

Lemonade Stand

The major components of entrepreneurship incorporate the basic structure of business, such as accounting, economics, marketing, and management. It is essential for students to have an understanding of entrepreneurship and its place in the education of business.

Corresponding Events

Entrepreneurship, Marketing

Objectives

- Identify target market
- Determine strengths and weaknesses of business
- Supply and demand
- Market segmentation
- Marketing strategies

Materials

- Computer
- Internet connection
- Shareware game (www.ae4rav.com/games/lemonade.htm)
- Scrap paper

Activity Time

Class time as allowed

Concepts Taught

This game teaches the basics about how supply and demand affect business. It is the students' job to run a street-corner lemonade stand and to try to make some money doing it.

Through this exercise which uses shareware on the Internet, students will analyze the competition for lemonade and determine how the strengths and weaknesses of their lemonade business will lead to identification of opportunities. Students will identify their target market for this product and devise a plan to market their lemonade.

How to Play

1. The student has a lemonade stand.
2. Each day the student must decide how many cups to make based on the weather forecast.
3. The student must also decide how much money to spend (if any) on advertising.
4. For each “day” of the game, users receive a daily report telling how many cups they made and sold, and how much profit was made.
5. The game continues until users have no more money, decide to retire, or reach 30 game days.
6. By stressing the advertising and cost aspects, the game offers a solid economics lesson for students.

Options

Use activity at the beginning or ending of the class.

Assessments

Discussion questions to use following the game:

1. Identify your target market for this product.
2. Explain why market segmentation is important to the achievement of market goals.
3. Do you think that this is important to a FBLA chapter? Why or why not?
4. How can you use technology to help you with advertising your lemonade stand? Can that be applied to FBLA as well? How?
5. What marketing strategies did you use to market your lemonade stand while playing the game?
6. Develop an advertising budget to help you make a profit with your lemonade business. Do you think that your chapter should have a budget? What would be the importance of this?

Helpful Files

www.ae4rv.com/games/lemonade.htm