

Agri-Entrepreneurship Program



Unit: 3

Lesson: 3.2

On Target for Competition

Precepts:

- H. Social growth
 - H1. Acknowledge that differences exist among people
- N. Decision Making
 - N2. Demonstrate problem solving skills

National Standards:

- NSS-EC.9-12.7 Markets and Market Prices
- NSS-EC.9-12.9 Competition in the marketplace

Student Learning Objectives:

- As a result of this lesson, the student will...
1. Identify the components to consider when discovering the target market.
 2. Identify the components to consider when discovering a business's competition.



Instruction time for this lesson: 90 minutes

Resources:



- Schilit, W. K. *The entrepreneur's guide to preparing a winning business plan and raising venture capital*. New Jersey: Upper Saddle River. Prentice Hall, 1990.
- Barringer, B. R. *Preparing effective business plans: An entrepreneurial approach*. New Jersey: Upper Saddle River.

Pearson Education, Inc. 2009.

- Lambing, P. A. & Kuehl C. R. *Entrepreneurship*. New Jersey: Upper Saddle River. Pearson Education, Inc. 2007.
 - Toooh, D. E. *Building a business plan*. New Jersey: Upper Saddle River. Prentice-Hall, Inc. 2004
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Tools, Equipment, and Supplies:

- Writing surface
 - Writing utensil
 - Overhead projector
 - One copy of AS.1-5 to post around the classroom
 - Copies of TM.1 for each student
 - Sticky notes
 - Computer with access to the World Wide Web
 - LCD projector with connection to computer
 - Projector screen
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Key Terms:

The following terms are presented in this lesson and appear in bold italics:

Target market

Competitors

Interest Approach:



Conduct the following activity to initiate student thinking about the different types of people and stores they cater to in a shopping mall. Encourage students to imagine what they would see.

Think about the last time you were in a shopping mall. Remember what entrance you came through. Picture the store you entered or what stores were near the entrance. Think about the type of people who shop in that store or stores. Imagine you are entering a department store like JC Penny. Picture the type of people you would expect to see in that store. Think about their age, their gender, the types of jobs the customers have, how much money they earn. Now imagine you are walking down to the arcade...picture in your mind the type of people you will see in this business. Think about the age of these individuals, their gender, the type of job they have, how much money they earn.

Discuss what students imagined. Elicit responses.



Ok, let's discuss what we imagined. Let's look at JC Penny first, who will go first and describe for us what you imagined about the people shopping in the department store. Who else?

Great! Now, let's consider the arcade. Who can describe for us what you imagined about people in this business. Who else?

Great imaginations! As a business owner, why is it important to be able to recognize the people who will shop in our store?

Elicit responses.

Ask the following questions, engaging students in brief conversation based on their responses.



What was different about these different groups of people? How is the environment in each of these businesses different? What if the environment of the arcade was similar to the department store? What if the environment of the department store were similar to the arcade? Why is this important for business owners to consider?

Excellent everyone! In our last lesson we investigated brands and created some very simple business goals. Both are very important to potential entrepreneurs, as is today's topic. Today, we are going to look at how to identify customers and identify what we need to consider about our business **competitors**. When we talk about identifying our customers, or our **target market** and our **competitors**, it is important to remember that we are dealing with people. Dealing with people involves social interactions. Anytime we work to improve our interactions with others, we are utilizing social growth. So, during class today be ready to move about actively, be diligent in your note taking and be ready to deliver a short oral report.

Objective 1: **Identify the components to consider when discovering the *target market*.**

Write the following content on a writing surface and have students write down information about target markets in their notes.



Let's take a few moments to capture some information we need to know when identifying our business' **target market**. Take out your notes and a writing utensil.

- I. **Target market** – identify the following characteristics about the people we plan to sell to:
 - A. Age range
 - B. Gender, male or female
 - C. The types of jobs people work, or what profession they are in
 - D. The income level, the amount of money individuals in the group make (a range, average, or both)
 - E. The educational level of the individuals in the group (high school, community college, college)
 - F. Where individuals in the group live (apartment, house, rural or urban)

*Perform the following activity to help students classify attributes about a **target market**.*

Make copies of AS.1-5 and post them around the room before the

class session. Write the characteristics from AS.6 on sticky notes and distribute a few to each student.



So that we can better understand the concept of **target markets**, let's take a look at some groups and determine the characteristics of each group based on what we know about **target markets**. The **target markets** are on sheets of paper posted around the room. When I say, "Sort," take your sticky notes and place them with the **target market** you think they should be placed with. You will have two minutes to complete this activity. What questions are there? Sort!

As students are organizing the indicators, walk through the room and assist students.

After students have organized the characteristics, discuss the results as a class. As students read each group, record the responses on the writing surface.



Let's take a look at each of these. Who will share with us the characteristics of the preteen **target market**?

Great, let's take a look at the senior citizen **target market**. Who will tell us about this group?

Now let's look at the farmer **target market**. Who will share these?

What about the young professional **target market**? Who will share these?

Finally let's look at the high school student market. Who is up for this final group?

We did a great job of organizing these characteristics into the appropriate **target market**. This is important as we continue thinking about establishing our own entrepreneurial enterprise. Think about which of these target markets you would like to describe in words using the indicators on the writing surface (*age, gender, employment status, income, education level, area of residence*).

*Have students choose one **target market** and write it out in paragraph format on a piece of notebook paper.*



Now let's take some time to describe the **target market** you have selected. When I say, "Write", we will take about 5 minutes to put the characteristics for our chosen **target market** into a brief paragraph. Take out a sheet of notebook paper and a writing utensil. Work carefully to make sure the sentences transition well. What questions are there? As a reminder, we will put the characteristics we identified here into sentence form on notebook paper. Ready, write!

Circulate through the classroom as students are writing to assist and

ensure that quality products result. Also, look for potential student products to share with the group. Gauge the time based on the progress of the group.

Select two to three students to share with the group. Ask these students ahead of time if they are willing to share.

*(Student name) and (student name) are willing to share with us their descriptions. Let's listen to (name) and (name) share their **target market** descriptions.*

*Selected students share their **target market** descriptions.*



Thank you. Let's show these two some appreciation! Now we have a good idea of how to write a description of our **target market** if we complete the National FFA's Agri-Entrepreneur Award application. Hold on to your description, we'll use this as our ticket out of the door today.

Be sure to collect from students at end of class period.

Objective 2: **Identify the components to consider when discovering a business's competition.**

Ask students the following question, elicit responses and validate. Tie response to competition in business.



What do you think of when you hear the word **competitor**?

Those are all great thoughts. When we think of **competitors** related to our entrepreneurial enterprise or business, we think of those other businesses selling the same or similar product as we are, right?

Provide students a handout with the following content, found in HO.1.



Let's take a look at some questions we must consider when describing our **competitors**. Take a moment and read through this information.

- I. Description of **competitors** – questions to consider when identifying your businesses **competitors**.
 - A. Who or what business is selling the same or similar product that we plan to?
 - B. How far away from our location are these businesses?
 - C. How do these **competitors'** products compare to ours? What are the strengths and weaknesses of their products?
 - D. What do we know about how these businesses are doing financially?
 - E. How does our product compare to the **competitors'** products? What are the similarities and differences?

- F. What is the price of each **competitor's** product?
- G. How does each **competitor** advertise their product?

Bob the Weather Guy e-Moment

Students present an idea, concept, or process as if it were a weather report. Challenge them to forecast what will happen, show how other people and activities will be affected, and describe what their latest "Doppler Radar" explains about this idea, concept, or process. If your students are new to the Bob the Weather Guy Moment, the following setup will create greater success. Otherwise, feel free to begin with step 3.

- 1. Show some samples. If possible, show a video recording of a recent or series of recent weather reports. (Or select The Weather Channel on your classroom's cable TV.) If a recording is not available, begin with step 2.*
- 2. Brainstorm. Lead a quick brainstorm eliciting the characteristics of a weather report – highs, lows, fronts, low pressure, high pressure, winds, temperature, humidity, rain, snow, regions, Doppler radar, and phrases such as "by mid-afternoon we'll expect...", "We'll have partly cloudy skies until tomorrow morning, and then skies will clear."*
- 3. Have students create a report. Direct students to create a 30 second "weather report" using the content from the lesson or unit just studied. This report includes the important vocabulary and concepts they have learned and makes predictions about what would happen when these "weather elements" interact. Students may need about five minutes to create their report and may want to work in small groups. Note: This level of higher order thinking utilizes analogy and metaphor. Your students, depending on their previous exposure to this level of thinking, may find this challenging and may need your guidance.*
- 4. Have them share. After the specified amount of time, groups present their "weather report."*

Ask students the following question and record responses on the writing surface.



Raise your hand if you have seen or heard a weather report recently. What are some words you hear in a weather report?

Before class, go to www.youtube.com and type in "weather forecast." Find a brief weather forecast to show students. After the weather report, have students add to the list of weather related terms, record on the writing surface.

Let's take a look at this weather report to remind us of some of the



words that weather people use in their forecasts.

What words can we add to our list after watching this weather report clip?

Break students into groups and direct students to create report.



Take 20 seconds to break up into groups of two or three.

When I say, “Weather report,” we will take five minutes or less to create a 30 second weather report using the information from our handout about **competitors** and the terms we brainstormed on the writing surface. Our weather report can also make predictions about what will happen when each of these elements interact. When we are finished, one person from each group will report. Remember, five minutes is a lot of time, so there should be tons of great detail in your reports. What questions are there? Who will summarize for us what we are about to do? Great, weather report!

This activity may require much student assistance depending on if you have used this e-Moment with these students before. Give the students a two minute cue. Remind each group they need to have a spokesperson.



We have about two minutes left. Remember, each group will need a spokesperson.

Let’s share our weather reports! Which group will go first?

Awesome job on these weather reports! We really understand the concepts of identifying our businesses **competitors**.

Review/ Summary:



We’ve learned some important stuff today! We know what we need to do to describe our **target market** and we know what we need to consider when describing our **competitors**. Take a moment and think about one important point you learned today about **target markets and competitors**.

Pause



Look at someone sitting next to you and tell them that most important point.

When developing a marketing strategy, it is important for us to know our audiences, our **target market and competitors**. Keep in mind that successful entrepreneurs know the importance of these concepts and work hard to stay abreast of who is using their products and who competes against them.

Remember the **target market** description we created earlier today?
That is our ticket out the door. Hand this in on your way out.

Application:

- ▶ Extended classroom activity:
*Make a list of businesses in the community and identify the **target market** for each. Consider age, gender, income, education level, place of residence, etc. Have students consider the products and/or services the business provides and compare these to the characteristics of the **target market**.*
 - ▶ FFA activity:
*Have students consider the FFA chapter fundraising activities, looking specifically at the products or services provided through the fundraiser and the groups targeted through the sale. Students should consider if the members are selling the products/services to the intended target and how to market the product/service to the intended **target market**.*
 - ▶ SAE activity:
*Students write a description of the intended **target market(s)** for each of the products/services offered through their SAE project. Students should consider the attributes discussed in Objective #1 when writing their description. This description can be included as part of the students SAE record book.*
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Evaluation:

*To evaluate students' ability to identify target markets for a product or service and write a description of the characteristics of the **target market(s)**, provide students with the following information:*



Imagine we are going to sell fruit for an FFA fundraiser. Think about who would buy fruit. Identify the **target market** or markets for an FFA fruit fundraiser. After you have identified the **target market(s)**, consider the characteristics of each in terms of age, gender, types of jobs people work, income level, education level, where people live. In the document you create, briefly explain why you chose each **target market**. Additionally, using complete sentences, write a brief description of each **target market** you have identified.

Answers to Evaluation key
Evaluation:

Use the following rubric to evaluate student performance.

	3	2	1
Justification of target market(s) selected	Plausible explanation for each of the target markets chosen.	Explanations of target market(s) are not logical or are incomplete.	Student has identified target markets but has not explained why they were chosen.
Characteristics of target market(s) included	Student described all characteristics of the selected target markets including age, gender, jobs, income level, education level, where people live.	Student described 3-5 of the characteristics OR description(s) of characteristics are incomplete	Student described 1-2 of the characteristics for each target market.
Sentence structure/grammar/comprehension	Student used complete sentences. Sentences are organized logically and grammatically correct.	Sentences are complete, but do not logically flow. 2-3 grammatical errors.	Student used incomplete sentences; more than 3 grammatical errors.

Preteens

Senior Citizens

Farmers

Young Professionals

High School Students

Preteens

9-12 years of age
Males and females
Do not work
Receive an allowance
Completed elementary school
Live in rural and urban areas
Live in apartments and houses

Senior citizens

65 years of age and above
Males and females
Retired
Receive a fixed income
May have completed high school, community college, and college
Live in rural and urban areas
Live in apartments and houses

Farmers

18-70 years of age
Males and females
Work in production agriculture
Receive profits from the sale of their products
May have completed high school, community college, and college
Live in rural areas
Live in apartments and houses

Young professionals

Males and females
25-40 years of age
Accountants, doctors, lawyers, bankers
Income of \$30,000 – 80,000 per year
Completed college
Live in rural and urban areas
Live in apartments and houses

High school students

14-18 years of age
Males and females
Work part time jobs
Earn minimum wage
Completed middle school
Live in rural and urban areas
Live in apartments and houses

- Description of ***competitors*** – questions to consider when identifying your businesses ***competitors***.
 - Who or what business is selling the same or similar product that we plan to sell?
 - How far away from our location are these businesses?
 - How do these ***competitors***' products compare to ours?
What are the strengths and weaknesses of their products?
 - What do we know about how these businesses are doing financially?
 - What is the price of each ***competitor's*** product?
 - How does each ***competitor*** advertise its product?