

# CREATIVE TEACHING IDEAS

## Lesson Plan Template

*(Directions/Helpful Hints are included in italics in the sections below to help you more efficiently complete your lesson plan.)*

### -----Section I: Basic Information-----

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### -----Section II: Lesson/Unit Plan-----

**Lesson/Unit Title:**

**Buying and Pricing Project**

**Overview:**

**Students will purchase \$10,000 worth of handbags for a boutique. They will buy the handbags, price them and figure the profit margin for each bag.**

**Time Required to Complete the Lesson/Unit:**

**Two class periods will be allotted to this project. Additional time may be needed outside of class.**

**Grade Level: 11-12 grade**

**Course: Fashion Marketing or Marketing I**

**Targeted NBEA Standards:**

**Foundations of Marketing**

- **Recognize a successful marketing strategy is built on positive customer relationships**
- **Identify the elements of the marketing mix**

## **The Marketing Mix**

### **Products and Services**

- **Analyze marketing mix strategies for each product classification**
- **Examine the validity of the product classification process**

### **New Product Development and Ideas**

- **Identify new products desired by consumers**
- **Identify ways to improve existing products and services**
- **Describe the process for new product and service development**

### **Product Mix**

- **Define product mix**
- **Illustrate how product mix is impacted by consumer demand**

### **Price**

- **Identify the factors that influence a product's price**
- **Explain the relationship between price and perceived quality**
- **Calculate a product's price using different pricing methods**

### **Objective(s):**

**Objective 1: The students will be able to create a market analysis for a given product.**

**Objective 2: The student will be able to analyze how many products need to be purchased in order to create a profit for a business.**

**Objective 3: The student will be able to price products using a chosen pricing scheme in order to generate a profit for a business.**

**Objective 4: The students will be able to manipulate an excel spreadsheet to analyze profit for a business.**

## **Focus Question:**

**The students will be able to analyze a given market, purchase products and analyze pricing schemes in order to make a profit for a business.**

## **Steps for the Lesson/Unit:**

### **Step 1**

#### **Teacher Does:**

**Describes the activity. Review the importance of a marketing strategy. Review the 4 P's of Marketing..**

#### **Student Does:**

**Searches the Internet and catalogues for the handbags they would like to sell in their store.**

**Complete a spreadsheet to purchase the products desired and reach a \$10,000 profit.**

### **Step 2**

#### **Teacher Does:**

**Demonstrates the three pricing schemes to generate a profit for the handbags.**

#### **Student Does:**

**Choose a type of pricing scheme for the products choosen.**

### **Step 3**

#### **Teacher Does:**

**Explain to the students how the spreadsheet operates. Make sure the students have a \$10,000 gross profit..**

#### **Student Does:**

**Manipulate the spreadsheet to calculate the set profit.**

**(Complete the above components for all steps in your lesson/unit. For example, Step 4, Step 5, etc.)**

## **Conclusion and Summative Assessment of Objectives:**

**Students will be able to analyze products needed in the marketplace to produce a profit. Students will be able to see the effects of markups on products and how they are needed in order to produce a profit for a business.**

**Resources/Materials/Equipment: The students will need a computer with Internet access and the excel software package.**

## **Modification/Variation Strategies:**

**Students can prepare their own spreadsheets, or the teacher can prepare the spreadsheets for students to use. The spreadsheets can be placed in a handout folder and students can pick up the spreadsheets they need..**

## **Accommodation:**

**Students could be partnered up to work with another student. Spreadsheets can be prepared and handed out by the teacher. Students would then need to just change the prices and quantities on the spreadsheets.**

## **BUYING AND PRICING PROJECT**

You are to assume the role of a buyer for a small boutique in Omaha, Nebraska. You have been allotted \$10,000 to purchase a new line of handbags for your boutique. It is your job to buy the handbags, price them and figure the profit margin for the handbags. Before you begin the buying process, you must write a brief analysis of the market in which you are competing.

This is an in-class project. You will be given two class periods in order to complete your project.

### **STEP 1: Market Analysis**

As a buyer it is important to understand the market in which you are competing. Your market analysis should identify important issues and concerns regarding your boutique, your competition, your customer and your products.

Your market analysis should be written in report form, with proper grammar and punctuation and should be approximately 2 pages, double-spaced. Your market analysis should answer the following questions:

1. Who is the target market for your handbag line?
  - What are the common characteristics of your customers (education level, income level, age, gender, lifestyle, etc.)?
  - What are the needs and wants of your customers?
2. What is the demand for your product?
  - Is the demand for your product higher at certain times of the year?
  - Is the demand based upon the sale of other products?
3. Who is your competition?
  - Do you compete with large department stores or other small boutiques?
  - Do they use price or non-price competition and how do they use it? (Ex. Do you offer gift wrapping vs. lowering your prices?)
4. What is your overall marketing strategy for your boutique?
  - You need to explain the 4 P's of Marketing:
  - Product – Explain your line of purses (style, image, etc.)
  - Place – Where in your boutique would you place your handbag line?
  - Price – What is the price range of your handbag line?
  - Promotion – How would you draw attention to and promote your handbag line both inside and outside your store.

## STEP II: Purchasing the Handbags

As a buyer, you must purchase the handbags for your boutique. You have been allotted \$10,000 for purchases. You must decide upon the handbags you wish to purchase and the quantity of each.

1. Choose the handbags from catalogues or the Internet.
2. Assume the retail price, on the Internet or in the catalogue, is the cost you will have to pay for the handbags. **(Retail price will be the buyer's cost)**
3. Make a spreadsheet on Excel documenting the style, color, cost, quantity and total cost for each purse you wish to purchase.
4. You need to add a cell at the bottom of the spreadsheet for total costs of your purchases. Purchases should total between \$9,500 and \$10,000.
5. Scan or cut out pictures of purchased handbags and mount them on paper. Attach the paper to your spreadsheet.

Style	Color	Cost	Quantity	Total Cost
Hobo	Tan	\$300.00	3	\$900.00
<b>Total Cost of Purchases</b>	\$10,000			

## STEP III: Purchasing the Handbags

It is your job as buyer to price the handbags in order to make a profit. You need to come up with a pricing scheme to create a \$10,000 gross profit for your store.

You may choose one of three options. The options include: mark-up based upon cost, mark-up based upon selling price or keystone mark-up. Choose one strategy and stick to it.

Example: Hobo style: Cost \$300    Retail Price \$500

**Mark-Up Based Upon Cost:**

Quantity	Style	Dollar mark-up	Cost	Selling Price	Percent of Mark-up	Margin/ Profit
4	Hobo	\$200	\$300	\$500	67	\$800.00
3	Spring	\$250	\$175	\$425	142.86	\$750.00
3	Basket	\$300	\$150	\$450	200	\$1,500.00
					<b>Gross Profit</b>	\$3,050.00

**\*Remember gross profit, should total \$10,000.**

**Mark-Up Based Upon Selling Price:**

Quantity	Style	Dollar Mark-up	Cost	Selling Price	Percent of Mark-Up	Margin/ Profit
4	Hobo	\$200	\$300	\$500	40%	\$800.00
3	Spring	\$250	\$175	\$425	60%	\$750.00
3	Basket	\$300	\$150	\$450	67%	\$1,500.00
					<b>Gross Profit</b>	\$3,050.00

**\*Remember gross profit should total \$10,000.**

**Keystone Mark-Up:**

<b>Quantity</b>	<b>Style</b>	<b>Dollar Mark-Up</b>	<b>Cost</b>	<b>Selling Price</b>	<b>Percent of Mark-Up</b>	<b>Margin/ Profit</b>
4	Hobo	\$300	\$300	\$600	100%	\$1,200.00
3	Spring	\$175	\$175	\$350	100%	\$ 525.00
3	Basket	\$150	\$150	\$300	100%	\$ 450.00
					<b>Gross Profit</b>	\$2,175.00

**\*Remember your gross profit should total \$10,000.**

Name \_\_\_\_\_

**BUYING AND PRICING  
EVALUATION RUBRIC**

<b>Criteria</b>	<b>Points Earned</b>	<b>Commendable (3 pts.)</b>	<b>Acceptable (2 pts.)</b>	<b>Unacceptable (0-1 pt.)</b>	<b>Weight</b>
<b>Participation</b>		<b>Active involvement in buying and pricing project</b>	<b>Limited involvement in buying and pricing project</b>	<b>No involvement in buying and pricing project</b>	<b>3</b>
<b>Preparation/ Organization</b>		<b>Buying and pricing project was presented in a well-organized and logical manner</b>	<b>Buying and pricing project was presented in a logical but unorganized manner</b>	<b>Project was neither logical nor organized</b>	<b>3</b>
<b>Market Analysis</b>		<b>Market Analysis answers all 4 questions, thoroughly</b>	<b>Market Analysis answers 3 of the 4 questions</b>	<b>Market Analysis answers 1-2 of the questions</b>	<b>4</b>
<b>Buying/ Pricing Spreadsheets</b>		<b>Contains 4 or more handbags and reaches assigned purchases/profit</b>	<b>Contains 3 or less handbags and reaches assigned purchases/profit</b>	<b>Contains 1-2 handbags and doesn't reach assigned purchases/profit</b>	<b>4</b>
<b>Deadline</b>		<b>Completed on time</b>	<b>Completed late</b>	<b>Didn't complete at all</b>	<b>2</b>
<b>Total Points (48)</b>					
<b>1=(45-48)</b>	<b>2=(41-44)</b>	<b>3=(37-40)</b>	<b>4=(33-36)</b>	<b>5=32 or below</b>	

