



Business Virtual Learning

Course: Intro to Business

Lesson: Finding your Competition

April 16, 2020



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Objective/Learning Target: Students will be able to:

- (1) Define direct and indirect competition and understand the importance of knowing your competition for starting a business**
- (2) Complete a graph stating their own direct and indirect competition for their business idea**

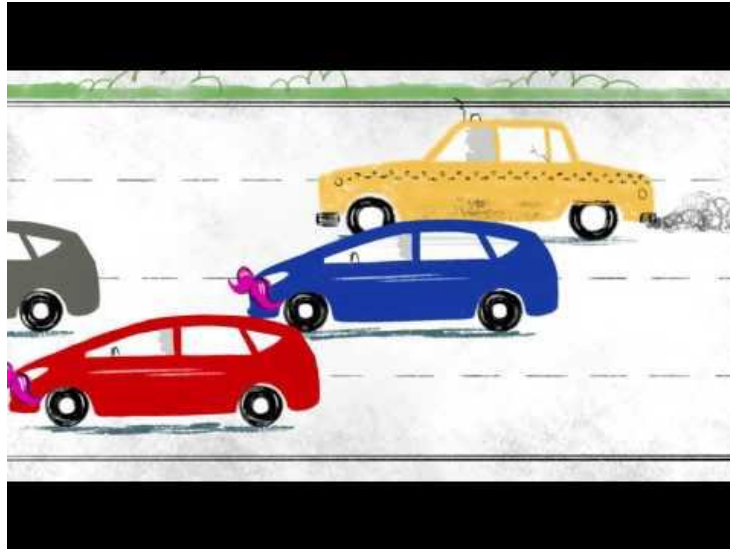
Lesson Starter

If you were craving french fries, where could you buy some in your area?

*Your responses show businesses that all sell the same product, and would be considered **competitors.***

What is Competition?

Definition: any service or product that a customer can use to fulfill the same need(s) as the company fulfills. This includes businesses that offer similar products, substitute products and other customer options.



In today's lesson, we will be learning the importance of understanding your competition when creating a new business.

Please watch the video to see why competition is important in business

Link:

<https://youtu.be/dj-U9TDRNsA>

Understanding your Competition



Please watch the video for further explanation of how to understand your own DIRECT and INDIRECT competition as a new business.

Keep in mind as you watch that the end goal is to find your indirect and direct competition for your business idea from the previous lessons.

Link:

<https://youtu.be/5hL66XI6W6M>

Activity: Finding your competition

Directions: On a sheet of paper, please draw two columns. Label one **Direct Competition** and the other **Indirect Competition**. I want you to think about your business idea and list all potential competitors and decide whether it is direct or indirect competition to the product and/or service you would be providing in your business.

Definitions and example for each are provided on the graphic to the right.

DIRECT vs. INDIRECT COMPETITORS

DIRECT

Direct competitors are any organization or business offering the same services or products as you in the same target niche market can be construed as a direct competitor. For instance, Pepsi and Coca-Cola are considered direct competitors as they both produce a similar cola beverage and market it to the same audience.

INDIRECT

Indirect competitors are any organization or business offering a brand, service, or product somewhat similar to yours in the same target market is your indirect competitor. For instance, Evian and Coca-Cola are indirect competitors since the products may be different in nature but they are both drinks, and someone wishing to buy water may or may not want to purchase soda.



Enrichment Activity: Finding your Competitive Advantage

Directions: After you have created your list of competition, both direct and indirect, I want you to think of how your business would have an advantage over your competition. It could be a variety of reasons like cost, quality, location, selection, speed/delivery, or service. Please write your competitive advantage on the back of the sheet with your competition listed. Explain the reasoning in detail.

If you are confused about what a competitive advantage is, please watch the video linked here: <https://youtu.be/qxmCwScY1Is>