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| **TEXAS CTE LESSON PLAN**[www.txcte.org](http://www.txcte.org) |
| **Lesson Identification and TEKS Addressed** |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Virtual Business |
| **Lesson/Unit Title** | Online Niche Marketing |
| **TEKS Student Expectations** | **130.141. (c) Knowledge and Skills**(3) The student demonstrates online and off-line marketing, including establishing a web presence. (A) The student is expected to create and design a website for a virtual business office(C) The student is expected to determine appropriate marketing of a virtual business office(D) The student is expected to describe steps to successfully market a virtual business office |
| **Basic Direct Teach Lesson**(Includes Special Education Modifications/Accommodations and one English Language Proficiency Standards (ELPS) Strategy) |
| **Instructional Objectives** | **Performance Objective**Upon completion of this lesson, the student will explain how to use niche marketing to gain a competitive advantage in the marketplace.**Specific Objective*** Students will understand niche markets relative to the larger markets.
* Students will identify business opportunities with niche markets.
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| **Rationale** | One common path to success for many businesses is to find a niche market and establish themselves as a dominant player in that niche (e.g. Apple’s iPhone). Marketing is perhaps more important for niche businesses than for any other kind because the niche market business is, by definition, unknown and succeeds or fails on making the connection with exactly the right kind of customer/client. This lesson will explain how to use niche marketing to gain a competitive advantage in the marketplace. |
| **Duration of Lesson** | 4-5 days |
| **Word Wall/Key Vocabulary***(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Terms*** **Niche Market** – Specifically targeting a smaller section of a larger market.
* **Competitive Advantage** – An advantage that can be gained by a company providing a product or service at a better value, quality, or price than its competitors.
* **Differentiation** – A type of competitive advantage where a business’ products or services are somewhat different than a competitor, thus giving it an advantage over its competitors.
* **Economies of Scale** – Creating products or services more efficiently than a competitor.
* **Affiliate programs** – An online advertising program basically where advertisements for your web site are placed on other sites and subsequently direct traffic to your site and the sites who place your ads receive a commission on your sales.
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| **Materials/Specialized Equipment Needed** | **Instructional Aids:**1. “Web Site Story Board” Assignment #1
2. “Web Site Story Board” Assignment #1 Rubric
3. “Personal Niche Target Market” Assignment #2
4. “Personal Niche Target Market” Assignment #2 Rubric
5. “Keyword Search List Document” Assignment #3
6. “Keyword Search List Document” Assignment #3 Rubric

**Materials Needed:**1. Poster board or flipchart paper
2. Markers

**Equipment Needed:**1. Computers for students to complete projects
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| **Anticipatory Set**(May include pre-assessment for prior knowledge) | Ask students to think about the places they have been to in the past week, for example, any fast-food restaurants or stores. Write their responses on the board. Then ask them what type of people frequent the places they have been to, such as people in a hurry, teenagers, or parents of small children (depending upon the places they have visited lately). |
| **Direct Instruction \*** | Instructors can use the handouts, the Internet. If necessary, instructors are encouraged to make a PowerPoint presentation in conjunction with the following outlines:Introduce the term “niche” to the students and ask if anyone knows what it means. Explain that it refers to a specific segment of a market. Refer to the previous discussion about stores students have visited recently. For each one mentioned, discuss what the larger market is for that store, and what the niche market is that is being targeted.1. What is a Niche Market?
	1. Smaller segments of an existing market. Smaller segments occasionally are overlooked by larger businesses due to economies of scale. It may be more efficient for a smaller company to produce something that is their only business than for a larger company who does not specialize in that product.
	2. Segments within existing industries
	3. Considered as relatively untapped markets
	4. High potential for customer loyalty
	5. If a pie chart, the whole market is the pie, the niche market are the slices of the pie
2. Characteristics of a Niche Market
	1. Individuals with the same interest
	2. Strong interest in what you offer
	3. Large pool of people who want your product
	4. Small enough group that competitors may have overlooked
	5. Want to feel personal attention
	6. A niche market has a specific appeal to a specific group. These customers tend to be more loyal and respond to more personal attention.
3. Marketing Strategy
	1. Know your customers
		1. What specific products or services are they looking for?
		2. What are their priorities?
4. Convenience
5. Price
6. Quality
	* 1. Marketing to accommodate those priorities
	1. Set specific goals for what you want to achieve
	2. Analyze resources so you can meet your goals
	3. Keyword search optimization is critical because it must reach a narrower audience
	4. Some aspects of a marketing strategy can be similar for a larger market or a niche market. A major advantage of marketing for the smaller market is that you may not need to conduct mass marketing because your market is smaller.
	5. In either market, you must know your customers. That may be a little easier when you have a niche market because they already know what it is that they need and want. You do need to determine their priorities however, for example, whether it is price, convenience, or quality.
7. Examples of Niche Markets
	1. General market – pet owners; niche markets:
		1. Pet grooming
		2. Pet insurance
		3. Pet supplies
		4. Pet training
	2. General market – photography; niche markets:
		1. Photography supplies – cameras
		2. Photography services – weddings, special events
		3. Scrapbooking
	3. General market – children
		1. Babies
		2. Toddlers
		3. <7-year olds
		4. Tweens 8-12
		5. Teens 13-17
	4. General market – adults
		1. College age
		2. Young professionals
		3. New parents
		4. Seasoned parents
		5. Empty nesters
		6. 50+
		7. Retirees
		8. Grandparents
	5. Most major corporations began by targeting a general market and then branched out into more specialized markets. But capturing a niche market can give a smaller business a competitive advantage because they may specialize in the product or service that the larger businesses do not want to spend their time and money on.
	6. Discuss with students the process of breaking down the general markets into niche markets with the examples above. See I students can break the markets down even further or into other markets.
8. Examples of Niches within Niches
	1. Children/Toddlers
		1. Education and learning
		2. Toys
	2. Children/Tweens
		1. Clothes
		2. Video games
	3. Children/Teens
		1. Electronics
		2. Electronic accessories
		3. Driving accessories
	4. Adults/New Parents
		1. Parenting tips
		2. Babysitting
	5. Adults/50+
		1. Vacation adventures
		2. Investing ideas
	6. These are highly specialized markets with differentiated products. Show students on the Internet sample keywords that they can use to search for these smaller markets.
9. Advantages to Niche Marketing
	1. Clearly identified customer base
		1. Getting to know customers
		2. Creating loyal customers
	2. Higher profit margin due to lower advertising costs
		1. No need for mass marketing expense
		2. Targeted emails
	3. Pursued specialty – search engine optimization so customers can find you
	4. Word of mouth advertising – positive can increase revenues
	5. Ask students to suggest products that they like. Using their suggestions, examine each product to determine if it is in a general market or if it was part of a niche market.
10. Disadvantages of Niche Marketing
	1. Smaller customer base because of a smaller market so your efforts must be right on target
	2. Limited product expansion – may be difficult to find products that are complementary to your product
	3. Word of mouth advertising, which can have a larger effect when the market is smaller, can also be negative if it is not favorable
11. Discovering Your Niche
	1. Be aware of trends – what’s the buzz?
		1. Watch the latest movies
		2. Watch the newest music videos
	2. Investigate the market containing the segment in which you are interested. Beware if you cannot find much, if any, information because that could mean that there is too little demand for the product or service.
	3. Determine if the market is growing
	4. Check out the competition
		1. Are they catering to that niche only as a smaller part of their major business?
		2. Too little competition may mean too little demand
	5. Locate customers through market research
	6. Make sure your idea fulfills a need
	7. Ask student if they have any ideas for a niche market that may be a hidden market. Discuss their ideas and where they fit into the market.
12. Types of Niche Markets
	1. Demographic
		1. Single females
		2. Teenage college students
	2. Psychographic
		1. Sports enthusiasts
		2. Culinary
		3. Avid readers
		4. Travelers
	3. Geographic
		1. Farming (specific crops)
		2. Ski areas (activities, restaurants, spas)
13. Web Site Considerations for Niche Markets
	1. Background colors
		1. White for 50+
		2. Primary colors for sports-related
		3. Bright for teenagers
		4. Warm colors for avid readers
	2. Text and fonts
		1. Festive for party planning
		2. Informal, casual for children
		3. Elegant for a formal attire site
		4. Colorful for younger ages
	3. Links and buttons
		1. Buttons in different shapes for pet owners
		2. Contrasting colors for 50+ to make them easier to read
	4. Even after you have discovered a potentially profitable niche, your web site design must reflect the essence of that niche. A niche market web site must be more taste specific than a mass market site.
	5. Show students examples of web sites of mass market retailers as opposed to more “boutique” niche market retailers and point out the differences between them.
14. Promoting Your Niche Business Site
	1. Create a blog
		1. An online journal
		2. Contains opinions, comments, links
	2. Invite customers to review or comment on your products or services
	3. Include a link to your site as well as sites in which your customers may be interested
	4. Create personal communication with customers
		1. Emails and texts
		2. Thank you notes
	5. Ask students if they have ever been personally contacted after a purchase.

*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*This lesson may be modified to accommodate your students with learning differences by referring to the files found on the Career & Technical Special Populations page of this website (http://cte.unt.edu/). |
| **Guided Practice \*** | * Provide examples of different types of markets. For example, ask the students if anyone owns a pet. If so, they are part of the pet owner market. Draw a type of hierarchy (like an organizational chart) on the board or document camera. Ask if they know of stores that cater to the needs of pets and their owners. Then ask students to divide the pet owner market into segments. For each segment add a shape to the hierarchy until you have a shape at the top for the larger market and several shapes underneath representing the niche markets. Challenge the students to identify even more specifically-targeted niche markets such as: first level-pet owner, second level-pet health, third level-pet health for specific breeds.
* Give the students the market of “Money-Motivated Individuals”. Have students, in pairs, identify niche markets within this larger market, in the form of a diagram with at least four different subsets of the larger market. Students should present and the similarities and differences in identified niche markets can be placed on the board or document camera.
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| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | * **Web Site Story Board Assignment #1** – Using a niche market of their choice,students will create an electronic story board containing renditions of at least four pages of a web site. They will be evaluated on the content, proper design elements for a web site, as well as the appropriateness of the design to their chosen niche.
* **Personal Niche Target Market Assignment #2** – Students should think of aproduct or service idea that they think would sell. It can even be a hobby in which they are interested. They are to narrow down the market to a niche market, then create one offline marketing document (either a flyer, magazine, or newspaper ad), and two online ads which can include a banner ad (which can be animated or not) as well as a mobile phone app. Research to see what these types of ads can look like if you are unfamiliar with them. Also conduct research at online apps stores or app maker sites to see what some of them look like.
* **Keyword Search List Document Assignment #3** – To demonstrate how importanta keyword search is to help customers locate a niche business online, students are to select a general market, go to a search engine and type that market in the search box with quotes. Select the time frame option for ‘Past Month’ which is usually on the left. Record the number of results. Narrow down your keyword search two more times, recording the number of results for the past month for each of your searches. Do this for two additional markets and record your findings the same way. Create a table or lists or any other format that makes it easy to read your results for the three markets. Graphics may be used if appropriate.
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| **Lesson Closure** | 1. What is the difference between the niche market and a general market?
2. A niche market is a smaller segment of a larger market.
3. Why is keyword optimization so important to niche marketing?
4. Because you are targeting such a specific audience, the keywords must be specific as well so they can be noticed more effectively when customers are searching for your product or service.
5. Would pet grooming be considered a large market or a niche market?
6. Pet grooming would be a niche market within the larger market of pet owners.
7. Why is the profit margin potential higher for a niche market?
8. Advertising costs can be the highest cost of a business, but when you are targeting a smaller customer base, your advertising costs may be lower.

Q: If there is almost no competition for your product or service, is this a good thing?A: Too little competition may signify too little demand. It would require more research to determine if that is the case. |
| **Summative / End of Lesson Assessment \*** | Use the assigned rubrics to evaluate the two Independent Practice AssignmentsAccommodations 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.  |
| **References/Resources/****Teacher Preparation** | **References*** Business Principles and Management, Everard Burrow, South-Western Thompson Learning
* Learning E-Commerce: Business Analysis and Design, Nancy Stevenson, DDC Publishing
* Start Your Own E-Business, *Entrepreneur Magazine*, Entrepreneur Press
* E-Commerce: Business 2000, Oelkers, South-Western Thompson Learning
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| **Additional Required Components** |
| **English Language Proficiency Standards (ELPS) Strategies** | **English:****110.33(b)(1)(A) – Reading/Vocabulary Development**…determine the meaning of grade-level technical academic English words in multiple content areas (e.g., science, mathematics, social studies, the arts) derived from Latin, Greek or other linguistic roots and affixes.**110.33(b)(1)(C) – Reading/Vocabulary Development**…infer word meanings through the identification and analysis of analogies and other word relationships.**110.33(b)(12)(B) – Reading/Media Literacy**…evaluate the interactions of different techniques (e.g., layout, pictures, typeface in print media, images, text, sound in electronic journalism) used in multi-layered media.**110.33(b)(12)(C) – Reading/Media Literacy**…evaluate the objectivity of coverage of the same event in various types of media.**110.33(b)(12)(D) – Reading/Media Literacy**…evaluate changes in formality and tone across various media for different audiences and purposes. |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy****Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies****Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication****90 Second Speech Topics** |  |
| **Other Essential Lesson Components** |
| **Enrichment Activity**(e.g., homework assignment) | Interview a local business owner who appears to have cornered a niche market in your area some questions about his/her business. Ask if they have a web site. Also ask how they decided upon that business. Did they conduct research to determine the need for the business? If they have a web site, what type of marketing did they utilize to call attention to the web site? If they do not have a site, ask if they marketed their business in different ways than they would have done if it were a large business. Create a document of your choice to show answers to these questions. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of AmericaFuture Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)