



Business/Marketing Virtual Learning

11-12 grade College Business

May 20, 2020



Lesson: [May 20, 2020]

Objective/Learning Target:

Market Competition

Describe the benefits of competition to consumers.

Let's Get Started

Watch this Video:

[The Importance of Competition](#)



Benefits of Competition

Market segments are important because they contain the potential customers for marketer's products.

Competition is the rivalry between two or more businesses to secure a dominant position in a market.

The products of some businesses are almost identical, resulting in fierce competition and pressures to reduce prices in order to attract customers. Other businesses have products that have notable differences, making competition less intense. Customers benefit in many ways from competition:

- 1) Reasonable Prices** - If businesses want to be successful, they must price their products in line with those in the same classification. Therefore, the customer is given the most value for the least amount of money.
- 2) Product Improvement** - Companies look for ways to make products more unique and distinctive to attract more of the market segment. Consumers are able to enjoy improvements in products at little additional cost.
- 3) New Products** - To match their competition, businesses must continuously search for new product ideas. New products fulfil needs (new medicines) and wants (electric cars) that improve not only individual consumers lives, but society as a whole.
- 4) Product Choice** - Market segments are so diverse that businesses make sure there are products to meet all consumers' wants and needs. Consumers benefit by having a wide variety of choices and greater price competition, which make choices affordable.

ACTIVITY #33

- 1) How do consumers benefit from competition among businesses?
- 2) Why does competition often result in changes and improvements in product features and quality?
- 3) What effect does competition between businesses have on changes and improvements to the products offered for sale?
- 4) From your viewpoint as a consumer, what do you see as the best benefit of market competition?