

## Lesson Plan —Know Your Competition

**Course Title:** Entrepreneurship

**Session Title:** Know Your Competition

**Performance Objective:**

- Upon completion of this lesson, the student will understand the competitive nature of the marketplace and describe strategies for attracting/maintaining a customer base.

**Specific 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.

### Preparation

**TEKS Correlations:**

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **124.12(c)(2)(A)**  
explain the marketing concept
- **124.12(c)(2)(B)**  
explain how each component of the marketing mix contributes to successful entrepreneurial ventures
- **124.12(c)(9)(D)**  
describe competition and its relationship to private enterprise and entrepreneurship
- **124.12(c)(9)(E)**  
analyze competitive strengths and weaknesses of an entrepreneurial venture

**Interdisciplinary Correlations:**

**English**

**110.42(b)(6)(A) – Vocabulary Development**

...expand vocabulary through wide reading, listening, and discussing

**110.42(b)(6)(B) – Vocabulary Development**

... rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary

**110.42(b)(7)(F) – Reading/comprehension**

...identify main ideas and their supporting details

**110.42(b)(7)(G) – Reading/comprehension**

...summarize texts

**110.42(b)(7)(J) – Reading/comprehension**

...read silently with comprehension for a sustained period of time

**Accommodations for Learning Differences:**

It is important that lessons accommodate the needs of every learner. These lessons may be modified to accommodate your students with learning differences by referring to the files found on the [Special Populations page](#) of this website.

**Teacher Preparation:****References:**

1. Entrepreneurship Ideas in Action, Fourth Edition, Cynthia L. Greene, Southwestern Cengage
2. Making a Job: A Basic Guide to Entrepreneurship Readiness, Marilyn Kourilsky, Kauffman Foundation for Entrepreneurial Leadership.
3. USA Today and local newspapers

**Instructional Aids:**

1. "Know Your Competition" PowerPoint Presentation
2. Know Your Competition Assignment Sheet
3. Frequent Buyer Assignment #1
4. Frequent Buyer Rubric
5. Flower Power Assignment #2
6. Flower Power Rubric
7. Customer Loyalty Assignment # 3
8. Customer Loyalty Rubric
9. Internet

**Materials Needed:**

1. Construction paper
2. Scissors and glue
3. Poster board

**Equipment Needed:**

1. Computers for students to complete projects
2. Projector for PPT

**Learner Preparation:**

1. Put categories of businesses on the board and then ask students to list competing businesses for each category. Then conduct class discussion about business competition and what competitors do to set themselves apart from the rest of the pack.
2. Ask students to list the name of their favorite store. Then ask students to list five reasons why they like returning to the store to spend money. What has the business done to keep their customer loyalty?
3. 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 Plan

### Introduction (LSI Quadrant I):

1. 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.
2. Divide the class into teams that consist of two or three students. 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. Consistent quality and excellent service are strategies for a restaurant's success.
3. Ask students to list three marketing strategies for business to have repeat customers. Examples may include coupons, customer loyalty cards, and bonus bucks for future purchases.
4. 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.


### Important Terms for this Lesson:





- Direct competition - comes from 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 - comes from 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 - identifying and examining the characteristics of a competing firm

## Outline

### Outline (LSI Quadrant II):










Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
	<p>I. Impact of Competition</p> <p>A. U.S. Economic System - based on private property, freedom of choice, profit, and competition</p> <p>B. Companies Compete for Consumers' Business</p> <p>C. New Businesses Usually Face Competitors - companies offering similar or identical products and services to the same group of target customers</p> <p>D. Businesses Must Persuade Customers</p>	

	<p>E. Understand the Competition</p> <ol style="list-style-type: none"> <li>1. Define your target market</li> <li>2. Prices, quality of a product or service can influence customer decisions</li> <li>3. Customer with unmet needs will take business to the competitor</li> </ol>	
	<p>II. Types of Competition</p> <p>A. Direct Competition - comes from a business that makes most of its money selling the same or similar products or services to the same market as other businesses</p> <ol style="list-style-type: none"> <li>1. Secondary data sources can provide information about direct competition</li> <li>2. Information from the local chamber of commerce</li> <li>3. Direct competition may be located far away</li> </ol> <p>B. Indirect Competition - comes from 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</p> <ol style="list-style-type: none"> <li>1. Harder to locate than direct competitors</li> <li>2. Large retailers - can be direct and indirect competition for many other businesses <ol style="list-style-type: none"> <li>a. large retailers usually are able to keep larger quantities of products in stock</li> <li>b. large retail chains do not rely on a single product line</li> <li>c. large companies usually have more resources to devote to advertising</li> </ol> </li> </ol>	<p>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.</p> <p>Ask students to list which businesses in a smaller community face indirect competition when a Wal-Mart locates in the community. Then survey students to determine their thoughts about Wal-Mart locating in a smaller community. What are the advantages and disadvantages?</p>
	<p>III. Competitive Analysis - identifying and examining the characteristics of a competing firm</p> <ol style="list-style-type: none"> <li>A. Make a List of Competitors</li> <li>B. Summarize the Products and Prices Offered by the Competitors</li> <li>C. List Each Competitor's Strengths and Weaknesses</li> <li>D. Find Out the Strategies and Objectives of the Competitors</li> <li>E. Determine the Strength of the Market</li> </ol>	<p>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.</p>
	<p>IV. Maintaining Customer Loyalty</p> <ol style="list-style-type: none"> <li>A. Listen and Respond to Feedback</li> <li>B. Other Strategies for Maintaining Loyalty</li> </ol>	<p>Ask students to choose a business they would like to</p>

	<ol style="list-style-type: none"> <li>1. Superior service</li> <li>2. More convenient hours than other businesses</li> <li>3. Easy return policies</li> <li>4. Store-specific credit cards</li> <li>5. Personal notes or cards for birthdays or as thanks for business</li> <li>6. Frequent-buyer programs</li> </ol>	<p>own and/or manage. Then ask students to describe what customer loyalty strategies they would use for repeat customers.</p>
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**Copy and paste Multiple Intelligences Graphic in appropriate place in left column.**

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

### Application

**Guided Practice (LSI Quadrant III):** Using the PowerPoint presentation, the teacher 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.

### Independent Practice (LSI Quadrant III):

- **Frequent Buyer Assignment #1**

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 PowerPoint 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 #2**

Today consumers can purchase flowers at florists, grocery stores, convenience stores, retail giants like Wal-Mart 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 #3**

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 PowerPoint Presentation. This assignment will be evaluated using the related rubric.

**Summary**

**Review (LSI Quadrants I and IV):**

**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 opinion from the product users and it helps a business to establish customer loyalty.

**NAME A COMPETITOR GAME**

Split the class into teams consisting of four students. The teacher 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 teacher 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.

**Evaluation**

**Informal Assessment (LSI Quadrant III):**

1. Instructor will observe students during Independent Practice.
2. Instructor will assist students as needed.

**Formal Assessment (LSI Quadrant III, IV):**

Use the assigned rubrics to evaluate the three Independent Practice Assignments (LSI Quadrant III)

**Extension/Enrichment (LSI Quadrant IV):**

1. 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 best service station based on the research conducted.

2. 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 and filling that need. Outline a strategy for meeting the needs of the market segment opportunity.

## **Entrepreneurship - Know Your Competition Independent Practice Assignment Sheet**

### **Frequent Buyer Assignment #1**

You 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 PowerPoint 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 #2**

Today consumers can purchase flowers from florists, grocery stores, convenience stores, retail giants like Wal-Mart and numerous other outlets. You 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. You 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 #3**

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. You must present your information in a 10-slide PowerPoint Presentation. This assignment will be evaluated using the related rubric.

# Entrepreneurship - Know Your Competition Multimedia Project: Frequent Buyer Rubric

## Assignment #1

Student Name: \_\_\_\_\_

CATEGORY	20	15	10	5 or less
<b>Presentation</b>	Well-rehearsed with smooth delivery that holds audience attention.	Rehearsed with fairly smooth delivery that holds audience attention most of the time.	Delivery not smooth, but able to maintain interest of the audience most of the time.	Delivery not smooth and audience attention often lost.
<b>Requirements</b>	All requirements are met and exceeded.	All requirements are met.	One requirement was not completely met.	More than one requirement was not completely met.
<b>Attractiveness</b>	Makes excellent use of font, color, graphics, effects, etc., to enhance the presentation.	Makes good use of font, color, graphics, effects, etc., to enhance to presentation.	Makes use of font, color, graphics, effects, etc., but occasionally these detract from the presentation content.	Use of font, color, graphics, effects etc., but these often distract from the presentation content.
<b>Content</b>	Covers topic in-depth with details and examples. Subject knowledge is excellent.	Includes essential knowledge about the topic. Subject knowledge appears to be good.	Includes essential information about the topic but there are 1-2 factual errors.	Content is minimal OR there are several factual errors.
<b>Organization</b>	Content is well organized using headings or bulleted lists to group related material.	Uses headings or bulleted lists to organize, but the overall organization of topics appears flawed.	Content is logically organized for the most part.	There was no clear or logical organizational structure, just lots of facts.

**Total Score** \_\_\_\_\_

**Maximum 100 Points**

# Entrepreneurship - Know Your Competition

## Oral Presentation Rubric: Flower Power Rubric

### Assignment #2

Student Name: \_\_\_\_\_

CATEGORY	20	15	10	5 or less
<b>Comprehension</b>	Student is able to accurately answer almost all questions posed by classmates about the topic.	Student is able to accurately answer most questions posed by classmates about the topic.	Student is able to accurately answer a few questions posed by classmates about the topic.	Student is unable to accurately answer questions posed by classmates about the topic.
<b>Preparedness</b>	Student is completely prepared and has obviously rehearsed.	Student seems pretty prepared but might have needed a couple more rehearsals.	The student is somewhat prepared, but it is clear that rehearsal was lacking.	Student does not seem at all prepared to present.
<b>Enthusiasm</b>	Facial expressions and body language generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language sometimes generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language are used to try to generate enthusiasm, but seem somewhat faked.	Very little use of facial expressions or body language. Did not generate much interest in topic being presented.
<b>Content</b>	Shows a full understanding of the topic.	Shows a good understanding of the topic.	Shows a good understanding of parts of the topic.	Does not seem to understand the topic very well.
<b>Speaks Clearly</b>	Speaks clearly and distinctly all (100-95%) the time, and mispronounces no words.	Speaks clearly and distinctly all (100-95%) the time, but mispronounces one word.	Speaks clearly and distinctly most ( 94-85%) of the time. Mispronounces no more than one word.	Often mumbles or cannot be understood OR mispronounces more than one word.

**Total Score** \_\_\_\_\_  
**Maximum 100 Points**

# Entrepreneurship - Know Your Competition Customer Loyalty Rubric

## Assignment #3

Student Name: \_\_\_\_\_

CATEGORY	20	15	10	5 or less
<b>Presentation</b>	Well-rehearsed with smooth delivery that holds audience attention.	Rehearsed with fairly smooth delivery that holds audience attention most of the time.	Delivery not smooth, but able to maintain interest of the audience most of the time.	Delivery not smooth and audience attention often lost.
<b>Requirements</b>	All requirements are met and exceeded.	All requirements are met.	One requirement was not completely met.	More than one requirement was not completely met.
<b>Attractiveness</b>	Makes excellent use of font, color, graphics, effects, etc., to enhance the presentation.	Makes good use of font, color, graphics, effects, etc., to enhance to presentation.	Makes use of font, color, graphics, effects, etc., but occasionally these detract from the presentation content.	Use of font, color, graphics, effects, etc., but these often distract from the presentation content.
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<b>Organization</b>	Content is well organized using headings or bulleted lists to group related material.	Uses headings or bulleted lists to organize, but the overall organization of topics appears flawed.	Content is logically organized for the most part.	There was no clear or logical organizational structure, just lots of facts.

**Total Score** \_\_\_\_\_  
**Maximum 100 Points**