

ANALYSIS OF BUSINESS FAILURE OF NNS BATAM EDUTAINMENT PARK FROM AN EDUPRENEURSHIP PERSPECTIVE

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Abstract

The failure of edutainment ventures has become an important issue in the field of educational entrepreneurship (edupreneurship), particularly in Indonesia where empirical studies on local edutainment practices remain limited. This study aims to analyze the factors contributing to the failure of NNS Batam, a role-play-based edutainment park for children that operated from 2019 to 2024, using a qualitative case study approach. Data were collected from four categories of informants—former managers, former employees, visitors, and edupreneurship scholars—through semi-structured interviews, location observation, and digital documentation. Thematic analysis revealed that the failure was not solely caused by external disruptions such as the COVID-19 pandemic but also by internal weaknesses including poor business strategy, lack of meaningful integration of educational values, absence of continuous innovation, and inadequate evaluation mechanisms. A notable gap was found between the company's educational vision and its operational practices. Expert informants emphasized that sustainable edupreneurship requires synergy between pedagogical value and financial strategy. This study contributes to a deeper understanding of edutainment business failures in emerging urban contexts and offers practical insights for edupreneurs seeking to design adaptive, value-driven, and resilient education-based ventures.

Keywords: *Edupreneurship; Edutainment; Business Failure; Educational Innovation; Qualitative Study.*

Abstrak

Kegagalan usaha edutainment menjadi isu penting dalam kajian kewirausahaan berbasis pendidikan (edupreneurship), khususnya di Indonesia yang masih minim literatur empiris terkait praktik edutainment lokal. Penelitian ini bertujuan untuk menganalisis faktor penyebab kegagalan usaha NNS Batam, sebuah wahana edutainment anak yang beroperasi antara tahun 2019 hingga 2024, dengan mengedepankan pendekatan kualitatif studi kasus. Informan terdiri dari mantan pengelola, mantan karyawan, pengunjung, serta akademisi/praktisi edupreneurship. Data dikumpulkan melalui wawancara semi-terstruktur, observasi lokasi, dan dokumentasi digital, kemudian dianalisis secara tematik. Hasil penelitian menunjukkan bahwa kegagalan NNS Batam tidak hanya disebabkan oleh dampak eksternal seperti pandemi COVID-19, tetapi juga oleh lemahnya strategi bisnis, tidak terintegrasinya nilai edukatif dalam desain layanan, kurangnya inovasi berkelanjutan, serta absennya sistem evaluasi dan adaptasi terhadap pasar. Terdapat pula kesenjangan antara visi edukatif yang diusung dengan praktik operasional yang dijalankan. Temuan ini diperkuat dengan perspektif akademisi yang menekankan pentingnya sinergi antara nilai pedagogis dan keberlanjutan finansial dalam edupreneurship. Penelitian ini memberikan kontribusi penting dalam memperluas pemahaman tentang dinamika kegagalan bisnis edutainment di tingkat lokal, serta menjadi rujukan praktis bagi pelaku edupreneur lainnya agar mampu merancang strategi yang lebih adaptif, terukur, dan berbasis nilai edukatif yang otentik.

Kata Kunci: *Edupreneurship; Edutainment; Kegagalan Bisnis; Inovasi Pendidikan; Studi Kualitatif.*

INTRODUCTION

In recent decades, the world of entrepreneurship has undergone a paradigm shift—from merely generating profit to creating social value through education-based approaches. This concept is known as edupreneurship, which refers to the integration of educational vision with innovative entrepreneurial models (Thayyibi & Subiyantoro, 2022). An edupreneur does not only function as a service provider but serves as an agent of learning transformation through products or services that address society's educational needs in a contextual manner (Anjelina & Azzahra, 2025). Amid increasing parental awareness of the importance of non-formal education and activity-based learning experiences, various forms of edutainment ventures have emerged as part of the broader phenomenon of edupreneurship.

One rapidly growing type of business is the edutainment center, or educational amusement park, which combines elements of play and learning within a single ecosystem. In Indonesia, this concept has begun to gain recognition within early childhood development curricula and character education programs. However, many edutainment ventures fail to survive, whether due to internal issues such as weak management or external factors such as shifts in consumer behavior or economic crises (Mehralizadeh & Sajady, 2006). Such failures often occur not because the concept itself is flawed, but because of inadequate readiness in managing an education-based business strategy in a professional manner.

An interesting study from Southeast Asia shows that edutainment startups have a high failure rate due to a lack of content innovation, weak customer retention, and marketing approaches that fail to emphasize their educational uniqueness (Shukla et al., 2025). Many edutainment businesses also lack clear learning evaluation systems, resulting in educational value that is neither measurable nor accountable. The inability to build a balance between educational vision and commercial strategy often causes these ventures to lose their identity as edupreneurs. This is unfortunate, considering the significant potential of edutainment in shaping enjoyable learning experiences, particularly for early childhood development (Hayati et al., 2024).



Figure 1. Front View When Operating



Figure 2. Current Condition Front View

The failure of NNS Batam Edutainment Park (name disguised for confidentiality purposes) serves as a concrete example of edupreneurship failure at the local level. The venture initially appeared promising as a children's amusement park based on professional role-play simulations, yet it was forced to close after several years of operation. This study considers it essential to understand this failure within the theoretical framework of edupreneurship and business failure theory. According to (Nosike et al., 2024), understanding

failure is not only crucial for preventing the repetition of mistakes but also forms part of an organization's learning process in building a more adaptive business model.

Theoretically, this study is grounded in several key frameworks. First, the theory of edupreneurship, which highlights the importance of synergy between educational value and economic value (Ismayyah et al., 2022). Second, the business failure theory developed by (Kartika et al., 2025), which explains that business failure results from a combination of internal factors—such as managerial weaknesses—and external factors, such as market changes. Third, the edutainment business model, which emphasizes the importance of content innovation, user experience, and sustainable customer retention strategies (Pratama et al., 2024).

Previous research by (Gumilang & Prihartono, 2025) also highlights the importance of organizational readiness in operating educational ventures, particularly in the areas of staff training, risk management, and program success measurement. Unfortunately, these aspects have not yet become a primary focus for many edupreneurship practitioners in developing countries. Therefore, this study aims not only to examine the failure but also to contribute to the development of a strategic thinking framework for managing educational businesses sustainably.

Based on this background, the main research problem in this study is: What factors contributed to the business failure of NNS Batam Edutainment Park when examined from an edupreneurship perspective? This research question serves as the foundation for empirical exploration through in-depth interviews with various stakeholders who were directly or indirectly involved in the business.

Aligned with the research problem, the main objective of this study is to conduct an in-depth analysis of the factors that led to the failure of the NNS Batam edutainment business within the framework of edupreneurship. This research seeks to identify managerial aspects, educational elements, marketing strategies, and operational dynamics that contributed to the collapse of a business model that initially promised both educational value and entertainment.

The practical benefits of this study lie in its potential to serve as a reference and learning resource for edupreneurs, particularly in designing and managing sustainable child-focused

educational businesses. From an academic perspective, this research contributes to the literature on edupreneurship and business failure studies within the informal education services sector. For policymakers, the findings may be used as a basis for formulating development strategies for education-based MSMEs at both local and national levels.

RESEARCH METHOD

This study employs a qualitative approach using a case study method, aimed at gaining an in-depth understanding of the factors that led to the failure of an edutainment venture grounded in edupreneurship—namely, NNS Batam Edutainment Park. This method was selected because it is well-suited for examining phenomena within their real-life context and capturing social, organizational, and perceptual complexities that cannot be measured quantitatively. The case study approach also enables the researcher to explore the specific dynamics occurring within a particular unit of analysis and provides room for deep data exploration through multiple sources of information (Ultavia et al., 2023). Case study-based qualitative research is widely used in educational entrepreneurship studies due to its flexibility and its ability to capture ongoing social transformation processes at small to medium scales (Febriyani et al., 2025).

The informants in this study were selected using purposive sampling, a technique that involves choosing participants based on specific considerations—particularly their direct involvement, experience, and knowledge related to the case under investigation. This research includes four categories of informants: (1) former managers or business owners, (2) former operational staff, including those in education and marketing, (3) service users, namely parents who previously brought their children to the facility, and (4) academics or practitioners with expertise in edupreneurship or educational business management. The number of informants was determined gradually until the information obtained was deemed to have reached saturation. This strategy aligns with qualitative research principles that prioritize data depth over the number of respondents (Waruwu, 2024).

The primary data collection technique used in this study is semi-structured interviews, which allow open-ended questions to explore informants' experiences and opinions naturally while remaining aligned with the research topic. Each interview was recorded (with consent)

and transcribed verbatim to ensure data accuracy. In addition, the researcher documented promotional materials, social media archives, and news articles related to the operations of NNS Batam. This form of data collection is considered relevant in educational and edutainment studies because it captures both the narrative and visual aspects of the business experience being examined (Putri & Murhayati, 2025).

The data analysis process was conducted using a thematic analysis approach, a method used to identify, organize, and interpret meaningful patterns within qualitative data. In this process, the researcher reread all transcripts to recognize key themes such as educational value, business strategy, innovation, operational constraints, and visitor perceptions. Each theme was organized into categories and subcategories, then compared across informant groups to identify similarities and differences. This analytical technique is widely used in edupreneurship studies to articulate narrative processes and critical reflections that cannot be easily explained through numerical data (Atiyah et al., 2025).

To ensure data validity, the researcher conducted source triangulation by comparing information from different categories of informants to verify the consistency of findings. In addition, limited member checking was carried out by confirming several interpretations of interview results with key informants anonymously. This form of validation is recommended in qualitative studies as a credibility check for field findings (Luthfiyani & Murhayati, 2024). The research was conducted over a three-month period, with all processes carried out ethically, including maintaining the confidentiality of informants' identities and obtaining voluntary participation consent.

RESULTS AND DISCUSSION

The business examined in this study is a child role-play-based edutainment venue known as NNS Batam (a pseudonym used to maintain confidentiality), located in Batam City, Riau Islands. The core concept of NNS Batam was to combine entertainment and education (edutainment) through a role-play approach that allowed children to experience various professions interactively within a simulated environment. Although it carried the spirit of education-based entrepreneurship (edupreneurship), the venture underwent significant

dynamics from its establishment until it eventually ceased operations.

NNS Batam first conducted its soft opening in December 2019 with the aim of assessing market response and introducing the edutainment concept to the public. However, only a few months after beginning operations, the business was forced to close in March 2020 due to the COVID-19 pandemic and the implementation of large-scale social restrictions (PSBB). This closure occurred before the venture had the opportunity to establish a solid market position, creating sustainability challenges from the outset. After eight months of inactivity, the business reopened in November 2020 in conjunction with the easing of health protocols in several regions. Although operations resumed, public purchasing power and interest in indoor activities had not fully recovered.

In 2022, the management attempted a reopening and rebranding effort, including refreshing visual content and restructuring activity packages. This initiative reflected a desire to rebuild the brand's position within the community. Unfortunately, the effort was not accompanied by significant innovation in educational content or promotional strategies, resulting in only temporary impact. By 2023, signs of operational decline had become evident, marked by reduced program frequency, limited promotional activities, and the gradual withdrawal of partners and regular visitors. Ultimately, in 2024, NNS Batam officially ceased operations permanently without major public announcement, marking the end of an edupreneurship initiative that had once shown strong potential in the Batam area.

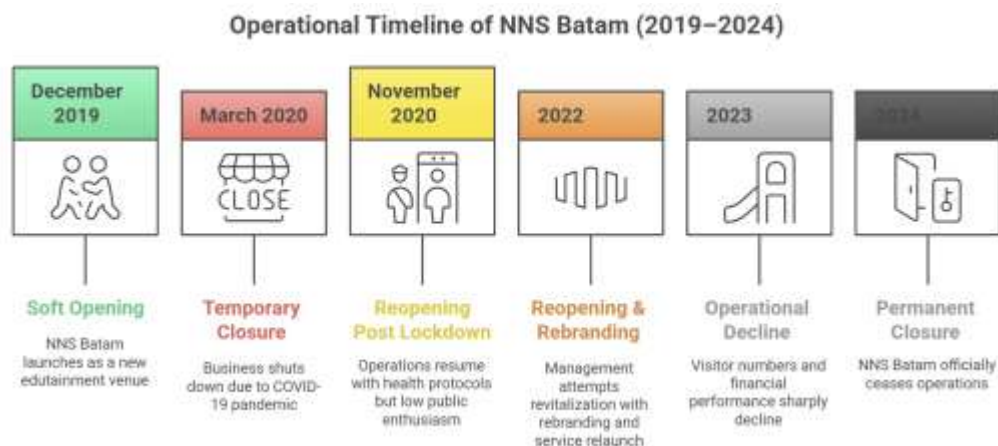


Figure 3. Operational Timeline of NNS Batam

This timeline indicates that the failure of NNS Batam was not caused by a single event

but rather by the accumulation of internal and external factors that were not addressed strategically. The continuous decline from 2020 to 2024 reflects the weak resilience of the business when it is not supported by innovation, data-driven evaluation, and strong alignment between educational vision and commercial practices.

Informant Description

To support the depth and contextual relevance of this study, data were collected from a total of nine informants, selected purposively according to their direct or indirect involvement with the edutainment business under study. The respondents are categorized into four distinct groups to allow comparative perspectives: (1) former business managers, (2) operational staff, (3) service users (visiting parents), and (4) education-based business practitioners.

Table 1. Informant Code

Informant Code	Category	Number of Informants	Role Description
INF-MNG	Former Managers	2	Strategic-level roles in planning/operations
INF-STF	Former Employees	3	Frontline staff: education, marketing, service
INF-CST	Visitors (Parents)	2	Past visitors with children (different age groups)
INF-EXP	Academics/Practitioners	2	Experts in educational business and entrepreneurship

Findings from Former Management (INF-MNG)

From interviews conducted with two former managers who were directly involved in the planning and operation of NNS Batam Edutainment Park, several key findings emerged that reflect the internal dynamics of the business, its strategic orientation, and their reflections on

the failure that occurred. Both informants provided complementary narratives regarding the background of the business establishment, the management of educational content, and the various challenges encountered throughout its operational period.

Both informants stated that the establishment of NNS Batam was driven by concerns over the limited availability of educational play spaces in the Batam area. The initial inspiration came from global edutainment concepts that integrate children's professional role-play simulations with activity-based learning experiences. NNS's original vision was to create an educational play environment using a "learning by doing" approach, intended to support children's social and cognitive development. However, in practice, the management of educational content was not fully grounded in pedagogical studies or supported through collaboration with early childhood education experts. Programs were designed based on field experience and references from similar venues in larger cities, without a structured learning evaluation system.

Regarding business strategy, the former managers acknowledged that NNS positioned itself as a "premium educational park" in Batam, targeting upper-middle-class families. Its marketing strategy relied on visual promotion through social media, endorsements from local influencers, and the organization of themed events. However, this approach was generic and did not sufficiently highlight the educational value that should have been the venture's key differentiator. One manager revealed that the marketing narrative focused more on the facilities and attractions rather than on the learning benefits or developmental outcomes that children could gain. This contributed to the public perception that NNS was merely an ordinary play area with high prices, rather than an educational investment for children.

In the managerial aspect, an imbalance was found between educational idealism and the operational logic of business. One manager admitted that many policies were made based on intuition and a spirit of innovation, without being supported by thorough market research. Ticketing schemes and program fees were never systematically re-evaluated, even when there were clear indications of declining visitor numbers. The absence of a user feedback collection system also emerged as a major weakness. In addition, human resource management was carried out informally, without specialized training for educational staff, resulting in inconsistent service quality.

The two informants also noted that external challenges intensified as new competitors emerged offering more affordable prices and more aggressive promotions. The COVID-19 pandemic further accelerated the sharp decline in visitor numbers, yet no digital adaptation plans or service diversification efforts were developed. In their reflection, the failure of NNS Batam was not solely the result of external factors such as the pandemic or competition, but rather the accumulation of an unresponsive management system and the absence of regular evaluations of the educational mission the business aimed to uphold.

When asked whether the principles of edupreneurship had been fully implemented, both managers acknowledged that the concept served as an initial inspiration, but its application did not extend to the value system, institutional structure, and learning indicators that should characterize an edupreneurial venture. One manager even remarked that “this business was operated more like a commercial entertainment venue than an alternative learning institution.” In their reflection, if a similar venture were to be developed again, they recommended involving early childhood education consultants, implementing a system for monitoring learning outcomes, and integrating digital innovation as part of a sustainable business model.

The findings from the former management group reveal a misalignment between the initial vision of becoming an edupreneur and the managerial practices implemented, as well as the absence of mechanisms to bridge educational value with commercial sustainability. This perspective will be compared with findings from other informant groups to obtain a more comprehensive understanding of the dynamics behind the failure of the NNS Batam edutainment venture.

Findings from Former Employees (INF-STF)

Interviews with three former employees who previously worked at NNS Batam revealed a range of experiences and perspectives related to daily operational execution, delivery of educational content, and internal challenges encountered during their employment. The three informants represented different functions: one from the education team, one from field operations, and one from the marketing department. Their perspectives enrich the understanding of how the concept of edupreneurship was implemented at the operational level and how managerial policies directly influenced service quality.

In general, the informants stated that the implementation of educational programs in the field did not follow any standardized operational guidelines. There was no structured training related to children's learning approaches, resulting in educational staff relying heavily on improvisation and personal experience. The role-play or professional simulation activities—which were the main attraction—were visually engaging but did not fully take into account children's developmental stages or pedagogical principles. One educational staff member mentioned that they “were never given any modules or specific guidance on the learning objectives of each station.”

On the other hand, interactions between staff and visitors were generally positive, particularly because visitors were typically participative and enthusiastic about their children's activities. However, employees faced difficulties in explaining the educational value of the programs offered due to the absence of a unified narrative designed by management. The lack of a feedback or visitor evaluation system also meant that many improvement opportunities were not identified systematically. One staff member noted that visitor complaints were often delivered verbally on-site and were never formally followed up.

From an operational standpoint, employees expressed concerns about an unbalanced workload, especially during peak visitation periods such as weekends or school holidays. Limited staffing and the absence of a rotation system often required them to take on multiple roles, including handling complaints, ensuring children's safety, and explaining program activities. The work environment was described as relatively cohesive among staff members, yet lacking in vertical communication with management. Several operational policies were also changed abruptly without involving frontline staff, leading to confusion and decreased work motivation.

From their perspective, the educational value of the programs could have been developed more effectively if adequate support had been provided, such as training, collaboration with education experts, and clearer program structures. One informant from the marketing division stated that the promotional efforts tended to be generic and did not highlight the educational content as a point of differentiation. They explained that in campaign materials, “we only highlighted the attractions and the atmosphere; we never explained what children would learn or how the activities benefitted them psychologically.” This illustrates a clear gap between the

ideal objectives and the actual strategic implementation.

For the former employees, the closure of NNS Batam was disappointing but not surprising. Six months prior to the shutdown, visitation trends had already shown a significant decline, and no program adjustments or meaningful innovations were implemented in response. Staff members felt excluded from strategic discussions, even though they possessed practical insights into visitor needs and expectations. Several of them expressed regret that the experiences and ideas of frontline employees were not considered in managerial decision-making.

The findings from the former employee group indicate that the business failure stemmed not only from weaknesses in managerial-level strategic planning but also from deficiencies in operational systems and inadequate staff involvement in service development processes. The absence of training systems, standardized educational programs, and internal evaluations created structural gaps that directly affected the quality of visitor experience and the overall sustainability of the venture.

Findings from Visitors (INF-CST)

Two informants from the service-user group—parents who had visited NNS Batam with their children—shared perspectives that reflect consumer perceptions of service value, facility quality, and the fulfillment of the educational aspects promised by the management. The two visitors came from different backgrounds: one was a parent of a pre-teen child, while the other was a parent of a toddler. These age differences influenced the types of activities the children participated in and shaped the way parents evaluated their overall experience at the venue.

Both informants first learned about NNS Batam through social media—particularly Instagram—and recommendations from local parenting groups. They were interested in visiting because they perceived the venue as different from typical children’s play areas, especially due to the narrative of “profession simulations” and interactive activities associated with learning. In their testimonies, their primary expectation when visiting was not merely recreation but also an educational experience relevant to their children’s development. One visitor noted, “we came because they said children could ‘learn to be a doctor or a police officer’ in a playful setting—that’s what made us curious.”

During their visit, both parents appreciated the novelty of the attractions and the interior design, which they found visually appealing. Their children appeared enthusiastic and engaged in several activities, such as playing the roles of cashier, medical worker, or mini firefighter. However, upon further evaluation, both parents felt that the activities were educationally superficial. There were no guides or educators explaining the meaning of the professions being portrayed, nor were there learning materials or supporting media to help children understand social roles in a more reflective way. The learning experience was largely symbolic—essentially simple role-playing—without deeper content enrichment.

In terms of facilities, visitors felt that the play environment was clean and safe, yet they considered the entrance fee relatively high compared to the limited duration of activities and the number of available attractions. One informant noted that within one or two hours, all activities had already been explored, causing children to become bored. This indicates low visitor retention due to the lack of new content or periodic programs that could encourage return visits. When asked whether they had ever revisited the venue, both responded no. Their main reasons were that the initial experience was “interesting but not meaningful enough,” and that no innovations or new offerings were introduced following their first visit.

Both parents also mentioned that they did not encounter any satisfaction surveys or evaluation forms, whether manual or digital. According to them, such tools are essential for gathering feedback from service users—especially for a business that positions itself as educational. They also expressed disappointment over the minimal communication with parents during the visit. “We were just accompanying our child, but we had no idea what they were actually learning. There was no reflection session or progress report,” one respondent stated. This highlights that the educational approach had not been implemented comprehensively—particularly in fostering collaboration between the institution and parents.

When informed that the business had closed, the informants felt that the decision was understandable given the evident decline in visitor interest. However, they also believed that a venture like NNS Batam still held strong potential if developed more seriously and structured with a clearer educational foundation. One parent stated, “this could actually become a favorite place for children if the curriculum were clear, the facilitators were competent, and the programs continued to grow.” This statement reflects the idea that although consumers seek

enjoyable experiences, they still place importance on the quality and relevance of the learning provided.

The findings from the visitor group emphasize the importance of maintaining consistency between the brand's promise as an edutainment space and the actual experience delivered on-site. When educational expectations are not met, consumers quickly lose interest—especially in the context of premium services. The lack of parental engagement, insufficient depth of educational content, and minimal content innovation emerged as key weaknesses that contributed to low customer retention and the eventual closure of the business.

Findings from Academics / Edupreneurship Practitioners (INF-EXP)

Interviews with two informants from academic and educational business practice circles provided theoretical and reflective perspectives that enrich the understanding of the edutainment business failure observed in NNS Batam. Both informants have expertise in educational entrepreneurship and non-formal institution management, and they are actively involved in research and consulting related to the development of education-based business ventures. Their insights contribute to assessing the alignment between NNS Batam's operational practices and the core principles of edupreneurship.

According to both informants, the concept of edupreneurship is essentially an integration of educational and entrepreneurial orientations, requiring a balanced alignment of values, strategy, and sustainability. Edutainment ventures such as NNS Batam are seen as having strong potential as tangible manifestations of edupreneurship, particularly because they address the need for children's non-formal education through profession-based play experiences. However, this potential is often not matched by a deep understanding of how educational principles should be articulated within the product design, service delivery, and standardized operational systems. One academic noted that “many edutainment businesses stop at the attraction aspect, but forget to design a structured learning dimension.”

The informants emphasized that the success indicators of an edutainment business should not be measured solely by visitor numbers or profit, but also by the extent to which its activities create meaningful learning experiences. Elements such as children's engagement, opportunities for reflection, pedagogically grounded facilitation, and parental involvement

must be integrated into the service design. In the case of NNS Batam, they observed that the failure did not stem from a weak concept but from the lack of effort in developing a systematic and measurable learning model. Edupreneurship, in their view, is not merely about selling education-themed services; it involves building a value system and organizational structure that genuinely reflects its educational mission.

In addition, the experts assessed that in local contexts such as Batam, the success of educational ventures heavily depends on their ability to adapt to the social and economic conditions of the community. NNS Batam's positioning as a premium service was considered misaligned with the market, especially because it was not supported by a sufficiently strong educational approach. One practitioner added, "when parents pay a premium price, they expect a tangible impact on their child's development, not just cute or entertaining activities." Therefore, identifying the right market segment and effectively communicating the educational value to consumers are crucial aspects that must be strategically addressed.

From an innovation management perspective, the informants also highlighted the absence of content adaptation strategies and digitalization efforts in response to environmental changes, including during the pandemic. They expressed disappointment that no initiatives were taken to develop online programs, app-based learning materials, or partnerships with schools as a form of service diversification. This reflects a lack of sustainable innovation, which should be a defining characteristic of successful edupreneurs. One informant noted that "when an educational venture stops innovating, it will inevitably lose its relevance sooner or later."

Overall, both informants agreed that the case of NNS Batam serves as an important learning point for edupreneurs, particularly in aligning ideas, execution, and long-term sustainability. They emphasized that the idealistic spirit behind establishing an education-based venture must be supported by professional, data-driven managerial systems. The absence of evaluation mechanisms, staff training, and learning-outcome monitoring represents classic symptoms of educational businesses that focus too heavily on visual and operational aspects while neglecting their own educational mission.

The findings from academics and practitioners further clarify that the failure of an edutainment venture such as NNS Batam was not merely operational in nature, but also

stemmed from an underdeveloped business model that lacked a strong educational value foundation. Without a solid and integrated edupreneurial framework, an edutainment concept inevitably risks becoming merely a children's entertainment business with limited sustainability.

Theoretical Discussion

The findings of this study show that the failure of the NNS Batam edutainment venture resulted from a combination of weak managerial strategies, insufficient educational depth, and the absence of systematic evaluation and continuous innovation. These results align with the study by (Zaini et al., 2025), which highlights that edutainment businesses in emerging markets tend to fail when educational concepts are used merely as marketing appeal without strong pedagogical implementation in daily operations. In the case of NNS Batam, this is evident from the lack of educational training for staff and the absence of a clear curriculum to guide activities.

Furthermore, visitors' perceptions of the service also reflect the weak resilience of an education-based business that lacks strong differentiation. As explained by (Faith & Margaret, 2024), one of the primary causes of edupreneurial failure is the mismatch between the brand promise and the user experience—particularly in the context of premium services. In the case of NNS Batam, parents expected meaningful learning experiences for their children; however, the activities offered were largely symbolic and were not accompanied by adequate educational facilitation.

In the managerial dimension, the absence of monitoring mechanisms, feedback systems, and content innovation made it difficult for the business to survive environmental changes, especially during the pandemic. This finding is consistent with the study by (Ulfah & Kurnia, 2021), which shows that the survival of edutainment ventures depends on their ability to adapt and modify services in response to evolving user needs and digital technologies. NNS Batam did not transition to online service models or develop digital derivative products, causing it to lose relevance amid market disruptions.

From an internal structural perspective, the failure of NNS Batam was also marked by weak communication across divisions and non-inclusive decision-making processes. This is

reinforced by the findings of (Farisi et al., 2022), which state that successful edutainment ventures typically have a collaborative system involving management, educational staff, and external partners, supported by program structures grounded in child-centered pedagogical principles. The absence of such a system at NNS Batam indicates that the business tended to operate more as a standard commercial attraction with an educational label, rather than as a consistently structured learning environment.

An examination of the educational value dimension also reveals that although the management initially intended to provide informal learning experiences, the implementation was not integrated with any specific pedagogical theory or framework. In their edupreneurship success model, (Thayyibi & Subiyantoro, 2022) emphasize the importance of aligning core educational values with commercial strategies and organizational systems. When these values are not translated into indicators, training, or assessment mechanisms, the educational component becomes an empty slogan that is difficult to sustain.

Failure also appears as an accumulation of the absence of a reflective approach. As stated by (Zaid & Ghiffi, 2025), failure-based learning should be an integral part of the growth cycle of any venture, particularly in value-driven businesses such as edupreneurship. At NNS Batam, no mechanism was found for mapping the successes or shortcomings of its programs, resulting in repeated mistakes and loss of competitiveness. The minimal involvement of consumers and staff in evaluation processes further hindered service improvement efforts.

Finally, interviews with academics indicate that the concept of edupreneurship in Indonesia is still often understood in a narrow sense—as merely an educational business rather than a system that integrates learning, social values, and business innovation. (Majdina et al., 2024) note that many business failures in developing countries stem from overly pragmatic and insufficiently research-based approaches, which ultimately fail to create long-term value. The case of NNS Batam confirms this pattern, as its failure stemmed largely from the absence of a theoretical foundation in both service design and strategy.

Practical Recommendations for Edupreneurs

Based on the findings and the theoretical discussion, several recommendations can serve as guidelines for edupreneurs in designing, managing, and sustaining edutainment

ventures to prevent similar failures:



Figure 4. Strategic Recommendations

1. Design a structured, pedagogy-based learning model

Edupreneurs must offer more than attractive attractions; they need to design programs with clear learning approaches, including objectives, methods, and assessments of children's learning outcomes. Collaboration with early childhood education experts is essential to establishing educational credibility.

2. Involve all organizational levels in service innovation

Frontline employees—particularly educators and operational staff—are key actors who understand direct user interactions. Their involvement in content development and program evaluation can enhance the relevance and quality of services.

3. Use marketing approaches that emphasize educational value, not merely entertainment

Differentiation in edutainment businesses should be grounded in a deep understanding of children's learning experiences. Promotional materials should communicate the cognitive, social, and emotional benefits that children gain, not merely showcase visual facilities.

4. Develop a continuous evaluation system based on data and visitor feedback

Edupreneurs need mechanisms to assess program effectiveness and customer satisfaction, both digitally and manually, to ensure improvement processes are evidence-based rather than assumption-driven.

5. Be adaptive to environmental changes and consumer behavior

Eduentertainment ventures must anticipate technological shifts and the evolving lifestyles of modern families. Diversifying services through digital or hybrid models (e.g., learning apps, at-home activity kits) can expand market reach and strengthen business resilience.

6. Ensure a balance between social orientation (education) and financial sustainability

A core principle of edupreneurship is integrating social mission with business strategy. Therefore, financial planning, market segmentation, and risk management must still be executed professionally.

Research Implications

This study carries several important implications, both conceptually and practically:

a) Theoretical Implications

This study reinforces the importance of a systemic approach in analyzing the success and failure of edupreneurship. Findings from the NNS Batam case demonstrate that the concept of edupreneurship cannot be reduced to merely a profit-generating educational business. The success of edupreneurship should be understood as the result of integrating educational values, institutional structures, value-based marketing strategies, and innovative adaptive capacity. Thus, this research underscores the need to develop a multi-dimensional edupreneurship model that can be further tested in future studies.

b) Practical Implications

From an entrepreneurial practice perspective, this study provides a concrete illustration of the challenges faced by edutainment business owners in developing cities such as Batam. Practitioners in this field are reminded that market expectations for educational value are increasingly high; therefore, ventures that highlight visual appeal without substantive learning content will struggle to maintain customer loyalty. Similar businesses can learn from the shortcomings of NNS Batam by establishing a solid foundation for managing non-formal learning systems.

c) **Policy Implications**

In a broader context, the findings of this study indicate that local governments and higher education institutions can play a role in fostering a healthy edupreneurship ecosystem. This can be achieved through education-based entrepreneurship training, social business incubation programs, and the development of curriculum standards for non-formal learning activities operated by the private sector.

CONCLUSION

This study concludes that the failure of the NNS Batam edutainment venture resulted from a misalignment between its stated educational vision and the managerial practices implemented, weak structuring of non-formal learning programs, the absence of service evaluation mechanisms, and insufficient innovation in response to market dynamics and user needs. Although the fundamental idea of edutainment holds significant potential as a form of educational entrepreneurship (edupreneurship), its implementation in this case was not supported by a systematic pedagogical approach nor by adaptive business strategies. Perspectives from various informants—including managers, employees, visitors, and academics—confirm that the educational aspect was present more in marketing narratives than in the actual user experience. Furthermore, the lack of reflection and feedback systems prevented strategic errors from being identified and continuously improved. Thus, this research underscores that the success of edupreneurship relies heavily on the ability to integrate educational values, operational structures, continuous innovation, and inclusive managerial approaches.

This study has a limited scope, focusing on a single specific case—NNS Batam edutainment—using a qualitative approach that prioritizes depth of data over generalizability. Therefore, future research is recommended to expand its scope by conducting comparative studies across multiple edutainment ventures in various cities or regions to capture broader and more contextual patterns of success and failure. Additionally, there is a need to develop a more comprehensive evaluation model for edupreneurship performance, incorporating indicators that encompass pedagogical dimensions, customer satisfaction levels, and financial

sustainability, so that it may serve as a practical tool for non-formal education industry practitioners. Quantitative approaches may also be incorporated—for example, through surveys or questionnaires measuring perceptions and learning impacts systematically—to complement qualitative findings and strengthen analytical validity. Furthermore, deeper exploration of technology-based innovation strategies in edupreneurship is highly recommended, given the rapid post-pandemic digitalization that increasingly shapes how educational services are consumed and delivered. Future research is expected to contribute not only at the conceptual level but also to policy practices and innovation within the national edutainment sector.

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