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在台灣地區銷售及推廣美國網路教學網站 Educator.com 之
營運企劃書

Business Plan for the Expansion of an e-Learning Service Site
Called Educator.com into Taiwan Market

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Business Plan for the Expansion of an e-Learning Service Site Called Educator.com into Taiwan Market

By

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Abstract

This business plan provides a detailed overview of the services Educator.com provides and how it can translate its success in the United States into the Asia market. Subsequent entrepreneurs in the United States can use this paper as a guide for when they are looking to expand their business overseas. This paper begins with an overview of the business and why the founders wish to expand their business to Asia. It then delves into how the market and culture in Asia differs from that of the United States and the challenges that we as founders will need to face when approaching this expansion. This business plan also provides a detailed analysis of the competitors in the Taiwan industry, the target market in Taiwan, a SWOT analysis, marketing strategies, and financials plans.

With this business plan, we hope to successfully launch and introduce Educator.com to Taiwan. In the future, we hope to one day expand globally. By achieving global expansion, the current status quo that wealthier people will always have access to better education will no longer be true. We will be able to equalize education worldwide.

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I. Executive Summary

Proposition

As today's world is becoming more and more globalized, many companies are looking to expand to Asia to enjoy the benefits of the Asia market boom. With the large population in Asia and the increased buying potential of consumers, Asia has become a significant market for consumer products. Educator.com aims to enter the Greater China Region to benefit from the large consumer buying power. However, prior to entering the Chinese market, it is wise for companies to do test trials in similar regions such as Taiwan where there is less risk and less cost involved. This business plan study will benefit all entrepreneurs who are looking to expand their business into Asia.

Also, as online education is becoming more and more popular in Asia in terms of online colleges and online courses, it would be interesting to find out how online tutoring would translate into Asia as well. This Business plan is based on the expansion of "Educator.com" into Asia. Market analysis will be done on the Taiwan environment including SWOT and Porter's Five Forces and the Taiwanese consumer. Since the core of the business is of Educator.com is already established, the main part of this research will evolve around the market analysis of Taiwanese consumers and their perception of online tutoring.

Educator.com is an American Online education/tutoring service Internet Company and is seeking to expand to the Greater China region. Since Taiwan is still an open market, it would be much easier to do a test-run in Taiwan prior to entering Mainland China. Educator.com is an online tutoring company. This service offers affordable education to all. Not only is this a philanthropic business, it is also very profitable with a low operating cost.

This business plan will primarily be focused on marketing Educator.com's products and services in Taiwan. If it proves to be popular, our next step will be to localize the product to be more suitable for the local population.

In Taiwan, tutoring is pretty much imprinted into the culture. As high as 90% of elementary, middle school, and high school students receive some kind of tutoring throughout their life – either in private one-on-one tutoring, or cram school style tutoring. Private tutoring sessions range from 500NT to 1500NT per hour depending on the subject. With the wealth distribution gap getting wider and wider in Taiwan, it is hard for average families to afford the best education for their children. As a result, because of not being able to afford private tutoring, children suffer in the classroom and do not perform as well. With this service, education will be equalized and affordable for all to give everyone, no matter what social status, the same treatment. The market for online tutoring has not really been explored. Potentially, there are limitless opportunities and Educator.com will be the first to discover the market.

Market

This is a special case. Although there are no direct competitors in Taiwan, there are many obstacles to overcome. Also, since the language of this service is in English, it has a very niche market which will be explored later on. Many parents may prefer cram school or private tutoring as opposed to online tutoring. It is Taiwan's culture for students to attend cram school after school for further studies. That is one of the main hurdles that Educator.com will have to overcome when entering the Taiwan market. Their main competition will be cram schools and private tutoring. However, Educator.com has a great advantage over these two options. The cost is significantly lower – while the quality and efficacy of the service is unchanged. It would be

very convenient – students will have access to the lectures anywhere with a computer and internet access. Educator.com will be the first company to offer online tutoring (apart from Tutorabc.com which is only an English tutoring website) in Taiwan.

Strategy

Since Educator.com offers all its courses in English, we plan to promote its products and services through academic institutions and co-work with schools to introduce our product to its students. Since there are no similar products in Taiwan market, it will surely create a buzz once it is introduced to the market.

Marketing will be one of the greatest expenses. Educator.com will be promoted via the web, radio, billboards, and television commercials. We will work with affiliates to promote on the internet – have banners on websites frequently visited by the target audience. Social Media will be a must as well. It will be broadcasted on ICRT and other stations with high ratings. We will rent a billboard in the busy streets of Taipei City i.e. Chungxiao East Road, to gain exposure. Television commercials will air on the main news channels and other channels with high ratings. This will be our biggest expense. We will work with different agencies for the design and filming of our advertisements. This business plan will mostly be focused on marketing Educator.com's products and services in Taiwan. If it proves to be popular, our next step will be to localize the product to be more suitable for the local population.

Management Team

The management team will consist of 3 members, 2 of which are major shareholders of the company. All three team members come from very different backgrounds. David Fan is an experienced entrepreneur who started his own company while he attended college at UCSD and

sold it a very profitable sum when he was 20 years old. David Fan, co-founder, is in charge of all web related activities – design, online promotions, etc. Eric Hung has a background in engineering and is in charge of contacting professors and filming lectures. He is primarily in charge of all operations and financials, including but not limited to filming lectures, taking notes, payment structure for professors, etc. Pearl Chen, who is currently an MBA student at National Taiwan University, has a background in PR and marketing and will be in charge of marketing in Taiwan and reaching out to collaborating academic institutions in Taiwan. She will take the lead in expansion and business development in Taiwan.

Marketing Objectives

1. To have 2000 subscribers in Taiwan by December 2013.
2. Achieve sales revenue of NTD 10 million by December 2013.
3. Net profit of NTD 7 million by December 2013

Mission

Educator.com's mission is to provide top notch education at an affordable price to all. Educator.com is the place where great students meet great teachers. Many children are unable to have access to good education due to their parents' financial status; Educator.com aims to eliminate the wealth distribution gap by offering great education to all. Our goal is to equalize education by finding the most effective teachers and opening up their classrooms to the world at a price anyone can afford.

With our business, being profitable and making money is not our main goal or priority. We aim to achieve a greater purpose for mankind and to make a true difference in society.

II. Company Summary

Introduction

Educator.com was developed by two 24-year-old entrepreneurs in 2009. The idea stems from the founders' experiences in high school and college. We were privileged and lucky enough to be in a neighborhood with great teachers, an excess of tutors, and involved parents willing to pay for after school programs. However, this is definitely not the norm in America and we wish to equalize education from areas like ours to rural areas to inner cities. In our undergraduate careers, we also saw that professors who were great researchers and wrote excellent papers, but could not teach well. This is where we first established our idea of finding the best teachers teaching their areas of expertise.

They seek to equalize education by offering affordable online lectures taught by to university professors. It is an innovative web service which aims to offer students everywhere affordable access to some of the world's best professors in a virtual atmosphere of one-on-one tutoring. Educator presents educational material in a unique learning interface which utilizes two simultaneously playing videos, one of the instructor and one of a writing tablet reminiscent of the chalkboard, on which the instructor actively demonstrates concepts and examples during the lecture.

Educator.com is a subscription based e-learning website geared towards high school, college, and home school students. We have been very successful with our math and science subjects and are now adding more subjects (English and Music) and finding better instructors for existing subjects.

Subscribers receive unlimited access to hundreds of lectures over 34 subjects for a monthly subscription fee of USD 35 or a discounted annual subscription fee of USD 240. The subjects range from mathematics, to chemistry, to music theory, to computer science. With the advanced improvements in today's technology, great educators are no longer confined to the walls of their classroom, but are able to share their expertise with the world.

Not only is this business making a major contribution to our society by offering affordable topnotch education to all, it is also a very profitable business. Currently in the United States, there are over 5,000 subscribers and growing. Compared to an hourly tutoring fee of USD 40/hour, a monthly expense of USD 35 is much more practical. Students can sign in, search for a topic, and have access to lectures targeted at their topic of choice. It has been three years since the launch of educator.com and the Co-founders are looking to expand their philanthropic and profitable business to Asia.

Funding

Educator.com will be spending NT \$3 million on its expansion into Taiwan. The co-founders of this company will be splitting the cost of this expansion 50/50. This capital will be spending primarily on marketing. Most promotion will take place on the Internet and if the business does well, we will spend more on TVCs etc.

Products and Services

Educator.com is an online education website that offers a variety of courses online including Mathematics, Chemistry, Physics, Biology, Music Theory, and Computer science.

Chart 1: Courses offered by Educator.com

Courses in Mathematics	Courses in Computer Science	Courses in Science	Advanced Placement Courses
<i>Basic Math</i>	<i>HTML Training</i>	<i>Physical Science</i>	<i>AP Calculus AB</i>
<i>Pre-Algebra</i>	<i>CSS Intro</i>	<i>AP Chemistry</i>	<i>AP Calculus BC</i>
<i>Algebra I</i>	<i>Java</i>	<i>Organic Chemistry</i>	<i>AP Biology</i>
<i>Algebra II</i>	<i>JavaScript</i>	<i>General Chemistry</i>	<i>AP Chemistry</i>
<i>Geometry</i>	<i>Introduction to PHP</i>	<i>Organic Chemistry</i>	<i>AP Physics B (Mechanics)</i>
<i>Trigonometry</i>	<i>Wordpress Training</i>	<i>High School Physics</i>	<i>AP Physics C (Mechanics)</i>
<i>Pre-Calculus</i>	<i>XML Training</i>	<i>Physics Theory</i>	<i>AP Physics C (Electricity & Magnetism)</i>
<i>Calculus I</i>	<i>Web Design & E-Commerce</i>	<i>AP Physics B (Mechanics)</i>	<i>AP Statistics</i>
<i>Calculus II</i>	<i>Advanced PHP Training with MySQL</i>	<i>AP Physics C (Electricity & Magnetism)</i>	<i>AP Computer Science: Java</i>
<i>Multivariable Calculus</i>	<i>Ajax w/ JQuery</i>	<i>Life Science</i>	
<i>Statistics</i>		<i>General Biology</i>	
<i>AP Statistics</i>		<i>AP Biology</i>	
<i>Linear Algebra</i>			

Educator.com aims to eventually eliminate cram schools in Taiwan and have everything available online. Cram schools in Taiwan are called “buxiban” (補習班 "tutorial class") and are not necessarily cram schools in the traditional sense. Almost any kind of extracurricular academic lesson could be termed buxiban, such as music, art, math, and science, even if students do not attend these classes specifically in order to pass an examination. It's a traditional belief that parents should send their children to all kinds of cram schools in order to compete against other talented children. Taiwan is well known for its cram school. Nearly all students have some kinds of cram school to improve their skills. The meritocratic culture, which requires some skills testing for passports to college, graduate school, and even government service, is dominant on Taiwan's policy. Another one of Educator.com's main competitors is private tutoring.

We utilize a dual video interface which mimics one on one tutoring with a writing tablet as well as the instructor. This method translates very well to teaching math and science courses as the central video showcases figures and equations. Each lecture is also accompanied by detailed breakdowns so the student can search for exactly their problem area and jump into the specific part of the video. This allows a variety of textbooks and curriculum to be used with Educator. At the end of each lecture are also QuickNotes that can help the student get a sense of the lecture before or help review after.

Operations

Educator.com offers a total of 44 different courses. For each course, we find a professor who is a specialist in the area. We approach the professor, and introduce our business and our mission. Most of the time, Professors are very impressed with our business and are happy to be part of our company. We arrange for a time for them to come into our recording studio where

they will come in to give their lecture for us to film. We provide a writing tablet reminiscent of the chalkboard, on which the instructor actively demonstrates concepts and examples during the lecture. Whatever the instructor writes on the tablet is what will show up on the consumer's computer screen – therefore it is just as if the student were sitting in a classroom with a professor writing on the chalkboard. The professors are rewarded based on a royalty program that keeps tracks of clips per clip and the Professor will receive a certain percentage of our revenue.

For Educator.com's expansion into the Taiwan market, we will need to provide our services in Mandarin for the local consumer – however, for now we will focus on marketing the English version.

Example IV

Find the area enclosed by $y = x^2$ and $y = \sqrt{x}$

$$y = \pm \sqrt{x}$$

$$x^2 = \sqrt{x}$$

$$x^4 = x$$

$$x^4 - x = 0$$

$$x(x^3 - 1) = 0$$

$$x = 0 \text{ or } x = 1$$

$$A = \int_0^1 (\sqrt{x} - x^2) dx$$

$$= \left[\frac{2}{3}x^{3/2} - \frac{x^3}{3} \right]_0^1$$

$$= \left(\frac{2}{3} - \frac{1}{3} \right) - (0-0)$$

$$= \frac{1}{3}$$

Professor Swifts
Additional Example 4
Slide Duration: 3:37 min.

Figure 1: Print screen photo of product and service

The student will be able to hear the teacher (on the right hand side) giving the lecture and be able to see his/her notes on the tablet (on the left) reflected on their computer screen. This creates the virtual reality of being in a classroom or cram school.

On the other hand, since Educator.com provides a search engine, students will be able to search for which topic within which subject they want to see a lecture on. This feature makes

Educator.com very much like private tutoring since you are able to focus on exactly what you need. After the professor has given his/her lecture, we take notes on the lecture and write a basic outline of the lecture. We upload these notes along with the lecture so that subscribers can use our search engine to search for the exact topic they wish to learn about. This makes our product truly unique.

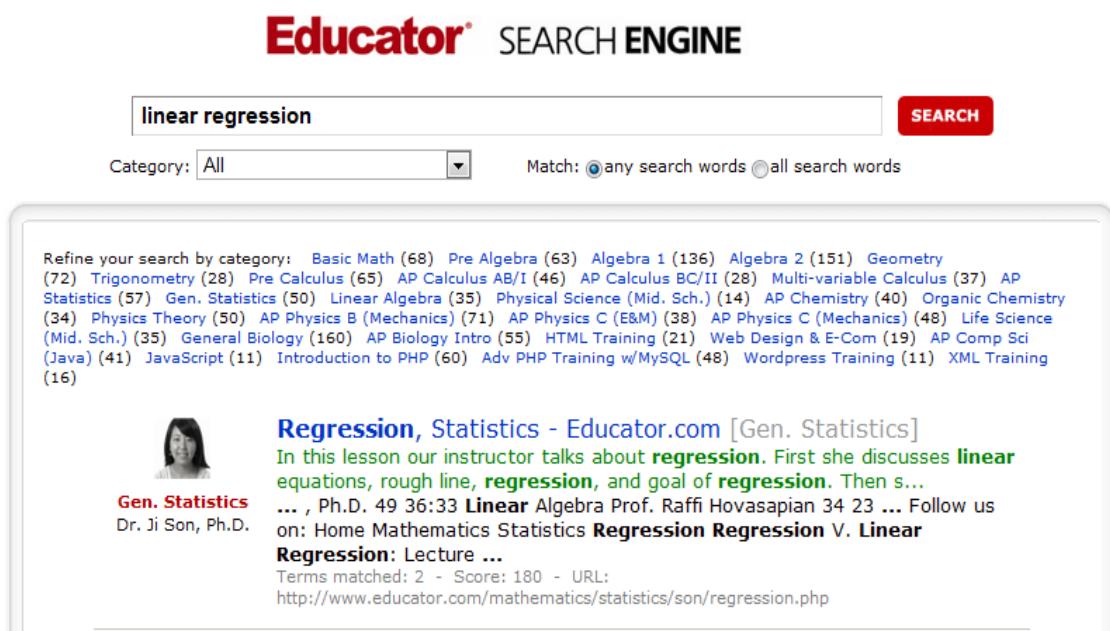


Figure 2: Print screen photo of search function

Specials and Packages:

Currently, we have three plans:

1. 12 Months – USD 20 per month
2. 6 Months – USD 25 per month
3. 1 Month – USD 35 per month
4. Multi-User plans

Most of the time, subscribers will try the 1 month plan first and if they like it, they will get the 6 month plan. Although the 12 month plan is the best value (saving 43%), many people are reluctant to make such a long term commitment, therefore, the 6 month plan is the top seller. We also offer multi-user plans to schools or other organizations.

In Taiwan, we will have the same packages. The people of Taiwan attach great importance to the education of their children; therefore, the government has spared no effort to promote education. These factors combined resulted in high enrollment rates at all school levels, and a large percentage of the population seeking advanced education. The people of Taiwan have long placed a high value on college education as a means of achieving self-fulfillment, raising social status, and developing personal potential. Higher education has become an essential condition for acquiring a better occupation. Although Taiwanese consumers do not earn as much compared to Americans, they view education is a much higher priority, therefore we believe we should be able to charge the same prices for our services. However, in the future, once we localize the business and have the lectures in Mandarin, we can adjust the price. To start off in Taiwan however, we plan to offer free trials with promotion code to build up our name and gain the trust of our consumers in Taiwan.

To prevent people using the same account, we will lock IP addresses and arrange it so that one particular user name and password can only work on this certain computer. In order to have an account that can be accessed on multiple different computers, we will have a multi-user plan that is mostly targeted towards school networks.

III. Market Analysis

Industry Description & Outlook

Following the advancement in technologies and all the conveniences that the Internet allows such as shopping, gaming, communicating, etc., it was only a matter of time before education went online as well. In the United States, many universities now offer online courses or even online degrees. However, as far as tutoring goes, it is a relatively new area of business. After overcoming the initial hurdle of getting use to online tutoring, I believe that it will be a booming business.

In the United States, there are some similar businesses including Khan Academy, Math Tutor Dvd, Math TV, Rapid Learning Center, etc. All of these business models differ. Some have sponsors and advertisements to support their business while providing free products and services. Others charge for their lessons but is member supported. Their pricing strategy is also slightly different – some charge per course, some charge only for certain subjects.

Our advantages are our brand (Educator.com), our learning interface, how each lecture is organized and searchable, our competition based model to find the best instructors, and our marketing plan which revolves around social media and word of mouth.

Educator.com differs from its competitors in various aspects. Firstly, the Educator.com domain offers a certain amount of brand equity. Securing this domain was one of the largest sunk costs of this venture. Also, the teachers working with Educator.com are all top professors from top universities across the United States. It also uses advanced tablets to create a learning interface similar to that of a virtual classroom environment. Additionally, the convenience of each

specific course/subject being organized and searchable also adds to the competitive advantage of Educator.com.

In Taiwan, many students dream of one day being able to go to the United States and be educated by American professors. However, the sad fact is that many students will never be able to afford such an adventure. In this case, learning from the top professors in the United States via the internet is the next best thing.

Taiwan Industry Analysis

In Taiwan, the Onlineindustry is slightly different. Whereas online shopping became popular in the United States over a decade ago, it has only become well received in recent years. This is a difference in culture that Educator.com will have to overcome. Doing things online are not easily accepted by the Taiwanese people due to the large amounts of scammers. However, it just takes some time to adjust and accept the concept. Additionally, since cram school is such a significant part of Taiwanese culture, it will also be a big hurdle to overcome.

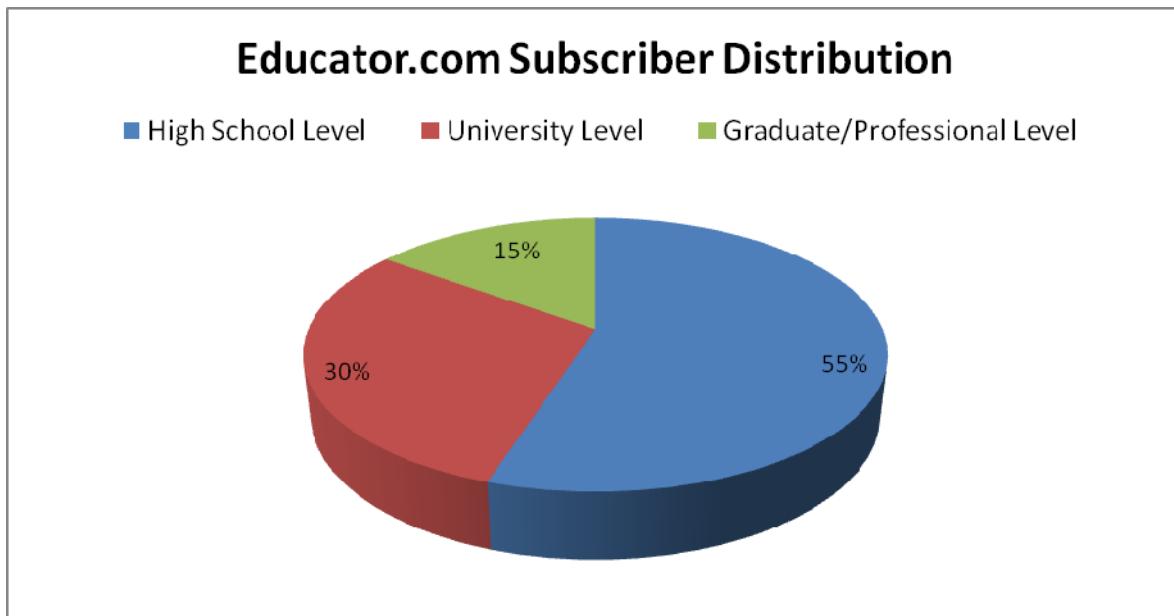
However, as the wealth distribution gap increases in Taiwan, many parents are concerned that if they are unable to afford the top education for their children, their children will never be competitive in today's competitive job market. Educator.com seeks to equalize education so that no child suffers from lack of quality education due to limited finances. Educator.com's expansion to Taiwan will allow people who cannot afford cram school or private tutoring to also receive a good education.

I believe that the product and services Educator.com offers will be very well received by the Taiwanese population. Especially since Taiwan culture puts a lot of emphasis on education,

even families who are struggling with the financial situation at home would be willing to spend money on education for their children.

Target Market

According to information provided by Eric Hung, Co-founder of Educator.com, the current subscriber distribution in the United States is as follows:



Graph 1: Subscriber distribution pie chart

Also, approximately 15% of Educator.com subscribers are home schooled. This is a significant number of consumers that we will not have in Taiwan since homeschooling is not a popular practice in Taiwan. According to myhomeschoolingweb.com, homeschooling is only legal in 2 cities in Taiwan. Home school growth in Taiwan is supposed to be slow at first, because in every family both parents have to work full-time outside the home. With Taiwan's low income and high housing prices, it is hard for one parent to stay home. Also, the birthrate in Taiwan has

dropped significantly – one of the reasons being that couples feel that with their limited income, they are unable to support a child. However, there is already a growing national network of home-school students in Taiwan that helps all interested parents to start home schooling and continue it successfully. Therefore, the slow growth in the number of home-schooled children will grow hand in hand with the growth of Educator.com in Taiwan.

In marketing this product in Taiwan, we will first target English speaking students which include students from all the international schools. In Taiwan, there are English speaking international schools all over the Island. This will be our primary target since these students are already learning in the English language. Secondly, we will also try to target extra studious local Taiwanese students from the top high schools and top universities in Taiwan. These schools include First Girls High School of Taipei, Taipei Municipal Jianguo High School, Taipei Municipal Zhongshan Girls High School, Taipei Cheng Gong High School, National Taiwan University, National Cheng Chi University, National Jiao Tung University, National Zhong Shan University, etc. Our main target will be high school and university students who are very concerned about education and are capable of benefitting from English education.

However, for these local students, it will be a “seasonal” product. The performance of our business will depend greatly on seasonality. By seasonality, I do not mean summer or winter, rather the season of test taking. Most local students will only use our product in their time of need. During midterm and final exam time as well as the 6 months prior to the college entrance exams otherwise known as “liankao”.

Our secondary target consists of approximately 150,000 students. These students are the ones who are most likely to use our product and not be affected by the language barrier since they are more likely to have higher English proficiency. All the students above can benefit from our product prior to any test. The high school students especially will be able to use our product when they are preparing for their college entrance exams.

All of these students wish to get accepted into a top university. So we will exploit their needs and target

Apart from preparing for exams, our product also gives them the opportunity to experience via the Internet what it would be like to learn from an American professor. “I think that this would be a big hit in Taiwan since many students dream about going abroad to study.” Our product can serve as a bridge for those students who wish to go abroad to study but are unsure of their language abilities. From the students listed in our secondary target, a significant percentage will go abroad for their studies – whether for an exchange program or for a master’s degree. Our product will be able to let them adapt to the language difference prior to physically moving abroad.

Chart 2: List of International Schools in Taiwan and its High School Student Population.

List of International Schools in Taiwan and High School Student Population	
Hsinchu	
Hsinchu American School	100
Hsinchu International School	160
Pacific American School	150
Kaohsiung	
Dominican International School Kaohsiung	100
Kaohsiung American School	500
Morrison Academy	100
Taichung	
American School in Taichung	50
Morrison Academy	400
Ivy Collegiate Academy	100
Taipei	
Dominican International School	100
Grace Christian Academy	400
Morrison Academy	100
Taipei American School	1000
Taipei European School	500
Taipei Adventist Preparatory Academy	250
Taoyuan	
Morrison Academy	100
Taoyuan American School	100
Total	4,210

As evident from the charts above, our primary target consists of more than 4,000 students. For these students, using our products can be more regular than our secondary targets. Students who subscribe to Educator.com will be able to retake lessons on certain sections of

which they were unsure. Or if they missed class due to illness or any other reason, they will be able to still listen to the lecture on the lesson(s) that they missed out on. Educator.com can also be used for reinforcement purposes.

Apart from our target consumers, our product is able to benefit a wide range of consumers including but not limited to students. Anyone who wants to learn anything can benefit from this website. For example, entrepreneurs who are looking to build their own website can come to our website and take courses in web design and programming and will be able to set up his/her website for the company. Some people also simply learn for interest.

Industry Analysis

In Taiwan, there is nothing like Educator.com therefore there are actually no direct competitors at this point in time. However, in the United States, there are some products quite similar. As aforementioned, the main competition Educator.com will face in Taiwan is not from direct competitors, rather, it will be indirect competitors such as cram schools and private tutoring. However, in the United States, there are some competitors with similar products and services. In the comparison table below, we will analyze the similar products in the United States and do a more detailed analysis of their functions and prices followed by a SWOT Analysis which will give us a clearer picture on Educator.com's chances of performing well in Taiwan.

Chart 3: Competitor Analysis

Company Website	Company Name	Price per month	Description
www.khanacademy.com	Khan Academy 	Free	<p>The Khan Academy is an organization on a mission. We're a not-for-profit with the goal of changing education for the better by providing a free world-class education to anyone anywhere. All of the site's resources are available to anyone. It doesn't matter if you are a student, teacher, home-schooler, principal, adult returning to the classroom after 20 years, or a friendly alien just trying to get a leg up in earthly biology. The Khan Academy's materials and resources are available to you completely free of charge.</p>
www.brightstorm.com	brightstorm 	Some courses are free; Test prep courses cost extra	<p>Our mission at Brightstorm is to be the best place to learn in the world. We believe that great learning starts with great teaching. So, we find the best teachers, film them teaching, and build learning solutions around those great teacher videos.</p> <p>Our current solutions target the high-school age curriculum, including Math, Science, SAT, ACT and AP subjects. Over 20 million students study these topics in the US every year-we believe this large market of web-generation users will be the first to define new ways for all of us to learn.</p> <p>Some of our products are free, and some are paid.</p>
www.thinkwell.com	Thinkwell 	Cost changes depending on the course	<p>Thinkwell was founded in 1997 in Austin, Texas with the mission to bring great teaching to students worldwide. Thinkwell's multimedia products in math, science, and social science integrate technology, art, and video with great teaching to produce a new path to success for students. Thinkwell's products and courses are being used by thousands of students at schools and universities across the globe.</p>
www.mathtv.com	MathTV 	\$20/6 month premium membership	<p>We produce quality materials for mathematics instruction, including textbooks (both print and electronic) videos, online homework, and worksheets. We want students to buy new copies of our textbooks and keep them for reference for courses they will take later in their college careers. We offer all of our products at a reasonable price, with professional,</p>

			accessible service. Our goal is to give students the opportunity to be successful in any college mathematics course from basic mathematics through the first year of calculus. Study skills, success skills, and common mistakes are integrated in with all our materials.
www.mathtutordvd.com	MathTutorDVD  PRESS PLAY FOR SUCCESS	\$19.95	Math Tutor DVD Produces Award Winning Courses in all levels of math including algebra, Trig, Calculus, and Differential equations. We also have complete courses in Physics and Chemistry. The Member's Area allows the student to watch the videos right in a web browser which allows the student instant access to our online algebra courses, online calculus courses, online physics courses, and everything in between!
www.rapidlearningcenter.com	Rapid Learning Center  Chemistry, Physics, Biology and Mathematics	Charges price per class - depending on the course, prices range from \$49 for physics class to an All Access College complete combo for \$3,499	Rapid Learning Center is the leading provider of rapid e-learning solutions in chemistry, biology, physics, math, statistics and other core courses at high school, college levels and beyond. We also offer test prep rapid learning packages on MCAT, DAT, OAT, PCAT, Pre-Nursing, AP, SAT and other standard tests, with more to come.
www.lynda.com/	Lynda.com 	\$37.50	A member-supported online learning platform with 40,000 video tutorials. Member supported means no sponsors or advertising - supported by members, keeps members at the forefront of objectives. 20 million visitors a year to the website and 1.6 million per month. 40,000 tutorial videos with 95% produced in house - have recording studios and bring in experts from all over the world and produce training and publish them to the web. With 5000 free videos. 3452 hours of content. Over 125 instructors who earn royalties base on views. Produce 3-4 courses every week. 83 photoshop courses; 67 digital photography courses; 11 creative inspiration courses; 333 adobe courses.

SWOT Analysis

Strength:

1. Price advantage - low price compared to indirect competitors - cram schools and private tutoring. The cost for one month's premium is roughly the same as one hour of private tutoring.
2. Quality - Tutoring by top qualified professors. The education the student is receiving will be much higher quality compared to the instructors at cram school and the students who try to make some extra cash by tutoring.
3. Convenience - able to choose your own time and your own venue - dont need to accommodate another person's schedule. Students can have access to Educator.com anywhere with internet access
4. Diversity - With one membership, access to wide range of subjects: 34 different subjects including math, science, computer science, etc.
5. Virtual classroom - advanced tablet technology to mimick the settings of a classroom
6. Time Efficiency - Search engine leading you to exactly what you wish to learn
7. Strong Domain Name: Educator.com and brand equity
8. Cost advantage – this business does not have a high cost to maintain.

Weakness:

1. The Online Culture in Taiwan is not as developed as it is in Western countries. Many people are still skeptical about how trustworthy it is. Also, many people do not feel comfortable giving out their credit card information on a website.
2. 35 USD a month may still be too much for a family struggling with financial issues to afford. Also, if a family is struggling with financial issues, it is possible that they do not have access to the internet.
3. Since it is an online learning service, Educator.com is unable to offer a group study environment that many students are used to.
4. Many people prefer interactive learning - if they had a question, they could ask and have it answered right away. (Although Educator.com does have a forum for students to ask questions and for other students to answer).
5. Parents may be skeptical about purchasing this product since it requires discipline that a child may not be distracted by other online entertainments and will not be able to use this service efficiently.
6. Language differences – since Educator.com’s primary language is in English, we will lose out on many potential subscribers simply because of this barrier.

Opportunities

1. Expansion - to other domains and other languages and to countries all around the world - to eventually benefit the world – this opportunity alone is endless and ensures that the business will thrive.

2. Additional courses - Build and expand on different courses that are more popular in Taiwan such as English, TOIEC, Toefl, etc.

3. Other income - advertising - when traffic to the website increases, we can charge for advertisements for additional income.

Threats

1. Low entry barrier - if the business were to prove profitable, many new competitors will emerge in the market – however, it will be hard for them to catch up

2. Government Regulations - obstacles involving the department of education

3. Overcoming the indirect competition such as cram school and private tutoring

Overcoming Threats and Weaknesses

Although it is true that in Taiwan, the “Online” community is not quite as developed as it is in the United States, it is definitely following closely behind. Therefore, while this may be a potential weakness in the short term, I believe that in the long-term, people will trust on-line services more and more. For families that cannot afford to pay USD 35 a month, we have our annual plans that divides out to USD \$24/month. However, I believe that the price is very reasonable and will attract many users. For a group study environment that cram schools offer, we have an online forum for students to interact, post their questions, and have other students answer. To use our product, students will require a lot of discipline in order to not be distracted by other online entertainments. In order to overcome this, we will have pop-up reminders to remind students to stay focused.

In addition to pop-up reminders, at the end of each section, we plan to have quick-quizzes at the end of each section for the students to ensure that they have fully understood the lesson. Each question will focus on the key points the lectures focused on. This will be a way for students to evaluate themselves.

As for our potential threats of an increase in competitors, we will always have first mover's advantage. We have a strong brand name and domain that is unbeatable. Also, we will have had sufficient time to build our brand equity and will not easily be threatened by competitors entering the business. As for our indirect competition, we can aim to achieve the biggest appeal in our indirect competitors. For cram school, many students prefer it largely because it can be done as a group activity. Therefore, we will promote the idea of people signing up together in groups with our multi-user plan. We will provide discounts and other promotions (i.e. when 2 people sign up for a one month subscription, the third person can get a one month subscription for free). The great thing about Educator.com is that it does not cost us anything extra to sell our product/service to an additional person.

IV. Marketing Plan

Product Strategy – Positioning and Differentiation

Firstly, since we have already secured the domain of Educator.com, our brand name is unbeatable. We will position ourselves as the number one most trusted e-learning website. Our goal is to become the number one top of mind brand when we ask consumers about online learning.

Our competitive advantage, apart from our brand, is the first mover's advantage. At this moment in Taiwan there is nothing comparable to our business model. There is an online English tutoring website called Tutorabc.com. Many other online learning websites are simply incomparable to our technology and service. Our subscribers will have access to over 3,400 lectures given from the top professors in the United States. Our interface is able to create a virtual classroom.

By learning online, students are able to save money, save time on transportation. They will also have the convenience to have access to this material anytime anywhere, not being limited to matching another person's time.

If this business plan proves to be successful in Taiwan, especially among the primary targets of students from international schools, then we will aim to localize the business. Results from the market research indicated that Math and Computer Science are the two most popular courses that people would be interested in learning; therefore in our expansion to Asia, we will be starting with these courses. Within math, we will begin with Algebra 1, Algebra 2, Geometry, Trigonometry, Pre-calculus, Calculus, and Statistics. For Computer Science, we will start with HTML training and web design.

First, we will contact local professors who are well known for their expertise and their professionalism in the subject. I will pitch our business plan to them and see if they are willing to collaborate with us. This will be one of our top selling points in that the professors teaching on our website will be the best teachers. We will approach professors from National Taiwan University, National Cheng Chi University, National Taiwan Normal University, etc. The Professor will be responsible for his/her own teaching materials. We invite the Professor to our recording studio where we record the lesson. Then we use advanced tablet technology to recreate the virtual classroom environment. This is another one of our top advantages; students are able to learn as if sitting in a classroom with a chalkboard.

Second, we will write out an outline of the course based on the Professor's lesson. This way, it will allow the service to be more specific and direct. Students will be able to search for exactly what they need help on instead of having to listen to the whole lecture. For example, if a student is having trouble with systems of equations, he/she does not need to watch the all the Algebra lectures to search for this section. With the notes we will write and upload to our website, students will be able to search and be directed to exactly what they search for.

Lastly, when everything has been recorded and noted, we will upload the lesson onto our website and will be ready for users to have access to. If the localized Educator.com (with lessons in Mandarin) proves to be a success, and the business booms, we will look for partners to collaborate with us to further expand this company into the Greater China Region.

Pricing Strategies

Our pricing strategy will be consistent with our pricing in the United States ranging from USD 25-USD 35 a month which is approximately NTD 580 to NTD 1,000. It is not our objective

to achieve a low price penetration strategy. Rather we want to penetrate the market with the quality and convenience of our product. Our tiers are as follows:

1. Monthly subscription –1000 NT per month
2. Semi-Annual subscription –725NT per month for 6 months
3. Annual Subscription –580 NT for 12 months
4. Multi-user plan – the price for this package will depend on the magnitude

Apart from our monthly subscription, we will also look to import related textbooks from the United States to sell as a bundle. Academic textbooks are easily accessible in the United States, however, it is not the case in Taiwan. Those who wish to learn in English will likely wish to have an English textbook as well. This will add to the completeness of our product as well as prove to be an additional income.

While the salary income in Taiwan is significantly lower than that of the United States, we feel that it is not necessary to adjust the price of our product. The culture in Taiwan puts a lot more emphasis on tutoring, close to 90% of high school students participate in some sort of after school study session whether with a private tutor or in cram school. Private tutoring, depending on the subject, can range from NT\$500 to NT\$1,500 per hour. Cram school pricing also ranges from NT\$5,000 a month to NT\$20,000 a month. Therefore, compared to these prices, our price of NT\$1,000 a month with unlimited access to all our courses, is very competitive.

The monthly subscription is targeted for students who have limited financial abilities and can only afford our service when needed (i.e. a month before an exam) or students who are interested in a trial sample of our service prior to purchasing a longer term. This package will be more widely subscribed by our secondary targets. For local students who use our service to prepare for

an exam or for those who wish to try out the U.S. education system prior to studying abroad. If they find that they enjoyed using our product, they may eventually sign up for a longer term contract. However, most likely the secondary targets will only be using monthly subscription.

The semi-annual subscription is for students who like our service but are unwilling to commit to such a long term contract. The annual subscription will be for students who regularly use our services. These two longer term packages will be more targeted at the international school students whose primary language is English.

If the expansion proves to be a success, we will localize the business. Since this is an online business, our fixed costs are relatively low. With each additional subscriber, there is no marginal cost. We have no labor costs, no office space rental costs (unless we eventually need to rent an office space for filming). When we localize the business, we plan to charge the same price.

Promotional Strategies – Goal is to increase Brand and product Awareness

As an initial step in terms of promotion, we will follow the AIDA model. We will try to gain awareness by having well-known professors as well as schools to endorse our product. With their support, our product will gain credibility and awareness. Then we will increase interest amongst our potential subscribers by offering free trials during exam time (midterms, finals, college entrance exams, etc). We will communicate this through our online advertising on affiliate websites as well as through social networks. We will provide incentives for users to repost our updates so that our message will have a wider reach.

Firstly, advertising – In terms of advertising, we will start with magazine copies, billboards, Radio ads, social networks, and internet banner ads. As we expand and have more cash flow, we will advertise on newspapers and television commercials. In our advertisements, we will promote

our strengths: the virtual classroom, chalk-board interface, convenience, economical standpoint, etc.

For magazine advertising, we will run our ad in Business Week, Times, and Next Magazine. Business Week and Times will be mainly to target our international students and more well-read local students. Our magazine copies will feature the Educator.com logo, students learning in front of their computer, and acing a test. "No.1 Trusted e-Learning Service Site." Next magazine is for the sole purpose of gaining awareness; it has one of the highest readerships of all magazines in Taiwan reaching a whopping 16.7% (Information provided by OMD Advertising Agency). Our billboard, which will be placed in one of the busiest streets in Taipei (Chung Xiao East Road) is also for the purpose of mass awareness.

For our radio copy, which we plan to air on ICRT, we have a couple different scenarios in mind. The first one is where a student sounds stressed out about missing an important lecture in class earlier today. And his classmate enthusiastically suggests, "why don't you just log on Educator.com" and the first student is amazed by the precision our product offers and immediately joins. Another scenario is where a group of high school students appear stressed out about the college entrance exams when one of them suggests Educator.com. This is to appeal to our key demographic.

Secondly, we will promote via public relations. If our product is well-received and creates a buzz, as we suspect it will, this is a good chance for free publicity. We will aim to have press releases in the Newspapers, with the most readers and have an on-air introduction on a News channel with high number of viewers.

Thirdly, we will take full advantage of social networks. Providing word of mouth incentives – for people to introduce our product to their peers and friends i.e. for each referral, a subscriber will receive a free month of our service. If people share our packages on their Facebook page, we will provide a generous discount (with a promotional code). The message will be along the lines of “Share this message on your Facebook wall to receive 2 weeks free subscription.”

Fourthly, since our business relies greatly on long term customers, we need to make sure we keep our customers. Therefore, we will provide loyalties and incentives for existing customers – access to new courses for no added charge, to renew their subscription, they will not be affected by any increase in price.

Lastly, we will use a digital marketing approach – since our product is an online service. We will put advertisement banners on popular websites such as Google Ad Network, Yahoo Ad Network, YouTube, Facebook Ads and Blogger Ads. This will be our primary advertisement. We will also reach out to bloggers with a big fan base and high amount of page views to blog about our product and promote it.

Our product is a special one in that while our target audience is high school and college students, the people paying are their parents. For many high school students, they do not have the funds/credit cards needed to purchase our product since it is an online service; the only way we can take payment is via credit card purchases. Therefore, not only do our communication messages need to appeal to students, it also needs to reach out to parents.

Distribution channels

Our product is accessed via the Internet. Therefore, we are not limited by distribution channels or anything of that nature. As long as there is Internet access, our subscribers will be able to use our product. This is one of our greatest strengths: anytime, anywhere.



V. Financial Summary

Chart 4: Marketing expenses

Expense Type	Amount (NTD)
Magazine, Billboard, and Newspaper Copy Production Fee (one time)	10,000
Magazine copy space fee (6 months)	600,000
Billboard rental space fee (12 months)	400,000
Radio copy airing fee (6 months)	1,000,000
Digital advertising copy production (one time)	10,000
Digital advertising fee on Websites (12 months)	1,000,000
Marketing Expense for 2013	3,020,000

Figure 3: Advertising Schedule

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Digital	■	■	■	■	■	■	■	■	■	■	■	■
Radio	■	■	■	■	■	■	■	■	■	■	■	■
Billboard	■	■	■	■	■	■	■	■	■	■	■	■
Magazine	■	■	■	■	■	■	■	■	■	■	■	■

I will work with an advertising agency to develop all the artwork involved for the creative copies. I've gotten a quotation from a small graphic design firm that is just starting up and is able to complete this task for under NT\$10,000. They will also be working with us to create the digital banners for another bargain price of NT\$10,000. Also, to have a full-page ad in "Next Magazine" will cost approximately NT\$100,000. "Next Magazine" has one of the highest readerships compared to all the magazines published in Taiwan with a readership of 16.7%. The digital banners will be spread out and we have set aside a budget of NT\$1MM for this project. We may adjust this figure after we track our subscription performance.

Graph 2: **Projected Number of Subscriber**

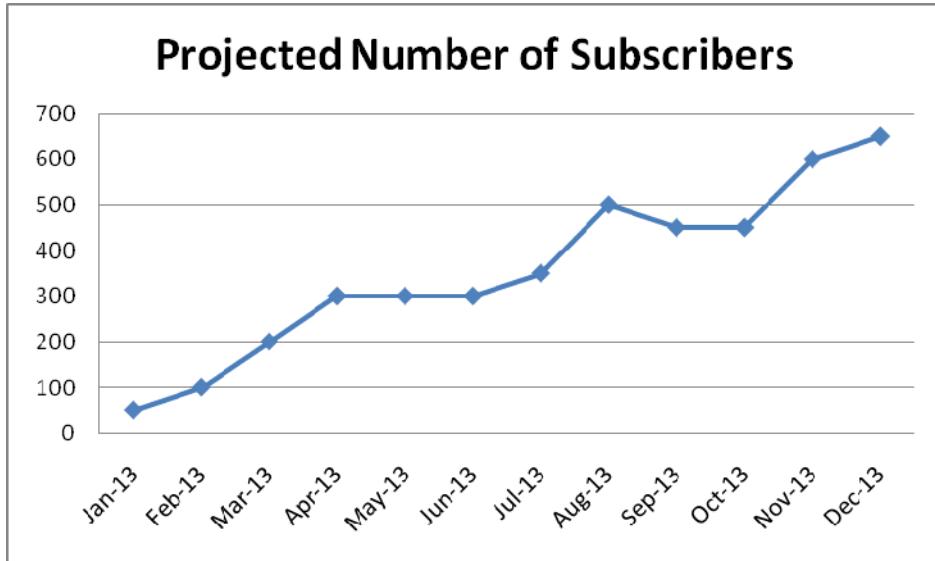


Chart 5: **Projected Monthly Sales with Break-even point**

Year	Projected Number of Subscribers	Revenue	Total Revenue
Jan-13	50	50,000	50,000
Feb-13	100	100,000	150,000
Mar-13	200	200,000	350,000
Apr-13	300	300,000	650,000
May-13	300	300,000	950,000
Jun-13	300	300,000	1,250,000
Jul-13	350	350,000	1,600,000
Aug-13	500	500,000	2,100,000
Sep-13	450	450,000	2,550,000
Oct-13	450	450,000	3,000,000
Nov-13	600	600,000	3,600,000
Dec-13	650	650,000	4,250,000

Break-Even Analysis

The break-even point analysis assumes that subscribers are all monthly subscribers paying US\$35 per month for our product. This analysis also assumes a conversion rate of US\$1:NT\$28.57. From Figure 3, we can see that the digital and billboard advertising will run year round where as radio and magazine will only run during peak season and high reach periods. Peak season, as stated previously, refers to when students are frantically preparing for their exams. High reach seasons refer to summer/winter breaks when students have more time to read magazines and listen to the radio.

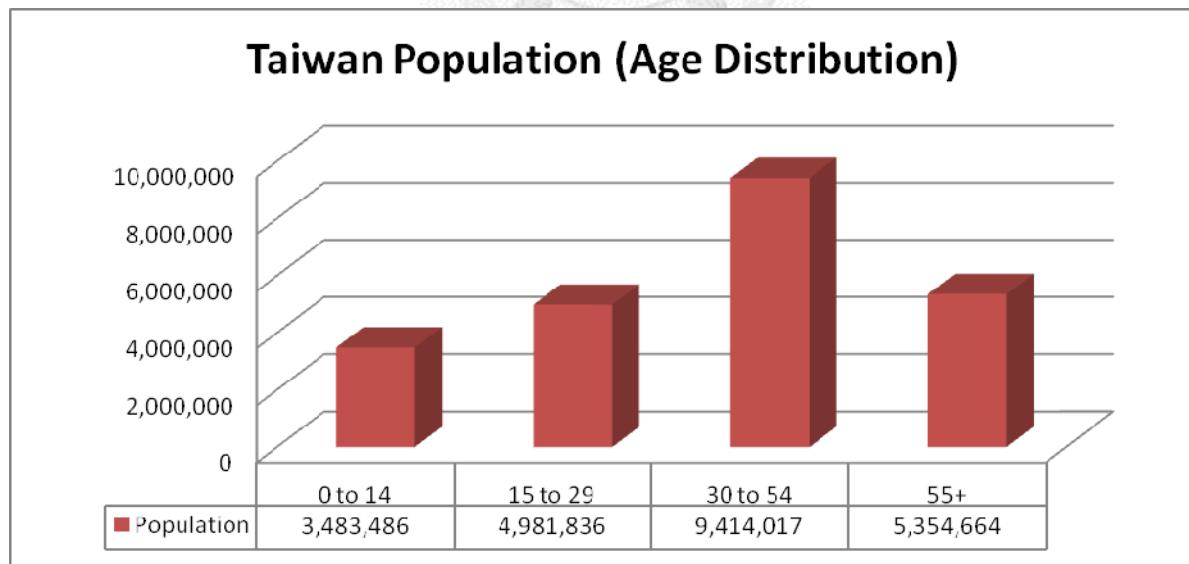
From this analysis, we can see that by the 10th month, we will break even with our marketing costs. And within our first year of operating in Taiwan, we will have a profit of close to NT\$8 million. If the business continues to do well, we will explore television commercials and without a doubt, with that kind of exposure, our number of subscribers is sure to increase.

VI. Conclusion

We are well-aware that with the limited size of the target market in Taiwan, it is not the best ideal to simply expand to Taiwan, therefore, keep in mind that this expansion to Taiwan is not solely for the purpose of making profits. It is a test run to see if this product would be as popular in Asia as it is in the United States.

Simultaneously, we will look to hire some personnel in Singapore and Hong Kong. Since English is more dominant in those countries, our business will be able to overcome the language barrier it faces in Taiwan. However, we plan to put off this process until 2014 because it will be an added expenditure including rent for office space, human resources, etc.

If this product proves to be well received within the Taiwan market, our next step will be to localize the product. Currently, we only have roughly 150,000 potential subscribers, however, if we were to localize this product, we would have a much greater base of potential subscribers.



Graph 3: Population of Taiwan distributed by Age

Source : Dept. of Household Registration Affairs, MOI. Feb 2012.

Our service can benefit pretty much anyone 15years+ who wants to learn. However, primarily, our target audience will fall between the ages of 15 to 29 which is roughly 5 million people which is a much bigger base compared to our current primary target base of 4,000- 1,250 times to be exact. Therefore, however many subscribers we reach with the English interface from international schools, we can multiply that number by at least 1,000 and that will be a conservative estimate of our potential target market in Taiwan.

If the localized version of Educator.com is well received by the local students in Taiwan, we will look for business partners who understand the China market and discuss strategies to expand to China. In China, our ROI will be much greater than that of Taiwan. In China, we will spend slightly more on marketing expense but will be able to reach a much greater number of potential customers.