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| **TEXAS CTE LESSON PLAN**[www.txcte.org](http://www.txcte.org) |
| **Lesson Identification and TEKS Addressed** |
| **Career Cluster** | Marketing |
| **Course Name** | Entrepreneurship |
| **Lesson/Unit Title** | Know Your Competition |
| **TEKS Student Expectations** | **130.384. (c) Knowledge and Skills**(24) The student knows the process of collecting marketing information to facilitate decision making. The student is expected to:(A) conduct a market analysis;(B) use appropriate technology to obtain information about the industry, customer, and competition; and(C) conduct an analysis of strengths, weaknesses, opportunities, and threats. |
| **Basic Direct Teach Lesson**(Includes Special Education Modifications/Accommodations and one English Language Proficiency Standards (ELPS) Strategy) |
| **Instructional Objectives** | • Students will explain the importance of understanding your competition. • Students will determine types of competition. • Students will prepare a competitive analysis. • Students will describe strategies for maintaining customer loyalty. |
| **Rationale** | The marketplace is competitive in nature. This lesson will help students understand the competitive nature of the marketplace and describe strategies for attracting/maintaining a customer base. |
| **Duration of Lesson** | One day |
| **Word Wall/Key Vocabulary***(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Direct Competition** – a business that makes most of its money selling the same or similar products or services to the same market as other businesses **Indirect Competition** – a business that makes only a small amount of money selling the same or similar products and services to the same market as other businesses **Competitive Analysis** – a process of identifying and examining the characteristics of a competing firm |
| **Materials/Specialized Equipment Needed** | **Instructional Aids** • Know Your Competition Assignment Sheet • Frequent Buyer Assignment #1 • Frequent Buyer Rubric • Flower Power Assignment #2 • Flower Power Rubric • Customer Loyalty Assignment # 3 • Customer Loyalty Rubric • Internet **Materials Needed** • Construction paper • Scissors and glue • Poster board **Equipment Needed** • Computers for students to complete projects  |
| **Anticipatory Set**(May include pre-assessment for prior knowledge) | **Learner Preparation** * List four industries of businesses on the board and then ask students to list competing businesses for each category. Conduct class discussion about business competition and what competitors do to set themselves apart from the rest of the pack.
* Ask students to list the name of their favorite store. Then ask students to list five reasons they like returning to the store to spend money. What has the business done to keep their customer loyalty?
* Ask students to write a paragraph about the benefits of “business competition.” The paragraph should include more choices for consumers, more prices to compare, and better products and services

**Lesson Introduction*** Ask students to name a business in the area and then name all of its competitors. Then ask students how they think the business stacks up against the competition. Stress the importance of knowing the competition and having strategies to deal with the competition.
* Divide the class into teams of two or three. Each team must brainstorm general ways for restaurants to differentiate themselves. Strategies for differentiation can include atmosphere, theme, unique menu, secret recipes, service, and price. Providing consistent quality and excellent service are strategies for a restaurant’s success.
* Ask students to list three marketing strategies for a business to have repeat customers. Examples may include offering coupons, customer loyalty cards, and bonus bucks for future purchases.
* Ask students to find an advertisement in the newspaper for a business. Then have students find advertisements for the competitors of the business. Put the advertisements on a collage and discuss the similarities and differences in the advertisements.
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| **Direct Instruction \*** | I. Types of Competition (**NOTE:** List competing businesses on the board. Then ask students to conduct research to compare the two businesses and determine which business has the better competitive strategy.) A. Direct Competition –a business that makes most of its money selling the same or similar products or services to the same market as other businesses 1. Secondary data sources can provide information about direct competition 2. Information from the local chamber of commerce 3. Direct competition may be located far away B. Indirect Competition –a business that makes only a small amount of money selling the same or similar products and services to the same market as other businesses (**NOTE**: Ask students to list which businesses in a smaller community face indirect competition when a super store locates in the community. Then survey students to determine their thoughts about a super store locating in a smaller community. What are the advantages and disadvantages?)1. Harder to identify than direct competitors2. Large retailers – Can be direct and indirect competition for many other businesses a. Large retailers usually are able to keep larger quantities of products in stock b. Large retail chains do not rely on a single product line c. Large companies usually have more resources to devote to advertisingIII. Competitive Analysis – Identifying and examining the characteristics of a competing firm (**NOTE:** Ask students to compare the prices of the same new cars, clothing, and gas at three businesses. Ask students why they think there is a discrepancy of prices for the same products.)A. Make a List of Competitors B. Summarize the Products and Prices Offered by the Competitors C. List Each Competitor’s Strengths and Weaknesses D. Find Out the Strategies and Objectives of the Competitors E. Determine the Strength of the Market IV. Maintaining Customer Loyalty (**NOTE:** Ask students to choose a business they would like to own and/or manage. Then ask students to describe what customer loyalty strategies they would use for repeat customers.)A. Listen and Respond to Feedback B. Other Strategies for Maintaining Loyalty 1. Provide superior service 2. Offer more convenient hours than other businesses 3. Offer easy return policies 4. Offer store-specific credit cards 5. Send personal notes or cards for birthdays or as thanks for business 6. Implement frequent-buyer programs*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:** None
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| **Guided Practice \*** | Guided Practice The instructor will explain the importance for a business to understand the competition. Compare the competition in the business world to the competition faced by a sports team or DECA chapter at your school. Ask students why it is important to analyze the competition in a global economy. Ask students to research major college football bowl games to determine how each bowl selects participating teams. Then ask students to explain how each bowl game differentiates itself from the competition. Answers should include payout to participating teams, climate, other attractions, pre-game activities, conference agreements, date for the event, and number of available tickets.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:** None
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| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | • Frequent Buyer Assignment Tell students that they have opened a candy and ice cream store, located in a major resort hotel. Your business has a steady stream of new customers from the hotel; however, you want to attract local residents from the community to your business to help grow a larger customer base year-round. You have decided that a frequent-buyer program is one way to get customers to visit and return to your business. You must describe the frequent-buyer program using a digital presentation. The program must be easy to manage but also secure from consumer fraud. Design a card for customers to identify themselves as frequent buyers. Also design a flyer that will introduce the program to customers. This assignment will be evaluated using the related rubric. • Flower Power Assignment Today consumers can purchase flowers at florists, grocery stores, convenience stores, and numerous other outlets. Tell students that they operate a successful floral shop in a community with 30,000 people. The business has been very successful for 100 years as a family business. Now the business faces stiff competition from grocery stores, convenience stores, and other retail outlets that sell flowers. Students must design a strategy for the Floral Shop to maintain its predominance in the community. Explain a promotional campaign for the Floral Shop to be the #1 provider of flowers in the community. This assignment will be evaluated using the related rubric. • Customer Loyalty Assignment Successful businesses have a plan to maintain customer loyalty. Ask students to select a business and then prepare a Top Ten List to Maintain Customer Loyalty. Students will present their information in a 10-slide digital presentation. This assignment will be evaluated using the related rubric.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:** None
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| **Lesson Closure** | **Review** **Q:** Why should entrepreneurs analyze both direct and indirect competitors? **A:** Direct and indirect competitors can take customers away from a business. **Q:** Why is competitive analysis important to an entrepreneur? **A:** Competitive analysis makes you take a good look at your competition and determine their strengths and weakness so you can determine what to do to get customers to buy from your business. **Q:** How is customer feedback a type of market research? **A:** Customer feedback is valuable market research because it provides opinions from the product users and it helps a business establish customer loyalty. NAME A COMPETITOR GAME: Split the class into teams of four. The instructor will name a business and teams have 30 seconds to list as many competing businesses as possible. Each round will eliminate the team with the fewest responses. Other teams will remain in the competition. The instructor will call out additional businesses and fewer seconds will be given to list all possible competitors for the identified businesses. Each round will eliminate the team with the fewest answers. The last team standing will win the game. |
| **Summative/End of Lesson Assessment \***  | Informal Assessment Instructor will observe students during Independent Practice. Instructor will assist students as needed. Formal Assessment Use the assigned rubrics to evaluate the three Independent Practice Assignments.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:** None
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| **References/Resources/****Teacher Preparation** | Preparation • Review and familiarize yourself with the terminology and resources. • Prepare materials and websites prior to the start of the lesson. References • Greene, C. L. (2008). Entrepreneurship ideas in action (4th ed). Mason, OH: Southwestern Cengage. • Newspapers and Internet |
| **Additional Required Components** |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy****Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies****Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication****90 Second Speech Topics** |  |
| **Other Essential Lesson Components** |
| **Enrichment Activity**(e.g., homework assignment) | * Analyze competing service stations and prepare a table to compare the price of gas, convenient location, self-service pumps, and additional services like car wash or convenience mart. Then ask students to select the best service station based on the research conducted.
* Emphasize that the U.S. economic system is based on competition. Stress the importance of monitoring changing market conditions and knowing what the competition is doing. Ask students to select a product made in the U.S. and internationally. Then have students identify a market segment whose needs are not being met by competitors. Outline a strategy for meeting the needs of the market segment opportunity.
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| **Family/Community Connection** |  |
| **CTSO connection(s)** | DECA |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)