

Lesson Plan – Economics: Economic Utility

Course Title: Marketing

Session Title: Economics: Economic Utility

Performance Objective:

- Upon completion of this lesson, the student will explain how economic decisions create utility (satisfaction).

Specific Objectives:

- Students will define four types of economic utility.
- Students will explain how marketers use utility to increase customer satisfaction.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **124.32(c)(3)(A)**
...explain the marketing concept.
- **124.32(c)(13)(A)**
...describe characteristics of economic goods and services.
- **124.32(c)(13)(C)**
...explain the concept of utility and cite examples of types of utility.

Interdisciplinary Correlations:

English:

110.42(b)(6)(A) – Vocabulary Development

...expand vocabulary through wide reading, listening, and discussing.

110.42(b)(6)(B) – Vocabulary Development

... rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary.

110.42(b)(7)(F) – Reading/comprehension

...identify main ideas and their supporting details.

110.42(b)(7)(G) – Reading/comprehension

...summarize texts.

110.42(b)(7)(J) – Reading/comprehension

...read silently with comprehension for a sustained period of time

Teacher Preparation:

References:

1. Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning
2. Marketing Essentials, McGraw Hill
3. USA Today and local newspapers

Instructional Aids:

1. Enhancing Economic Utility PowerPoint Presentation
2. Guided Practice Activity #1 Assignment Sheet
3. Individual Practice Activity #1 and #2 Student Directions
4. Research Report: Forms of Utility for a Business
Independent Practice Activity #1 Rubric
5. PowerPoint: Forms of Utility for a Business
Independent Practice Activity #1 Rubric
6. Extension Activity #1 and #1 Student Directions
7. Research Report: Improving Economic Utility for a Local Business
Extension Activity #1 Rubric
8. Persuasive Essay: How to Improve Form Utility for a Product
Extension Activity #2 Rubric
9. 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 for PowerPoint presentation
3. White or chalk board

Learner Preparation:

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 stoking 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.

Lesson Plan

Introduction (LSI Quadrant I):

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).


Important Terms for this Lesson:

- economic utility-amount of satisfaction a consumer receives from the consumption of a particular 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

Outline










Outline (LSI Quadrant II):

Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
	I. Utility Means Satisfaction A. Economic Utility-amount of satisfaction a consumer receives from the consumption of a particular product or service B. Types of Economic Utility 1. form a. physical product b. construction of a product	B. 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

	<ol style="list-style-type: none"> 2. time <ol style="list-style-type: none"> a. available when the customer wants the product b. convenient hours of operation for the consumer 3. place <ol style="list-style-type: none"> a. having the product where the consumer is located b. supermarket in a new housing subdivision 4. possession <ol style="list-style-type: none"> a. pay by cash or credit b. finance, rent, or lease products 	<p>possession utility—making possession available to a broader audience.</p> <p>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.</p>
	<p>II. Utility is a Marketing Tool</p> <ol style="list-style-type: none"> A. Finds ways to add value to products and services through changes in form, time, place, and possession B. Improved utility equals improved customer satisfaction 	<p>B. 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.</p>

Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III):

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.

Independent Practice (LSI Quadrant III):

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.

Summary

Review (LSI Quadrants I and IV):

Q: What is economic utility?

A: Economic utility is the amount of satisfaction a consumer receives from the consumption of a particular 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.

Evaluation

Informal Assessment (LSI Quadrant III):

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 (LSI Quadrant III, IV):

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.

Extension/Enrichment (LSI Quadrant IV):

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.

Independent Practice Activity #2—Individual Assignment

Student Name: _____

Directions: (Phoenix, AZ, Minneapolis, MN, and Charlotte, NC) are three cities with different climates during the winter. Complete the following worksheet to explain what products and services would be important for the three locations considering winter climate.

Preparing for winter:

City	Define Winter Climate for the City	List Products and Services Needed in the Winter for the City's Climate
Phoenix, AZ		
Minneapolis, MN		
Charlotte, NC		

Research Report : Forms of Utility for a Business

Independent Practice Activity #1 Rubric

Student Name: _____

CATEGORY	20	15	10	5
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well-constructed.	The information appears to be disorganized. 8)
Amount of Information	All topics are addressed and all questions answered with at least 2 sentences about each.	All topics are addressed and most questions answered with at least 2 sentences about each.	All topics are addressed, and most questions answered with 1 sentence about each.	One or more topics were not addressed.
Quality of Information	Information clearly relates to the main topic. It includes several supporting details and/or examples.	Information clearly relates to the main topic. It provides 1-2 supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
Sources	All sources (information and graphics) are accurately documented in the desired format.	All sources (information and graphics) are accurately documented, but a few are not in the desired format.	All sources (information and graphics) are accurately documented, but many are not in the desired format.	Some sources are not accurately documented.
Mechanics	No grammatical, spelling or punctuation errors.	Almost no grammatical, spelling or punctuation errors	A few grammatical, spelling, or punctuation errors.	Many grammatical, spelling, or punctuation errors.

Total Points _____

Maximum 100 Points

Forms of Utility for a Business

Independent Practice Activity #1 PowerPoint Rubric

Student Name: _____

CATEGORY	20	15	10	5
Content	Covers four types of utility and is well researched. Subject knowledge appears to be excellent	Includes essential knowledge about the four types of utility. Subject knowledge appears to be good.	Includes essential information about the four types of utility, but there are 1-2 factual errors.	Content is minimal OR there are several factual errors.
Presentation	Well-rehearsed with smooth delivery that holds audience attention.	Rehearsed with fairly smooth delivery that holds audience attention most of the time.	Delivery not smooth, but able to maintain interest of the audience most of the time.	Delivery not smooth and audience attention often lost.
Attractiveness	Makes excellent use of font, color, graphics, effects, etc. to enhance the presentation.	Makes good use of font, color, graphics, effects, etc. to enhance to presentation.	Makes use of font, color, graphics, effects, etc. but occasionally these detract from the presentation content.	Use of font, color, graphics, effects etc. but these often distract from the presentaiton content.
Organization	Content is well organized using headings or bulleted lists to group related material.	Uses headings or bulleted lists to organize, but the overall organization of topics appears flawed.	Content is logically organized for the most part.	There was no clear or logical organizational structure, just lots of facts.
Originality	Product shows a large amount of original thought. Ideas are creative and inventive.	Product shows some original thought. Work shows new ideas and insights.	Uses other people's ideas (giving them credit), but there is little evidence of original thinking.	Uses other people's ideas, but does not give them credit.

Total Points _____

Maximum Score 100 pts.

Extension/Enrichment Activity #1—Teams with Two Students

Directions: Survey a local business to find out what has been done to improve economic utility for customers. Prepare a one-page report about the information obtained from the business.

Name of Business:

What the Business has done to Improve Economic Utility

Type of Economic Utility	Business Actions to Improve this Type of Utility

Extension/Enrichment Activity #2—Individual Assignment

Directions: Select a commonly used product and write two or more paragraphs about how to improve the form utility for the product.

Research Report : Improving Economic Utility for a Local Business

Extension Activity #1 Rubric

Student Name: _____

CATEGORY	25	20	15	10 or less
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well-constructed.	The information appears to be disorganized. 8)
Amount of Information	All topics are addressed and all questions answered with at least 2 sentences about each.	All topics are addressed and most questions answered with at least 2 sentences about each.	All topics are addressed, and most questions answered with 1 sentence about each.	One or more topics were not addressed.
Quality of Information	Information clearly relates to the main topic. It includes several supporting details and/or examples.	Information clearly relates to the main topic. It provides 1-2 supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
Sources	All sources (information and graphics) are accurately documented in the desired format.	All sources (information and graphics) are accurately documented, but a few are not in the desired format.	All sources (information and graphics) are accurately documented, but many are not in the desired format.	Some sources are not accurately documented.

Total Points _____
Maximum 100 Points

Persuasive Essay : How to Improve Form Utility for a Product

Extension Assignment #2 Rubric

Student Name: _____

CATEGORY	25	20	15	10 or less	Score
Attention Grabber	The introductory paragraph has a strong hook or attention grabber that is appropriate for the audience. This could be a strong statement, a relevant quotation, statistic, or question addressed to the reader.	The introductory paragraph has a hook or attention grabber, but it is weak, rambling or inappropriate for the audience.	The author has an interesting introductory paragraph but the connection to the topic is not clear.	The introductory paragraph is not interesting AND is not relevant to the topic.	
Support for Position	Includes 3 or more pieces of evidence (facts, statistics, examples, real-life experiences) that support the position statement. The writer anticipates the reader's concerns, biases or arguments and has provided at least 1 counter-argument.	Includes 3 or more pieces of evidence (facts, statistics, examples, real-life experiences) that support the position statement.	Includes 2 pieces of evidence (facts, statistics, examples, real-life experiences) that support the position statement.	Includes 1 or fewer pieces of evidence (facts, statistics, examples, real-life experiences).	
Evidence and Examples	All of the evidence and examples are specific, relevant and explanations are given that show how each piece of evidence supports the author's position.	Most of the evidence and examples are specific, relevant and explanations are given that show how each piece of evidence supports the author's position.	At least one of the pieces of evidence and examples is relevant and has an explanation that shows how that piece of evidence supports the author's position.	Evidence and examples are NOT relevant AND/OR are not explained.	
Sources	All sources used for quotes, statistics and facts are credible and cited correctly.	All sources used for quotes, statistics and facts are credible and most are cited correctly.	Most sources used for quotes, statistics and facts are credible and cited correctly.	Many sources are suspect (not credible) AND/OR are not cited correctly.	

Total Points _____
Points

Maximum 100