



October 5, 2004

Professor Yingchan Edwin Tang

Mr. Mosely, Sarina, all our Honorable Guests and EStrat5 Students:

First of all, I would like to thank L'Oreal for inviting me to participate this wonderful party. In representing all the L'Oreal EStrat 5 students in this room, I also like to thank L'Oreal International to provide this opportunity bring our students to the global stage.

Before playing the simulation game, most students have the impression that marketing management is easy. You increase promotional budget, therefore, your sales are up. You cut your price, and again, your sales are up. But, how about you do two decisions, i.e., increase promotion and increase price, at the same time? Will the market share or profit go up? This is a difficult decision to be made. For marketer, however, these seemingly conflicting decisions are daily exercises – each piece of marketing decision influences each other in various ways. To roll out a brand, you have to think ahead the STP strategy (segmentation, targeting and positioning), the channel and retail decision (i.e., sell it to department store or superstore), the impact of Internet advertising, our competitors' reactions...etc. And, this is precisely the challenging part of the EStrat. The simulation forces you to think in a “big picture” way to fight for company's market share and profit in a dynamic and complicate environment.

National Chiao Tung University has sent out 23 teams to participate last year. And, we are very lucky to win the first and the third places in Taiwan area, and the twelfth place in the world. I say “lucky” because this is the first time we participate, and we have many fierce competitors from local and from the world as well. But, don't get me wrong that you need the luck to win the game. Except for the luckiness (which plays a very small role in the game), what you really need is hard working, business hunch, marketing knowledge, and the cohesive team work in this mind-boggling journey. Students participated the game have been benefited a lot. Except for the intelligence exercise and the monetary award they have earned, I found students also benefit in their career. Leo Lee, for instance, has been recruited by L'Oreal International. I learned from him that he is competing among the talents from other world-class universities such as Thunderbird and Cambridge. Carol Chen, another winning member, is currently in University of Washington. And the team leader, Christine Yu, is currently the Project Manager in the First International Computer Inc. Their hard workings in EStrat4 have been paid off.

Again, thanks L'Oreal to provide this opportunity to bring our students abroad. I wish most of you luck in the forthcoming marketing challenge game.



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