVID-19 pandemic. This paper focuses on Yamaha music centre and Daqian piano institution, representing two of the most prominent music training institutions in Guangzhou, as the main subjects of analysis to explore the problems and opportunities faced by the music training industry. This paper examines how these two institutions have established themselves in Guangzhou's music training market and maintained sustained profitability over recent decades, with the aim of helping peers learn from their experiences and achieve longer-term development.

**Keywords:** Music Training Management, Music Training Industry, Music Training Institutions, Yamaha, Daqian.

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## 1. Introduction

With the rise of the tertiary industry globally, China has introduced numerous policies to support the development of the cultural industry and enhance its competitiveness on the international stage. In the 2016 government work report, Premier Li Keqiang proposed promoting the cultural industry as a pillar of the national economy (Li, 2016). With strong national support and promotion, the cultural industry has gradually developed and the art training industry has also received corresponding backing. As people's living standards continue to improve and their material needs are largely met, they increasingly seek spiritual enrichment. This shift has created significant opportunities for music training institutions. Encouraged and supported by policies, Guangzhou has experienced a surge in the establishment of music training institutions, with many of these institutions becoming prominent in the city. Yamaha music centre and Daqian piano institution, as two long-standing and representative art training institutions in Guangzhou, have earned notable recognition and reputation.

This paper focuses on these two institutions as subjects of analysis. It examines the macro environment affecting the industry and the internal environments of these two institutions, ultimately drawing conclusions about why they have succeeded in establishing themselves in Guangzhou and maintaining profitability. It is hoped that this exploration will provide useful insights for the music training industry, helping institutions enhance their ability to serve the market and improve education quality. Foreign research on the music training industry is primarily conducted through case studies. Most domestic scholars also focus on case studies, analysing education systems, business models and challenges in the field of music training. Examples include Chen (2015), who explored the development policies for private art training

institutions in China with a case study of Shapingba District in Chongqing and Yang (2018), who compared the operation and management of Tianjin Xingkong Piano Art Centre and Liu Shikun Piano Art Centre.

Research on traditional music training institutions often explores teaching models such as Liu's work on teaching children to play the piano (Liu, no date) and Zhou's analysis of the current status and development of piano education (Zhou, 2016). In recent years, the rise of Internet technology has disrupted traditional operation models, offering more diverse options for music training consumers and presenting new challenges for institutions operating under traditional frameworks. Studies by Huang (2017) on Internet piano education products and Chang (2016) on the O2O education ecosystem in the context of "Internet+" have explored emerging operation models for music training institutions in China. This paper will compare and analyse the external environment of the domestic music training industry and the internal conditions of Yamaha music centre and Daqian piano institution. The aim is to identify the challenges and opportunities faced by music training institutions and offer valuable insights for the industry's development.

## 2. Policy and Social Environmental Background on the Music Industry

The Tenth Five-Year Plan for the Development of the Cultural Industry (Ministry of Culture, 2000) emphasises that "art training is an important industry for cultivating and training artistic talents," voicing the critical role of the art training sector within China's cultural industry. From the Fifth Plenary Session of the Seventeenth Central Committee of the Communist Party of China to the Eighteenth National Congress report and further reiterated in Premier Li Keqiang's 2016 government work report, the directive to "promote the cultural industry to become a pillar industry of the national

economy" (Li, 2016) has provided major policy support for the development of the cultural industry. This has, in turn, facilitated the growth of the music training industry as an integral part of the broader cultural sector. Furthermore, according to data from the National Bureau of Statistics (2021), the tertiary industry contributed 54.5% to China's GDP by 2020. This statistic highlights the significant influence of policy support on the expansion of the cultural industry and demonstrates the resulting opportunities for the music training sector to thrive.

According to the 2020 National Economic and Social Development Statistical Bulletin of the People's Republic of China, published by the National Bureau of Statistics (2021), the Engel's coefficient of Chinese residents was 30.2%. This indicates that residents' incomes are steadily increasing and living standards are gradually improving. These trends also reflect a growing demand for culture and the arts, with an unprecedented rise in the need for art training, particularly following the implementation of the two-child policy. This shift is likely to position the art training sector as a significant component of China's cultural industry. Within this context, the music training industry is expected to demonstrate a positive development trajectory. The Engel's coefficient and the two-child policy together create a more favourable social environment for the cultural industry. As the Engel's coefficient decreases, indicating a shift towards higher consumption levels, individuals are increasingly willing to allocate more time and financial resources to cultural activities. Furthermore, the introduction of the two-child policy brings a larger potential consumer base, expanding the market for the cultural sector. Supported by these social conditions, the music training industry is poised to benefit from a considerable potential audience.

Since the Third Plenum of the 18th CPC Central Committee officially proposed to "build a socialist cultural power and enhance the country's cultural soft power" (Communist Party Member Network, 2013), the Ministry of Education (2014) has issued the Several Opinions on Promoting the Development of School Art Education. This policy emphasises the importance of art education in schools and has played a significant role in transforming attitudes towards art education among schools and parents. It has also increased the prominence of art education in primary and secondary education across China. In March 2020, the Education Bureau of Guangzhou issued the Implementation Plan for the Examination of Geography, Biology, Information Technology, Music, Fine Arts and Other Subjects in Junior High School Academic Level Examination (Trial) (Education Bureau of Guangzhou, 2020), which incorporated music as a subject in mid-term and final examinations for junior high school students in Guangzhou. This reform has heightened local awareness of the importance of music education.

In October 2020, the General Office of the State Council issued Opinions on Comprehensive Strengthening and Improving the School Physical Education Work in the New Era and Opinions on Comprehensive Strengthening and Improving the School Aesthetic Education Work in the New Era (General Office of the State Council, 2020). These policies highlighted that art courses such as music, fine arts and calligraphy, along with participation in school-organised art activities, should be included in academic requirements for primary and secondary students. They also explored the inclusion of art subjects in the scope of junior and senior high school academic level examinations. This indicates that music

is likely to become one of the subjects in college entrance examinations, further elevating the importance of music education in school curriculums and among parents. Consequently, more parents are expected to enrol their children in music education programmes to provide them with systematic training. As the demand for music education grows, the music training industry is anticipated to expand, offering new opportunities for music training institutions to develop further.

### 3. COVID Pandemic and Challenges On Music Training and Education

In January 2020, the outbreak of COVID-19 led to the closure of public venues across China and music training institutions were forced to suspend their educational services. The *Investigation Report on the Impact of the Epidemic on K12 Education and Training Institutions* (Love Learning Group, 2020) was the first report to examine the effects of the pandemic on the education and training sector. According to the report, 87% of education institutions reported being significantly or severely affected, with 18% at risk of imminent bankruptcy and 26% only able to sustain operations for one month. The pandemic created immense challenges for offline education and training institutions. They faced declining revenue, pressure from rental costs and high labour expenses. Many were forced to close entirely or suspend operations. This echoes the vulnerability of traditional offline institutions under such unprecedented circumstances.

According to the *China Internet Development Report 2020* (China Internet Association, 2020), as of 2019, China accounted for 32.17% of the world's internet users, making it the country with the largest share globally. With ongoing advancements in online technologies, consumers have gained increasing access to online educational courses. During the pandemic, the Ministry of Education adopted the principle of "suspension of classes without suspension of teaching, suspension of classes without suspension of learning" (Ministry of Education, 2020), which promoted the development of online education platforms. Many online education platforms grew rapidly during this time, gaining popularity among music scholars and art enthusiasts. This laid the groundwork for a broader audience base for online music education. In the field of music education, the "Internet + Piano Education" system has been gradually refined, leading to new educational models on online platforms and mobile apps. These models are typically divided into two categories: teaching courses such as *Piano Teaching*, *Learning Piano with Lang Lang* and *Yusi Classroom*; and accompaniment courses such as *VIP Accompanying*, *Fast Accompanying* and *Xiaoyezi Accompanying*.

Online music education apps offer learners access to renowned instructors, extensive music scores and interactive tools, providing a technologically advanced and innovative learning experience. These platforms often gamify and entertain educational content, making them particularly appealing to young learners. In contrast, many offline music education institutions rely on traditional teaching methods that feature complex content, single-format classrooms and uninspiring practice routines, which can reduce students' engagement and motivation (Huang, 2017). The emergence of online music education has posed significant challenges for offline institutions. Learners increasingly opt for online platforms, resulting in reduced enrolments for offline

institutions. These organisations now face the urgent need to adapt their operational and teaching models, as well as their range of music products, to remain competitive. A summary

of the music training environment impacted by the COVID pandemic, political and social changes are shown in table 1 below.

**Table 1.** Environmental analysis of China’s music training industry

Environmental issues		Impact analysis			
		Time	Positive impact	Negative impact	Opportunity/Threat
<b>Political</b>	Policy guidance	Now	Strong	Weak	Opportunity
<b>Social</b>	Three-child policy	May.2021	Strong	Weak	Opportunity
<b>Regulatory system</b>	Inclusion of music in the middle school entrance exam requirements	Mar.2020	Strong	Weak	Opportunity
<b>Ecological</b>	Important Centre cities in China	Now	Strong	Weak	Opportunity
<b>Culture</b>	Local music culture	Now	Strong	Weak	Opportunity
<b>Art</b>	Social support for artistic environment	Now	Strong	Weak	Opportunity
<b>Economy</b>	COVID-19	Jan.2020	Weak	Strong	Threat
<b>Technology</b>	Emerging online platforms	Now	Weak	Strong	Threat

## 4. Environment Analysis of Yamaha Music Centre and Daqian Piano Institution

The following sections will analyse and compare the two music institutions in terms of curriculum design, music services and other extending areas.

### 4.1. Music Curriculum Design

Yamaha music centre follows a teaching philosophy centred on age-appropriate education, offering a wide range of music courses tailored to different age groups. The institution provides two teaching modes: group classes and one-on-one lessons. Group classes are primarily aimed at children aged 3–7 years such as the Music Playground course, which fosters children's musical perception and creativity and the Preschool Course, designed to enhance their appreciation of music. One-on-one lessons, by contrast, involve personalised instruction with one teacher guiding a single student, allowing teaching to be tailored to the student's individual level and learning abilities. Yamaha's courses are reasonably priced, with fees lower than those of Daqian piano institution (see Table 2). Additionally, Yamaha has developed textbooks for its various courses, encouraging both parents and students to actively engage in the learning process. In general, Yamaha music centre has established a stable customer base by addressing diverse consumer needs through a rich curriculum, an engaging learning experience and affordable pricing. The institution has also successfully converted many new students into regular paying customers.

Alternatively, Daqian piano institution primarily offers one-on-one piano lessons. Teachers at the institution are categorised into different levels and students can select their teacher based on individual preferences and needs. Fees vary depending on the student's level and the teacher's qualifications, with higher-level teachers commanding higher fees (see Table 2). Compared to Yamaha music centre, Daqian piano institution employs more renowned teachers and provides bilingual instruction, which justifies its higher course pricing. The institution focuses on its premium one-on-one courses, leveraging its high-quality teaching and unique bilingual approach to increase revenue. As a result, Daqian piano institution is a preferred choice for consumers with greater financial resources. In comparison, Yamaha music centre offers a broader range of courses, adhering to its

"age-appropriate education" principle by tailoring music programmes for students of varying ages. In contrast, Daqian piano institution focuses on a specialised one-on-one teaching model with a more concentrated range of offerings. When it comes to pricing, Yamaha adopts a course-based pricing strategy, providing more affordable options, while Daqian charges based on the student's skill level and the teacher's qualifications, making its courses relatively more expensive. Overall, Yamaha music centre emphasises diversity and affordability in its course offerings, whereas Daqian piano institution prioritises high-quality, specialised instruction, catering to a wealthier clientele.

### 4.2. Music Services Offered

Yamaha Group boasts a 133-year history (Shou, 2012), a high level of global brand recognition and a stable service chain. Beyond its core offerings in music education, Yamaha music centre has expanded its brand by selling Yamaha pianos and hosting master classes. The marketing channels for Yamaha musical instruments are divided into online and offline methods. Online sales and orders are facilitated through the official website and public platforms, while offline sales occur via brand-specific stores, authorised dealers and training institutions. Instrument pricing varies by region. The YA121CS model (Nanjing Jiahe Piano Shop, 2019), priced between 23,000 and 26,000 yuan (Nanjing Haizhiyin Cultural Communication Co., Ltd., 2019), is Yamaha's best-selling piano and is popular among customers with higher economic means. Yamaha has also strengthened its brand by introducing master classes led by renowned musicians. These classes not only enhance Yamaha's professional image but also attract more potential customers and students, providing them with a deeper understanding of the brand's teaching quality and reputation.

Alternatively, Daqian piano institution operates as a brand agent for pianos and hosts master classes. The institution is currently an agent for Blüthner pianos, a prestigious German brand with a 168-year history and the status of a "national treasure" in Germany. Daqian promotes Blüthner pianos by dedicating display areas for them in each of its branches, enabling students and potential customers to interact with the brand. The starting price for Blüthner pianos is approximately 35,000 yuan, which is notably higher than Yamaha pianos. This association with a renowned piano brand enhances Daqian's reputation and generates positive publicity. Additionally, Daqian hosts concerts and master classes

featuring well-known musicians in its own music halls. These events not only promote the Blüthner brand but also attract more students and potential customers, thereby expanding the institution's resources. While Daqian operates an official website and social media platforms similar to Yamaha, its online presence is less sophisticated and less effective in attracting new customers. Daqian primarily relies on offline master classes and events to boost brand recognition.

In contrast, Yamaha music centre benefits from a long history, strong brand recognition and a comprehensive promotional strategy that integrates both online and offline channels. Its independent piano brand strengthens customer impressions and enhances brand awareness. By leveraging online platforms and offline marketing, Yamaha creates a deeper and broader reach among potential customers. In contrast, Daqian piano institution focuses on offline promotion, improving its brand image by acting as an agent for Blüthner pianos. While Daqian's offline events and master classes are effective for customer engagement, its online presence is less impactful compared to Yamaha. Both Yamaha music centre and Daqian piano institution share common strategies such as hosting master classes and lectures with renowned musicians. These initiatives increase customer loyalty and effectively cultivate potential customers, making them valuable tools for brand growth and customer retention.

### 4.3. Extended Areas

Daqian piano institution has expanded its offerings to include piano competitions and a self-contained grading system. Piano competitions are a significant source of revenue for Daqian, with various events organised throughout the year. These competitions not only involve Daqian's own students but also attract participants from across the country. The most notable competition hosted by Daqian is the *International Deutscher Irmler-Klavierwettbewerb*, which is

highly popular and primarily attended by students from professional music academies in China. By hosting these events, Daqian enhances its reputation among potential customers and strengthens the image of the piano brand it represents. Additionally, Daqian has implemented a self-contained grading system, which allows students at different learning stages to assess their progress. This system addresses the diverse needs of learners and adds value to the institution's services. In contrast, Yamaha music centre does not currently offer such extended areas, focusing instead on its core music education programmes.

### 4.4. Comparative analysis summary

Yamaha music centre and Daqian piano institution adopt distinct strategies that reflect their priorities and strengths. Yamaha places a strong focus on education, underpinned by its self-developed teaching materials and commitment to age-appropriate learning. This approach enables Yamaha to offer a more diverse range of courses, catering to students at various developmental stages. However, while Yamaha excels in creating a comprehensive and structured curriculum, it lacks additional features that might enhance its appeal such as competitive events or grading systems. Daqian, on the other hand, leverages its resources to provide added value through piano competitions and a self-contained grading system. These elements not only enrich the learning experience but also serve as powerful tools for building its reputation and securing a loyal customer base. The piano competitions, in particular, attract students from professional music academies across China, further elevating Daqian's profile. While Daqian's focus on competitions and grading is a notable strength, its narrower course design may limit its accessibility to a broader audience. A summary of the comparative analysis is shown in table 2.

**Table 2.** Summary of comparative analysis

	<b>Yamaha music centre</b>	<b>Daqian piano institution</b>
<b>Music course arrangement</b>	1.Music Playground Course 2.Preschool Course 3.Children's Basic Course 4.Yamaha Piano Course	One-on-one piano lessons
<b>Characteristics of music courses</b>	1.Age-appropriate Education 2.Group Lessons 3.Parents Accompanying Classes	1.Abundance of Prestigious Teachers 2.Bilingual Teaching Curriculum 3.Option to Choose Star Teachers
<b>Music course prices</b>	1.Group Lessons: 800 ¥-1000 ¥ 2.One-on-one Lessons: 120 ¥-500 ¥	Pricing based on teacher's star level and student's proficiency (200 ¥-1000 ¥)
<b>Teaching mode</b>	Group lessons, one-on-one lessons	Only one-on-one lessons are available
<b>Related Service Fields</b>	1.Yamaha Piano Sales 2.Master Class Lectures	1. Blüthner Piano Sales 2.Independent Graded Exam System 3.Competition Organizer 4.Master Class Lectures
<b>Promotion Methods</b>	Online: Official website, WeChat public account Offline: Master classes	Online: Official website, WeChat public account Offline: Competitions, master class lectures, concerts
<b>Physical Goods, Teaching Materials</b>	1.Self-made music teaching materials 2.Yamaha Music Hall 3.Yamaha pianos	1.Self-made graded music teaching materials 2.Blüthner Piano Music Hall 3.Blüthner Piano
<b>Store Location Selection</b>	Mostly located in residential areas	Mostly located near CBD areas
<b>Operational Process</b>	Age-Appropriate Education - From Enlightenment to Graded	Exams, Competitions and College Entrance Exams

## 5. Recommendations to Overcome Identified Challenges

The 2020 pandemic significantly affected both Yamaha music centre and Daqian piano institution, leading to a decline in customers and substantial revenue losses. This crisis coincided with the rise of the "Internet + piano education" model, which posed serious challenges to traditional art training institutions. To remain competitive, Yamaha and Daqian must continuously modernise their management systems and teaching methods, while strategically integrating Internet-based tools and approaches to innovate their structures and strengthen their market presence. As highlighted in the macro-environmental analysis, there is considerable growth potential and operational stability for music training institutions in China. It is recommended that both institutions should capitalise on these favourable conditions by identifying opportunities, building on their strengths and securing their position in the market. While online music education is expanding rapidly, physical training centres hold unique advantages. For example, they offer students a tangible and immersive experience, emphasising the irreplaceable value of in-person teaching. Institutions must highlight these strengths to retain their relevance in an increasingly digital landscape.

The emergence of online music education presents significant challenges for traditional institutions, particularly in optimising their teaching systems. As seen in the cases of Yamaha music centre and Daqian piano institution, both have prioritised teaching quality, with Yamaha excelling in personalised and age-appropriate education. These examples provide valuable lessons for the industry, demonstrating the importance of continually improving internal course structures. To adapt to modern trends, offline institutions must innovate by combining elements of online teaching models into their programmes. Through integrating the diverse and interactive methods offered by online platforms, traditional institutions can create more engaging and effective offline teaching experiences. Such hybrid approaches may not only enhance student satisfaction but also ensure long-term sustainability for offline education providers.

Additionally, diversifying and expanding operational systems is important for music training institutions to open new revenue streams and sustain their business. Daqian piano institution offers an excellent example of this approach, with its focus on extending beyond traditional teaching to include other music-related services. This not only supports its financial stability but also creates a distinctive brand identity. Future and existing institutions must go beyond traditional teaching frameworks, investing in innovative operating methods. Outdated management practices and rigid operational procedures must be replaced with flexible, forward-thinking strategies to unlock new growth opportunities. Institutions that prioritise both teaching excellence and operational innovation will be better positioned to thrive in an increasingly competitive and dynamic industry.

## 6. Conclusion

To conclude, this analysis provides insights into two important aspects of the music training industry. From an external perspective, the industry holds promising opportunities for growth, driven by favourable societal and economic trends. However, challenges such as the rise of

internet-based education and the lingering economic effects of the pandemic present considerable obstacles. To secure long-term success, music training institutions need to embrace innovation and remain adaptable in this evolving landscape. Examining the operations of Yamaha music centre and Daqian piano institution reveals the importance of having distinctive and flexible business models. Institutions that combine strong core offerings with innovative additional services are better equipped to build a competitive edge and meet the diverse needs of their students. This discussion offers fresh ideas and inspiration for the future of the music training industry, encouraging institutions to reimagine their approaches and position themselves for sustained success in a dynamic environment.

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