|  |  |
| --- | --- |
| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Marketing |
| **Course Name** | Entrepreneurship |
| **Lesson/Unit Title** | Economics: Economic Utility |
| **TEKS Student Expectations** | **130.384. (c) Knowledge and Skills**  (9) The student knows the effects of credit on price and profit. The student is expected to:  (A) Communicate the differences among pricing structures for goods, services, and ideas  (B) Develop a pricing structure for an entrepreneurial venture |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | Specific Objectives:  • Students will define four types of economic utility.  • Students will explain how marketers use utility to increase customer satisfaction. |
| **Rationale** | Entrepreneurs should understand how economic decisions create utility or satisfaction. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | * Economic utility-amount of satisfaction a consumer receives from the consumption of a product or service * Form utility-changing raw material or putting parts together to make them more useful * Place utility-having a product where customers can buy it * Time utility- having a product available at a certain time of year or a convenient time of day * Possession utility- the exchange of a product for money; allowing alternatives to cash such as credit, personal checks, debit cards, lay away |
| **Materials/Specialized Equipment Needed** | **Instructional Aids:**   1. Guided Practice Activity #1 Assignment Sheet 2. Individual Practice Activity #1 and #2 Student Directions 3. Research Report: Forms of Utility for a Business Independent Practice Activity #1 Rubric 4. PowerPoint: Forms of Utility for a Business Independent Practice Activity #1 Rubric 5. Extension Activity #1 and #2 Student Directions 6. Research Report: Improving Economic Utility for a Local Business Extension Activity #1 Rubric 7. Persuasive Essay: How to Improve Form Utility for a Product Extension Activity #2 Rubric 8. Internet   **Materials Needed:**   1. Construction paper 2. Scissors and glue 3. Poster Board 4. Current newspapers and magazines   **Equipment Needed:**   1. Computers for students to complete projects 2. Projector 3. White or chalk board |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | 1. Ask students what factors determine how much time it takes a consumer to make a purchasing decision. Some of the factors may include price, necessity, and perceived value or status. Then call out purchases and ask students if their purchases require a lot of thought or if their purchases are ordinary decisions. Also discuss how some purchases become more urgent due to place utility. For example, gloves and a stocking cap are essential when winter arrives in the northern part of the United States. This is an example of time utility. Christmas displays pop up in shopping mall as early as October, representing another example of time utility.  2. Ask students to explain the four types of economic utility in relationship to a chicken sandwich. Form utility is essential to make the food presentable for consumption. Place utility involves having the sandwich available where hungry consumers are located, time utility means having an adequate amount of food available for lunch and dinner, and possession utility involves getting the food to customers who have the money and demand for the product.  3. Ask students to explain how “form utility” has changed for items sold at fast food restaurants since there is a greater concern for healthier diets and physically fit Americans. Assign students a one-page report to explain how menus at fast-food restaurants have changed due to concern for a healthier diet. (Directions for this assignment “Healthier Menu” are on a separate sheet of paper). May be done for extra credit. |
| **Direct Instruction \*** | 1. Discuss products that students or their families have purchased that did not meet their expectations. Ask students to share ways that the products could be changed to increase customer satisfaction. Then ask students to categorize the changes as form, time, place, or possession utility. Split the class into four teams. Or…  2. Assign each team one of the economic utilities (form, place, time, possession). Each team must suggest ways that businesses could use their utility to increase the company’s share of consumer purchases. Or…  3. Ask students to explain if their purchase of an automobile would involve more form, time, place, or possession utility. Students must explain the purpose for their automobile purchase, features they need the automobile to include, and other factors involved with the major purchase. Students should explain if they would shop around or stop at one dealership to make their automobile purchase. They must explain the reason for their automobile purchasing strategy. (Directions for the “Automobile Purchase” assignment are on a separate document).   1. Utility Means Satisfaction    1. Economic Utility-amount of satisfaction a consumer receives from the consumption of a product or service    2. Types of Economic Utility       1. form          1. physical product          2. construction of a product       2. time          1. available when the customer wants the product          2. convenient hours of operation for the consumer       3. place          1. having the product where the consumer is located          2. supermarket in a new housing subdivision       4. possession          1. pay by cash or credit          2. finance, rent, or lease products          3. Survey the class to find out how many students or their families have used a credit card for a purchase. This is an example of possession utility—making possession available to a broader audience.          4. List the four forms of utility on the board and ask four students to write an example of how a business could increase sales by paying attention to each form of utility. 2. Utility is a Marketing Tool    1. Ask students to give examples of products and services that they have seen advertised as “New and Improved.” Then ask students which forms of utility marketers are emphasizing with the “New and Improved” label.    2. Finds ways to add value to products and services through changes in form, time, place, and possession    3. Improved utility equals improved customer satisfaction   *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Guided Practice \*** | 1. Tell the students that it is two weeks from graduation and everyone is heading off to college. Then ask students to develop a list of products that they will need for college and the most convenient stores for purchasing those products. Students will complete the worksheet for “College Count Down.” Does the store take credit cards and does it have self-check out. This is a good assignment to discuss place, possession, and time utility. Or…  2. Ask students to write on the board items that a fast-food restaurant should include in To-Go orders. Some of the answers will include utensils, straw, salt, pepper, and sugar. Ask students what forms of payment are accepted by the restaurant. Then explain how the extra items are important for form and possession utility. Or…  3. Split the class into teams of four students. Give each group a potato and five minutes to write down all the ways to make the potato have greater form utility. Ask each group to share at least two of their answers on the board. This is a good example of how changing the form of a product makes it more useful to the consumer.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | 1. Utility Assignment: Ask students to list and define each form of utility. Then students must select a business, describe the products and services sold by the business, and explain the forms of utility offered by the business. Students will write a one-page paper and share their information with the class. Or create a seven-slide PowerPoint presentation that addresses each form of utility and share with the class.  2. Give students different locations throughout the United State that have different climates during the winter (Phoenix, AZ, Minneapolis, MN, and Charlotte, NC). Then ask students what products and services would be important for those locations when considering time utility. Students must complete the table provided in the “Preparing for Winter” worksheet. This assignment is a great ice breaker for describing time possession.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Lesson Closure** | **Q:** What is economic utility?  **A:** Economic utility is the amount of satisfaction a consumer receives from the consumption of a product or service.  **Q:** What are the four major forms of utility?  **A:** The four types of economic utility are form, place, time, and possession.  **Q:** How does the marketing concept relate to the concept of economic utility?  **A:** Marketers who apply the marketing concept identify unmet customer needs and wants and then develop improved products and services through changes in economic utility to increase customers’ satisfaction. |
| **Summative/End of Lesson Assessment \*** | Informal Assessment:  1. Instructor will observe students during Independent Practice assignments, class discussion, class participation, and PowerPoint discussions.  2. Instructor will assist individual students as needed.  Formal Assessment:  1. Independent Practice Activity #1 will be evaluated using either “Research Report: Forms of Utility for a Business” for the “PowerPoint: Forms of Utility for a Business” Rubric as students select a business, describe products and services, and explain the four types of utility for those businesses.  2. Independent Practice Activity # 2 will be evaluated by the instructor for successful completion of the worksheets.  3. Extension Activity #1 will be evaluated using “Research Report: Improving Economic Utility for a Local Business” as students research local business to determine what has been done to improve economic utility for customers.  4. Extension activity #2 will be evaluated using “Persuasive Essay: How to Improve Form Utility for a Product” as students select a commonly used product and tell how to improve the form utility of that product.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **References/Resources/**  **Teacher Preparation** | 1. Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning  2. Marketing Essentials, McGraw Hill  3. USA Today and local newspapers |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **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) | 1. Ask students (in groups of 2) to survey a local business to find out what has been done to improve **economic utility for customers**. Students will prepare a one-page report about the information obtained from the business. 2. Ask students to select a commonly used product and write two or more paragraphs about how to improve the **form utility** for the product. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | DECA |
| **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)