Objective: Students will be able to:
- Recognize that businesses make money by selling goods or providing a service to a consumer.
- Explain that competition exists in the marketplace if there are multiple sellers of same item or similar items.
- Identify business competitors in their community.

Time Required: 1 class period

Materials Needed:
- Writing materials

Vocabulary:
Competition - Attempts by two or more individuals or organizations to acquire the same goods, services, or resources
Consumer – A person who buys or uses a good or a service
Markets – Places or institutions where goods or services are exchanged
Applicable Common Core State Standards:

CCSS.ELA-Literacy.W.3.2, W.4.2, W.5.2 Write informative/explanatory texts to examine a topic and convey ideas and information clearly.

CCSS.ELA-Literacy.W.3.4, W.4.4, W.5.4 Produce writing in which the development and organization are appropriate to task and purpose.

CCSS.ELA-Literacy.W.3.8 Recall information from experiences or gather information from print and digital sources; take brief notes on sources and sort evidence into provided categories.

CCSS.ELA-Literacy.W.4.8 Recall relevant information from experiences or gather relevant information from print and digital sources; take notes and categorize information, and provide a list of sources.

CCSS.ELA-Literacy.W.5.8 Recall relevant information from experiences or gather relevant information from print and digital sources; summarize or paraphrase information in notes and finished work, and provide a list of sources.

CCSS.ELA-Literacy.SL.3.1, SL.4.1, SL.5.1 Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grade-appropriate topics and texts, building on others’ ideas and expressing their own clearly.
  •  CCSS.ELA-Literacy.SL.3.1d, SL.4.1d, SL.5.1d Explain their own ideas and understanding in light of the discussion.

CCSS.ELA-Literacy.SL.3.4, SL.4.4, SL.5.4 Report on a topic or text, tell a story, or recount an experience with appropriate facts and relevant, descriptive details, speaking clearly at an understandable pace.
1. Begin this lesson by asking students about their favorite games. What do they like to play on the playground? What about in the gym? What games do they play in their homes?

2. Discuss the meaning of the word "competition." A competition is when people or groups of people (like teams or companies) challenge each other in order to win.

3. Explain that just like teams, businesses compete with each other. Review that businesses make money by providing either goods or services (or both) to consumers. As a class, brainstorm some examples of businesses in your community. Here is a list to help get you started:
   - grocery stores
   - clothing store
   - restaurant
   - shoe store
   - drugstore
   - car repair shop
   - take-out pizza place
   - dentist's office
   - coffee shop
   - dry cleaners
   - bank
   - movie theater

4. Ask students to name a store that sells video games. Do they know a second, different, store that sells games? Explain to students that those two stores are competitors. Both stores want you to buy games. They are competing for your money. Ask your students if they can think of different examples of competing businesses in their community.

5. Businesses compete in many ways. Their goal is to get consumers to buy from them. Discuss the following examples of ways that businesses compete in order to attract consumers:
**Prices**
Tiny Tim’s Toy Shop sells Lego sets for $10.00 each. FunTown Toys also sells Lego sets. FunTown Toys might compete by selling Lego sets for $9.00. Tiny Tim’s Toy Shop might then lower its Lego prices to match the $9.00 price, or it might lower prices even further. Businesses can compete by lowering prices, but businesses can’t lower prices forever. A business must make sure that it earns enough money to pay workers and pay for its store.

**Products**
Making products that work better, look better, last longer, or do more is one way to compete with other businesses. Think about video games. Every few years new versions of PlayStation, Xbox, and Nintendo are released. Each new system has better graphics and better features than the previous systems. The new systems often cost more money than the old ones, but they are so good that customers are willing to pay the higher prices. Businesses can offer a better quality product to get customers to choose them.

**Customer Service**
Businesses can offer better service to their customers. That means hiring and training people who are knowledgeable about the products and know how to be helpful and friendly. A restaurant with good customer service hires waiters and waitresses who are nice to customers and who can tell people about different food options. A restaurant with bad customer service has waiters and waitresses that are rude or unhelpful. Consumers are more likely to go back to stores that have good customer service.

**Incentives**
Free items like toys in fast food meals or free baseball cap night at a stadium are types of incentives. Other stores might offer coupons or hold special sales in order to encourage customers to shop. Incentives are another way businesses compete and encourage customers to choose them.

**Advertising**
Businesses advertise by putting up signs, having TV and radio commercials, and running newspaper ads telling customers about their products. Advertising is used to promote a product, and to let consumers know about incentives, sales, and lower prices.
Part I: Business Competitors in Your Community

1. Create a chart on the board with three columns: Name of Business, Type of Business, and Name of Competitor.

2. Ask students to name five different businesses in your community.

3. Fill in the Type of Business column.

4. Ask the students to volunteer competitors for the five businesses they named earlier.

5. Challenge students to think about examples of ways that the businesses they listed compete. Perhaps one particular car dealership has a memorable local TV ad. Or perhaps one pizza shop has recently put up signs advertising a 2-for-1 incentive. Discuss students’ examples.

Part II: Souvenir Shop Competition

1. Read students the following scenario:

   Westburg is the home of the Westburg Wallabies, a popular baseball team. During the summer, the people of Westburg spend their nights at the baseball park watching the Wallabies play. Until today, *We Love Wallabies* has been the only shop in town that sells team souvenirs – t-shirts, caps, pennants, foam fingers, key chains, etc. But there's big news in Westburg! Today another souvenir shop is opening – *Westburg Wallabies Emporium*.

2. Briefly discuss the following questions as a class:
   - How will the new store, *Westburg Wallabies Emporium*, affect *We Love Wallabies*?
   - How will the new store affect Wallabies fans in Westburg?
3. Divide students into two groups. One group will represent *We Love Wallabies*; the other will represent *Westburg Wallabies Emporium*.

4. Have the groups work together to figure out how they plan to compete with the other souvenir shop. Give the groups about 5 minutes to accomplish this task.

5. Provide all students with writing materials. Have each student explain their group’s competition strategy in writing.

6. Come back together as a class, and have each group report on their competition strategy.

7. Discuss the results of the activity.
   - What will happen to souvenir prices in Westburg now that there are two shops?
   - How will the two shops compete?

**Conclusion:**

To conclude this lesson, review that business competition allows customers to be able to choose which store they will buy from. To check for understanding, have students write a 1-page response in which they describe some ways that the two souvenir shops from the activity can compete with each other and still stay in business.