Instructor’s Manual for Marketplace Literacy Education in the US

ILLINOIS MARKETPLACE & MAKER LITERACY PROGRAM

Madhu Viswanathan, Anne McKinney, Erin Ha, Ron Duncan, Philip Fairweather, Huimin Ru, Maria Jones, Sudeep Gowrishankar, and Students of Entrepreneurs Without Borders

Illustrations by Warren Widjaja
COLLEGE OF BUSINESS
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By:

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Acknowledgements

We acknowledge with deep gratitude the foundational support provided for the Illinois Marketplace and Maker Literacy Project, through funding over multiple years from the University of Illinois Extension and Outreach Initiative. This manual is the product of a research in many different settings where we learned about people who embody the undying human spirit. We acknowledge the University of Illinois Extension, Subsistence Marketplaces Initiative, the Marketplace Literacy Project, Entrepreneurs Without Borders, the College of Business Outreach and Engagement Office, the College of Business Communications and External Affairs Office, Urbana Adult Education Center (Samuel Byndom, Charles Young, Jacqueline Williams, and Arlene Anderson), Bethel New Life, University of Extension Unit 27, and Srinivas Venugopal.

The true measure of this book is not so much in its writing but in whether those who read it in turn are inspired to work toward bettering the world for people living in poverty, one person or family at a time if need be.
Introduction

Previous work has focused on at least two key elements that individuals living in subsistence need to participate in marketplaces, financial resources (e.g., microfinancing) and market access. Marketplace literacy is the third key element, designed based on pioneering research on subsistence marketplaces aimed at understanding life circumstances and marketplaces in subsistence contexts in urban and rural parts of South India. This research was a basis for developing a consumer and entrepreneurial literacy educational program in India which assumed that the audience cannot read or write.¹

This program uses the “know-why” or an understanding of marketplaces as a basis for the know-how of being an informed buyer or seller. Despite the difficulties with abstract thinking that low-literate individuals may experience, such education enables deeper understanding of marketplaces by leveraging the social skills that participants bring to the program and relating educational content back to their lived experiences. Such understanding can enable individuals to place themselves on a path to lifelong learning. The program innovates in terms of the content as well as the delivery method, covering concepts using picture sorting, role play, and so on, that tap into people's lived experiences.² Topics covered range from consumer skills to choosing an enterprise the student could start and being customer oriented.

The approach is documented in the book "Enabling Consumer and Entrepreneurial Literacy in Subsistence Marketplaces" by Springer in an education series in alliance with UNESCO.³ This book describes research on low-literate, poor buyers and sellers in subsistence marketplaces, the consequent development of our innovative marketplace literacy educational program that enables consumer and entrepreneurial literacy, and implications of the research and the educational program for business, education, and social enterprise. The program has also been described in press outlets such as the Wall Street Journal.⁴

The first time a Marketplace Literacy Program (MLP) was offered, a woman stood up and said that it had educated not just her but her entire family. Women spoke of pooling resources to buy products wholesale, checking and returning products like expired medicine, starting different types of businesses, expanding existing businesses, serving customers politely, and even adhering to details such as not using plastic for environmental reasons. Women in villages spoke of taking charge of household purchases from their husbands and negotiating with local shopkeepers. In turn, shopkeepers reportedly identified women right away as those with marketplace literacy training and said they would give them a good deal! The savings from being informed consumers has been immediate, and almost universal, while many families have benefited from earnings from new or expanded livelihood opportunities. Self-confidence, social skills, awareness of rights to participate in the marketplace and to shape it while adapting to changing circumstances are the key areas of impact. The effect of such enlightenment is transformative and potentially life-long.

For more than a decade, MLP has influenced subsistence communities in fundamental ways that have

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1 http://www.business.illinois.edu/subsistence
4 http://online.wsj.com/article/SB125187240878878743.html
great impact beyond simple literacy and vocational skill. Following extensive piloting and assessment, the Marketplace Literacy Program - Illinois, and Marketplace Literacy Communities India, have provided marketplace literacy education (i.e., skills, awareness of rights, and self-confidence as consumers and as entrepreneurs) to nearly 20,000 women in India over the last decade and have recently piloted and/or launched similar programs in Tanzania, Argentina, and Central Illinois.

Although the starting point was a face-to-face program, multi-media based, teacherless methods have been designed and used for wider deployment. Such models include a video-based approach using community-produced video episodes depicting two women confronting challenges in the marketplace as customers and as entrepreneurs. This facilitator-based model involves a variety of classroom exercises based on the video episodes, with appropriate multi-media support. A similar video-based approach with an even smaller role for a facilitator emerged in a partnership with one of the largest microfinancing organizations in the world. Using a movie where a woman empowers herself through the marketplaces as a starting point, video-based modules were developed and successfully deployed. 14 video-based modules were designed, assuming a group of women would be in a setting with a DVD player and a television but no teacher. A teacher on the screen served to facilitate the program.

The program for the US developed in parts – beginning in the early 2000s with materials for a nutrition education program, and then continuing with lessons that were designed and assessed at an adult education center over an extended period of time. More recently, the entire program was taught in different parts of Illinois and the work has been documented in a variety of ways, including an interface usable by facilitators and instructors. One such documentation is through this manual. Throughout the process, our research has been ongoing, as we developed a bottom-up approach to gain valuable insights.

We note that the program was designed from scratch for audiences in the United States. Each context is so different and it is important to design carefully. What we are wedded to is at a more abstract level – a focus on know-why to help low literate, low income individuals think beyond the immediate, and a bottom-up approach that stitches concepts together and, as a result, addresses different roles, such as customers and entrepreneurs.

The following lessons are designed for adult students in the United States with low levels of marketplace literacy. The lessons teach how to be more informed consumers, how to shop effectively to get the best value, how to start a small business, and how to save money while helping the environment.

The lessons are based on those taught at Urbana Adult Education Center in Urbana, Illinois. Those lessons occasionally combine slides from multiple PowerPoint files, skipping from file to file mid-lecture. Usually there is a combination of videos shown in class as well.

This manual is experimenting with a modular structure. The lessons here are short and can be combined into a single class lesson plan. The “Day in the Life” videos may be used interchangeably depending on availability. Instructors are advised to use their best judgment regarding the learning needs of their students, and plan accordingly.

There are certain key lessons we emphasize throughout – emphasizing know-why in addition to know-how, rather than what to buy or sell; concretizing, localizing, and socializing the education; being bottom-up in teaching rather than conveying concepts top-down; and using the notion of value as in what is invested and what is obtained in return as the guiding concept at a human level as well as a marketplace level.
Lesson 0: Course Introduction

Objective:
Students will learn about the purpose of the course and how the lessons will be covered.

Preparation:
These slides can be added to the beginning of any of the other lessons as an introduction for new students. Throughout the course, it is important to remind students that there is a trade in values in all shopping decisions: what are you giving up, and what do you get in exchange?

Start the class by introducing yourself and what you want students to gain from the class. Explain the main goals of the class:

1. Have their dollars go further by being better customers
2. Get value out of their resources and help the environment they live in
3. Learn how to be entrepreneurs

Also, explain to the students the typical class structure is interactive covering the following elements typically:

- Exercise
- Discussion
- Explanation
- Videos

Ask students to think about how they interact with the marketplace: sometimes as a customer, sometimes as a seller, sometimes as a small businessperson. Ask them to think about how to make their money go further when they go shopping. Open the floor for questions if they have any.

Exercise:
Have students write down what they want to know as a customer, what they want to know more about, what things are they afraid of, and what other topics they would like the class to cover.

Discussion:
What sort of things are you afraid of when you go shopping? What do you wish you knew more about as a consumer? What else would you like the class to cover?

Collect their answers by the end of the class in order to read the responses they are unwilling to share with their classmates.

Instructor Note:
The aim here is to be bottom-up, to draw from participants lived experiences, and build toward deeper understanding.

Slides: MLP Overview Template
Acknowledgements

We acknowledge with deep gratitude the many individuals and entities who made this manual possible. This manual is the product of a research in many different settings where we learned about people who embody the undying human spirit. We acknowledge the Subsistence Marketplaces Initiative, the Marketplace Literacy Project, Entrepreneurs Without Borders, the College of Business Outreach and Engagement Office, the College of Business Communications and External Affairs Office, Urbana Adult Education Center (Samuel Byrdom, Charis Young, Jacqueline Williams, and Arlene Anderson), Bethel New Life, University of Extension Unit 27, and Srinivas Venugopal.

Our Goal

To help individuals with low literacy and low income become more literate about the marketplace

- Make your dollar go further
- Help your environment
- Learn about technology to help you with livelihood opportunities

Artwork by Warren Widjaja.
Overview

Some topics for upcoming weeks:

1. Literacy in the marketplace
2. Sustainability with resources
3. Entrepreneurship: Running your own business

A Typical Session - Interactive

- Exercise
- Discussion
- Explanation
- Video(s)

6 Ibid.
7 Ibid.
Burning questions?

• When you think of being a customer
  • What are some things you wish you knew more about?
  • What are some things that you are afraid of?

• Please write down some topics you would like us to cover.
UNIT 1: CONSUMER LITERACY – BEFORE YOU GO SHOPPING

Lesson 1: Choosing Your Store

Objective:
Students will learn about appropriate ways to choose a store based on time and the cost of shopping trips.⁸

Slides: Choose Your Store

Are you still driving 20 miles to a store you know, or with which have some discounts but just save you a few pennies? Sometimes choosing a close store or a local store is not a bad choice. It saves you time and money, and sometimes is more convenient.

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⁸ Note: this lesson may be skimmed depending on the students’ level of awareness about the time and gas involved in their shopping trips. Please use your best judgment when teaching your own students and using your own assessment of their knowledge level regarding marketplace literacy.
A closer store can **SAVE** you **$1.80** and **half an hour** each time!

By knowing the distance from your home to the store, you will save time & money! Going to the closer store twice will save you a gallon of new gas.

**Simple Rule to Know**

If you need more, go to a larger store. It may have better prices, even if it's farther away.

**Simple Rule to Know**

If you need just one thing or two, shop closer to you. Only need a few eggs and flour? You really don't need to go far away to get it. Just buy it at a closer store!

**Quick quiz - Do you know how much time and money you spend going from your home to your store?**
Exercise:
You need to pick up one or two groceries. What do you do?⁹

Discussion:
Why do you choose to walk or drive? Why did you choose that specific store? If you only need one thing, do you choose the same store? What rules do you give yourself as a customer?

Homework:
Observe your own shopping behavior on your next shopping trip. How do you behave as a consumer? Why do you make certain choices?¹⁰

Video:
Each week, plan to show a short video with a glimpse into life for people in other parts of the world. Ask students to note what is similar and different between their lives and ours.

First video: Urban low-income homemaker in Chennai, India.
Ask students what questions they had when they watched the video. Collect students’ response sheets at the end of class.

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⁹ Give students one minute to think, then ask them to share their responses.
¹⁰ This should be discussed during the next class session.
Lesson 2: Creating a Shopping List

Objective:
Students will learn about the benefit of using a shopping list and how to write a list according to the ingredients they would need for a recipe.11

Exercise:
Ask students to write down their grocery-shopping list.

Discussion:
What did you put on your shopping list? Why did you include those items?

Slides: Shopping List

A Shopping List

Why use a Shopping List?

- Avoid going back for forgotten items
- Save time when shopping
- Save money by reducing or eliminating unnecessary purchases
- Make shopping easier (quickly judge what to buy and not buy)
- Plan better for what you want to cook

A shopping list can be created in just a few minutes; the benefits it brings are much more.

11 Use this lesson as a follow-up to the previous lesson within the same class, or start a new class with the Overview and introductions (in case there are new students).
How to know what to buy?

- Think about what dish you want to cook first

Suppose we want to cook baked salmon today

Think about your cooking process:

- Clean the salmon fillet
- Brush olive oil evenly
- Rub the salt
- Sprinkle some ground pepper
- Then put it into oven at 450F and bake for 8 minutes\(^\text{12}\)

After you think about the whole cooking process, you get what you need as well!

Write down the names of ingredients on your shopping list.
Homework:
Ask students to complete the following before the next class:

1. Write down and use a shopping list
2. (If combining this lesson with couponing) Find at least one coupon and use it. It should only be used to buy something that is needed; students should not buy something just to use their coupons. Students who have already used many coupons should look for a coupon for a product that they have never bought before.
3. (If combining this lesson with Choosing Stores) Choose a store and go there to use the shopping list and coupon.

The most important part of the homework is to write down why some decisions were made and analyze how it impacted their shopping experience.

Video:
A day in the life of a rural subsistence consumer – https://vimeo.com/30603049
Lesson 3: Finding Coupons

Objective:
Students will learn about the benefit of using coupons when they go shopping.

Homework Review:
After observing your own shopping behavior on a shopping trip, how do you behave as a consumer? Why do you make certain choices? What other rules do you have a customer? What do they do before going to the store?

Discussion:
Have you ever used coupons? What sort of coupons do you use? Have you ever bought something you didn’t need because you had a coupon? Can coupons be used with food stamps? Yes, though the savings may be handled differently depending on the state and the individual store. It is a good idea to ask before using at a new location.

Slides: Couponing
The next time you are heading to the grocery store, grab your shopping list, wallet, and coupons!

Where do I find coupons?

• Newspapers, magazines (All You)
• Grocery receipts
• Grocery store catalogs
• Directly on products
• QR Codes
• Online: Groupon, RetailMeNot, ShopAtHome, SlickDeals, SmartSource, Coupons.com
• You can use coupon codes towards online purchases as well!

How do I reap the benefits?

• Stack your coupons!
  • Manufacturer’s coupon + store’s coupon = savings
• Buy extra newspapers or magazines
• Use competitor’s coupons
• Check out the clearance aisles
• Make food stamps go further

How do I keep them organized?

• Cut out coupons neatly
• Create a filing system (expiration date, product type)
• Keep them all together in a container or binder

Don’t forget to check the expiration dates so you can get rid of old coupons!
(Optional) Video:
Browse YouTube for a short video that explains the concept of couponing and tips for collecting/organizing coupons. There are many out there; due to the ephemeral nature of YouTube it is uncertain whether the same videos will be available from one semester to the next.

Homework:
Find a coupon for something that you would need or want, and use it. If you have already used many coupons, look for a coupon for a product that you have never purchased before.
UNIT 2: CONSUMER LITERACY – DURING SHOPPING

Lesson 1: Finding Products

Objective:
In this lesson, students will learn how to find the product they want within a supermarket or other large store.

Homework Review:
Did you use a coupon and a shopping list to go shopping? What did you buy? What sort of coupon did you use? Was the shopping list helpful? Would you use a coupon and/or shopping list again?

Discussion:
When you go to the store, how do you find items that you’ve never had to look for before? For example, if you had to find baby items for the first time, or seasonal merchandise that doesn’t have a fixed location – how do you find them? Have you ever gone to a new, unfamiliar store and had difficulty finding what you’re looking for? What do you do in that situation?

Slides: Product Navigation

Find the Product You Want

When you go to an unfamiliar store, how do you find the things you want?

1. Determine the Category (Look Upward)
Walking from aisle to aisle is time-consuming. Determine category of the product you want and the look upward.

2. Name of your Product

Each supermarket has a list of the types of items you can find in each aisle. Look upward, go through the signs, and find the right aisle for your product.

3. Find the right aisle
4. Find the product by looking at the sign on each shelf

Some stores list the names of products on each shelf. Even if you don’t see these signs, you’re definitely getting warmer! Note: Most of the time, each aisle contains several related products.

5. Find the Product!

The product you are looking for is on the shelf!
Can you do that?

References

Photos courtesy of the Communications team in the University of Illinois at Urbana-Champaign College of Business.

Homework:
The next time you are in a supermarket, look up to the signs above the aisles. Try to find something new by using these navigation signs.
Lesson 2: Checking Price and Size

Objective:
Students will learn how to check price and size on items in a store.

Preparation:
This lesson may be combined with the Unit Price lesson. If there was homework in a previous session, go over their responses to that assignment before delving into new material.

Discussion:
How do you compare two different brands of the same product, if they are the same size and price? Do you ever check the weight of a product to see which one gives you a better deal?

Slides: Price and Size

If both boxes are the same price and the same size, which one would you choose?
They look like they’re the same size, but there’s a big difference in the weight!

Same price, different size: Does bigger mean a better deal?

Even though it looks bigger, sometimes it has less...

See? Size doesn’t matter. Weight tells the truth!

Same price: can you tell which box is a better deal?
Homework:
The next time you go to the store, check the weight on different brands of a product you need. Can you get a better deal for one brand over another, if they’re the same otherwise?
Lesson 3: Checking Nutrition Facts Labels

Objective:
Students will learn how to find a Nutrition Facts label on a package, what the information means, and how they can use it to plan a healthy diet.

Preparation:
This lesson may be combined with the Unit Price lesson. If there was homework in a previous session, go over their responses to that assignment before delving into new material.

Keep the lesson simple. Too much information or calculation may make students feel reluctant to learn about nutrition labels.

Discussion:
What do the percentages mean? What does percentage daily value mean? How does it affect daily nutrition? What is serving size?

Slides: Nutrition Facts Labels

A Healthy Diet Starts with Understanding Nutrition Facts Labels

Remind students that we want to try to eat healthy food, but it can be difficult if we don’t know what is in our food. You can ask students how many calories are in a serving of macaroni and cheese:

- It can be hard to tell since we may never think about it.
- Also, it depends on the number of servings.
- The Nutrition Facts label gives us this information on packaged foods.
Where is the Nutrition Facts Label?

The Nutrition Facts label can often be found next to a bar code of a product. You can usually find it in one of these places:

- On the bottle
- At the back of the package
- On the side of the box

What does it tell us?

It's a table with nutrition information about packaged food. It is always titled “Nutrition Facts.” The label tells us what nutritional value the food contains, so that we can determine whether it is good or bad for us.
Two sections: top section & bottom section
Top section usually varies from product to product, while bottom section does not change.¹⁴

Check Calories

Calories provide a measure of how much ENERGY you get from a serving of this food.

The number of servings you consume determines the number of calories you actually eat (your portion amount).

**General Guide to Calories**

- 40 Calories is low
- 100 Calories is moderate
- 400 Calories or more is high

The **General Guide to Calories** provides a general reference for calories when you look at a Nutrition Facts label. This guide is based on a 2,000 calorie diet.

Eating too many calories per day is linked to overweight and obesity.

In this case, the amount of calories is HIGH and NOT HEALTHY.
The picture shows the key nutrients that impact your health. Nutrients in the Yellow Table should be LIMITED; nutrients in the Blue Table should be HIGH.

Eating too much fat, saturated fat, trans fat, cholesterol, or sodium may increase your risk of certain chronic diseases, like heart disease, some cancers, or high blood pressure. Important: Health experts recommend that you keep your intake of saturated fat, trans fat and cholesterol as low as possible as part of a nutritionally balanced diet. Eating enough healthy nutrients (dietary fiber, vitamin A, vitamin C, calcium, and iron) can improve your health and help reduce the risk of some diseases and conditions.

It shows recommended dietary advice for all Americans – it’s not about a specific product. Some products have it, some do not. Once it does appear, it will be always the same.

This guide tells you that 5% DV or less is low for all nutrients, those you want to limit (e.g., fat, saturated fat, cholesterol, and sodium), or for those that you want to consume in greater amounts (fiber, calcium, etc.). As the Quick Guide shows, 20% DV or more is high for all nutrients.
The label on the left is for reduced fat (2%) milk. The label on the right is for nonfat (skim) milk.

Discussion:
What are you giving up, and what are you getting? Ask students to think about making slightly healthier junk food choices the same way. Is it a small tradeoff?

Perceived cost vs. perceived benefits: Depending on what you consume, you may be giving up your health. By shopping, you are giving up money, time and energy.

Value: understand what you are giving up and what you are getting in exchange.

Exercise:
In general, what are you giving up as a customer, and what are you getting? Look at signs in the store. Do you use them to search? If there is the same price and same size for two items, which do you choose?
Lesson 4: Using Unit Price

Objective:
Students will learn about the concept of unit price and how to use it to get the best deal for their money.

Preparation:
Keep the lesson simple. Too much information or calculation may make students feel reluctant to learn about unit prices.

If there was homework in a previous session, go over their responses to that assignment before delving into new material.

Exercise:
Think of a product you buy often and write down what you look for when you shop for it. What do you look for when you go shopping? What rules do you establish when you look at price and size?

Slides: Unit Price
Note: 1 cup = 8 ounces of milk; although the whole price of a whole gallon is more expensive, it is cheaper by the unit!

Math Headache?

No Problem!
Unit Price makes our life easier!!!

What does unit price look like? Where is it?
What is the Unit Price? “Unit Price” is simply the price per unit. The difference between Total Price & Unit Price is that Unit Price has a “UNIT PRICE” typeface above it and a “PER OUNCE,” “PER OZ,” or “PER POUND” typeface behind it.

Though the full price is the same, Unit Price can tell which one saves us more.

How to decide which to buy? First, see the “Unit Price” to find which one is cheaper; second, find the suitable amount (weight) you need.

References
• Product photos by Hui Min Ru and Megan Romp for the Marketplace Literacy Project
• Other images from Microsoft Office.com royalty-free clipart

(Optional) Video:
Browse YouTube for a short video that explains some of the shopping concepts we’ve addressed. There are
many out there; due to the ephemeral nature of YouTube it is uncertain whether the same videos will be available from one semester to the next.

**Homework:**
The next time you go shopping, look for the unit prices on items that you would consider buying. Can you tell which item would give you the better deal? If there is the same price and same size for two items, which do you choose?
Lesson 5: Checking Expiration Dates

Objective:
Students will learn about the concept of expiration dates to shop wisely and consume safe products. Also, they will have chances to find and interpret it in products.

Preparation:
This lesson can be combined with the lesson(s) on unit prices and/or nutrition facts labels.

Slides: Expiration Dates

Ask students whether they have heard of expiration date and what it means. You can give them a Hint: expiration date = the shelf life of a grocery item.

Check the expiration date before you buy groceries.
Ways to remember the numbers associated with each month
This slide and the next three can be used as an in-class exercise: Can students determine the expiration dates based on the numbers?

Can you find the expiration date?

Can you find the expiration date?

References

- Photos taken by Huimin Ru and the Communications team in the University of Illinois at Urbana-Champaign College of Business for the Illinois Marketplace & Maker Literacy Project.
- Other images from Microsoft Office.com royalty-free clipart.
**Homework:**
The next time you go shopping, look for the expiration dates on items that you would consider buying. Can you tell when an item is going to expire? If you had to choose between a full-price item that expires in one month vs. a clearance item that expires tomorrow, which do you choose?
UNIT 3: CONSUMER LITERACY – AFTER SHOPPING

Lesson 1: Using Customer Service

Objective:
Students will learn about their right as customers and how to cope with problems with products by using customer services in retail stores.

Preparation:
This lesson can be combined with the previous lesson on receipts. You can begin by discussing what would happen if students found an error on a receipt which meant that they paid too much on a shopping trip.

Discussion:
Have you ever used the Customer Service desk at a store? Did you have to return an item or get your money back for something you had bought? What was the experience like? Did the customer service personnel solve your problems? Why or why not? What would you do if you bought something that turned out to be broken, or if you accidentally bought the wrong thing? Do you throw the item out and buy another one, or take it back to the store?

Slides: Customer Service

Don’t waste your money – take wrongly purchased or broken merchandise back to the store at their Customer Service desk.

What do you do if you buy the wrong thing? What if it’s defective?

- Coffee maker
- Water boiler
- Defective toy
What if you needed a coffee maker, but picked up a water boiler by mistake? What if you bought a toy only to discover that it’s missing an eye?

Customer Service: Deals with your Returns

As a customer, you have a right to return an item. Bring it back with your receipt within a short period of time (as soon as you are available) and save a lot of money!

Before Going to Customer Service

1. Be confident. You are their customer; you pay them money so that they stay in business. It’s their obligation to see that you are satisfied.
2. Explain your purpose to customer service staff politely and clearly; they would like to help you.
Return your goods with their help. Be patient.

3. If you just return, say “Thank you” to them after they return the item and give you back your money. If you exchange a broken product, get the new one or what you want, then say “thank you” and leave.

Start your Customer Service experience the next time you have a problem!

References
- Customer Service sign and receipt courtesy of the College of Business Communications Office at the University of Illinois at Urbana-Champaign
- Photo Credit: Cyclopix 2 http://www.flickr.com/photos/51035633309@N01/285460367/ by pangalactic gargleblaster and the heart of gold via http://commons.wikimedia.org/licenses/by-nc-nd/2.0
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Exercise:
Ask students to get into groups and role-play the experience of returning an item to a customer service desk. If possible, supply receipts and/or physical items that they can exchange.
Lesson 2: Checking the Receipts

Objective:
Students will learn about receipts and why it is important to understand them.

Preparation:
This lesson can be combined with any of the previous lessons on consumer literacy.

If it’s possible to bring real receipts into the class, include an exercise for students to work in groups and read them for certain information that you ask them to find: i.e., where is the contact information, how many items were purchased, etc.

Discussion:
Have you ever checked your receipt after a shopping trip? If you have, what information did you check? What kinds of information can you find on a receipt? How many of you keep your receipts? Why would anyone want to hold on to a receipt?

Slides: Reading Receipts

Reading Receipts

How do you Read a Receipt?

A receipt is a record of the number of products you buy and how much money you spend on them. By checking products and prices on the receipt, you know whether the amount of money you spent on is correct.

1. The store name
2. Contact information of the store: address & phone number. This information helps you go back to the store if anything needs to be changed or fixed.
3. List of items purchased (some receipts will include a product number that corresponds to the bar code on the side of the product)

4. Item Prices

5. Total Price before Tax / Tax amount you need pay / Total price you have to pay (sometimes tax is included in the individual item prices)

6. How many items you bought (you can check if the total numbers are the same as the numbers in your bag)

7. Date and Time

References

* Receipt image courtesy of the College of Business Communications Office at the University of Illinois at Urbana-Champaign
* Photo Credit: Save a Lot Receipt. http://www.flickr.com/photos/10561948@N00/87959568/ by spike55151 via http://flickr.com/photos/10561948@N00/87959568/. http://creativecommons.org/licenses/by-nc-sa/2.0/
* Other images from Microsoft Office.com royalty-free clipart

Homework:
Ask students to take a look at a receipt from a recent shopping trip: Can you identify what the contents mean? Can you tell if any charges on the receipt were incorrect? Have you ever found that you were overcharged on an item or the receipt showed that you were charged for items you didn’t buy? If so, what did you do?
Lesson 3: Using Self-Checkout

Objective:
Student will learn how to use a self-checkout machine.

Preparation:
Explaining the entire process may not effectively engage students in this topic. Hence, if possible, it would be nice to have screenshots of messages that would be shown on the check-out machine for practice. Instructors may show each message and ask students what they need to do.

Slides: Self-Checkout

Is there a long line waiting to check out? Use the self-checkout machine. It can be easier, faster, and possibly more accurate.

Where is the Self-Checkout area?

It’s usually near the store exit, near other checkout lanes. Some stores have clear and obvious signs above the self-checkout areas.
1. Place your basket on the “consumer unload area”, or if you have a cart, you can leave it in front of the self-check-out machine.

2. Push the “start” button on the touch screen. All self-checkout machines have touch-screen user interfaces.

3. Find the barcode for each product (it’s usually on the side of the product), and scan it in front of the self-check-out machine.

4. Once scanned, the screen will show the item on the screen, and you can place it in the bagging area.

5. When you have an item with no barcode, such as vegetables and fruits, place it on the weighing scale.

6. Press “Look up item” and find the corresponding item.
7. Once you are done with all products you want to buy, click the “finish and pay” button on the screen.

8. When you click on “finish and pay”, “payment type” will appear on the screen. You can use cash, check, debit, or credit card. If you have a coupon, click the “coupon” button first.

9. Insert your coupon in the coupon acceptor.

10. The total amount due will automatically appear on the screen.

11. Slide your card on the card panel or enter cash.

12. Take your receipt from the receipt printer.

References
- Self-Checkout images courtesy of the College of Business Communications Office at the University of Illinois at Urbana-Champaign
- Photo Credit: Self Checkout http://www.flickr.com/photos/33499304@N00/2858659917/ by pin add via http://creativecommons.org/licenses/by/2.0/.
- Other images from Microsoft Office.com royalty-free clipart
**Homework:**
The next time you go shopping, try using the self-checkout machine. Be prepared to share your experiences in the next class.
Lesson 4: Using a Call Center

Objective:
Students will learn the benefits of using a call center and its process.

Preparation:
This lesson can be combined with the previous lesson on customer service.

Discussion:
Have you ever used a call center to take care of your shopping or customer service needs? Why or why not? If you have, what was your experience? Would you do it again? If you haven’t, can you think of a possible situation when it would be good to use a call center?

Slides: Using a Call Center

If you want to save time & energy, call a store’s customer service line rather than visiting the store in person (if you don’t have to make a return). Place orders over the phone, ask questions, solve problems. Avoid traffic!
Understanding your role as a customer: You are the lifeblood of their business. Their goal is to keep you as their customer, to bring you back to their products, and to keep good relationships with you – because you pay them money! You keep them alive in this competitive market. If their business can sell you a product once but cannot get you back, their business won’t live for long. Helping you with your needs and problems is their responsibility and duty.

Where do you find the phone number? Usually, it’s on the store receipt, in the phone book, or online.

Procedures:
1. Dial the number
2. Follow instructions and press the number corresponding to your need
3. Wait until someone picks up your phone call
4. Politely tell them your needs/order, or complains/problems you meet; negotiate if they offer you several options/solutions. Say “Thank you” once they help you solve the problems/place your order.

5. Sometimes you will have the opportunity to rate the operator’s service before you hang up the phone (satisfaction rating).

Next time, phone it in!

References
- Receipt image courtesy of the College of Business Communications Office at the University of Illinois at Urbana-Champaign
- Photo Credit: How can I recycle this by http://www.flickr.com/photos/18748131@N00/18683896
  Phone Book via http://commons.wikimedia.org
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Exercise:
Have the students form groups and role play a phone call to a call center using the following scenarios. Students can take turns playing the customer and the call center representative.

- Calling a store: Does the store carry a certain type of car accessory or baby product that you need?
- Calling the phone company: You see a new fee on your phone bill. Call the phone company and ask why you were charged this fee.

Homework:
Try using a call center to take care of one of your needs over the next week. Be prepared to discuss in class which company or store you called, and what happened.

Instructor Note:
Taking students through before during, and after shopping is logical as it reflects a typical experience. Expanding the experiences to discuss interactions with services such as phone companies and auto services are ways to consider as well. Again, a bottom-up approach of assessing concerns in different areas is most helpful.
UNIT 4: SUSTAINABLE CONSUMPTION

Instructor Note:
In this unit, the topic shifts to using resources rather than buying products. So much of the savings here is invisible just as the waste is invisible. Here too, effort is invested and savings obtained – hence the notion of value. Additionally, such practices are good for the environment. This topic can be brought in through a variety of ways, emphasizing its impact on the next generation.

Lesson 1: Saving Energy

Objective:
Student will learn about various ways to save on their energy bill and engage in sustainable consumption.

Preparation:
Instructors may want to prepare a handout for students that includes tips for saving energy based on the slides. That way, students can have a reference to remind them of the tips learned during class.

The most important concept the students should take away from these lessons is the idea of value. In every exchange, we give up something and we obtain something in return: perceived cost versus perceived benefit.

Discussion:
Who wants to save more money? Who wants to save resources to be good to the planet? We can do both things at the same time: saving resources to save money.

Where is most of our money spent among the expenses related to our house?
   1. Heating our home/Cooling our home
   2. Water
   3. Lighting
   4. Appliances

All the small things we do to save some money add up and can lead to important savings.

Slides: Saving Energy
How can you save $$ on Utilities?

Let's start with heating & cooling...

What temperature do you set your thermostat?

More ways to save on heating

• Seal windows with plastic and caulk around any gaps. This can save $50-$100 each year!
• Close the vents & doors in rooms you don’t use every day.

Save on air conditioning

• Electric fans use less energy than A/C
• Keep out the hot sun with curtains or blinds.
• Windows open at night, closed during the day.

Turn OFF and Save

Turn off lights, TV, and other appliances when you are not using them.
Shut Down the Computer

- Shut it down at night & Save about $90 a year
- Shut it down if you’re away from it for at least 2 hours
- Turn off the monitor if you’re away for at least 20 min.
- Plug electronics into a power strip and switch it off when not in use

Watch out for “Energy Vampires”

Turn off or unplug gadgets that you aren’t using, especially electronic chargers. They suck electricity just by being plugged in!

Save Money on Lighting

Replacing 5 incandescent bulbs with 5 CFL bulbs can save almost $40 per year!

1 CFL bulb also lasts at long as 9 incandescents!

Outdoor Lighting

Motion Sensors automatically turn outdoor lights on when they are needed and off a short while later.
Laundry

Wash only full loads + buy detergent in bulk

Save money, water, electricity, & heating!

Washing Machines

Using cold water cycles can save even more heat.

About 80%-90% of the energy used for washing clothes in a conventional top-load washer is for heating the water.

Laundry - Drying

Hang-drying your laundry can save you $350 per year!
Kitchen Tips

Cover pots while boiling liquids – Saves energy and does not damage house with excess moisture

Appliances

Replace older appliances with high-efficiency models: save energy, heat, and water!

Helpful Resources

AMEREN Illinois offers numerous rebates. Check them out on how to save more money!

The Weatherization Assistance Program (WAP) will help you do minor home improvements that can help you reduce utility bill costs.

References

- Original illustration by Warren Widen for IMRIP
- Photo Credit: Ratemper 6022 Thermostat, https://www.flickr.com/photos/66496502@N07/2151548602 by Barry Schwartz via http://creativecommons.org/licenses/by-sa/3.0
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Group Exercise:
Ask students to identify the following:

- What is the biggest source of energy waste in your life?
- How can you change it to save some money?

Discussion:
Ask students for their responses to the exercise above.\(^\text{15}\)

Why should we try not to waste energy? What can we gain from it?

Homework:
Look around your home between now and the next class. Think of ways that you might be wasting energy, and how you might be able to save it. Come to the next class ready to share your plan for saving energy at home.

\(^{15}\) Some answers from a previous class:

One group realized that they waste a lot of food. They planned to start cooking smaller portions, stop buying junk food, check prices at the grocery store and share their leftovers with others.

Another group identified lighting as the biggest source of waste. They planned to change their behavior by turning off the lights when they leave a room, watching less TV and shutting off all the electronics they are not using. The students all agreed that they would try to apply what they just said they could do.
Lesson 2: Saving Water

Objective:
Student will learn about various tips to save their water bill and engage in sustainable consumption.

Preparation:
Instructors may want to prepare a handout for students that includes tips for saving water based on the slides. That way, students can have a reference to remind them of the tips learned during class.

The most important concept students should take away from these lessons is the idea of value. In every exchange, we give up something and we obtain something in return: perceived cost versus perceived benefit.

Homework Review:
Ask students about the homework that was assigned last week:

Look around your home between now and the next class. Think of ways that you might be wasting energy, and how you might be able to save it. Come to the next class ready to share your plan for saving energy at home.

Discussion:
In the last class, we explored ways you can save money at home on your energy bill. Today, we’ll focus on ways you can do the same with your water bill. How much water do you think you use on an average day? Can you think of any ways that you might be able to reduce it?

Slides: Saving Water
What's the big deal?  
The earth has LOTS of water, right?

Yes, but...

...It takes ENERGY to make that water drinkable.

Parasites  
Salt water  
Pollutants

Water Pollution

Some places have very little drinkable water!
What can we do?

Use less water...

...this can SAVE you MONEY, too!

In the Bathroom

Turn off the tap while you brush your teeth or shave.
5 minutes of running water = 14 hours of running a 60-watt light bulb
= up to 8 gallons of water a day!

Use a cup to rinse your mouth

Take a shower

Average bath = 50 gallons

Average shower = 15 gallons

Fix Leaky Faucets

1 drop every second = 2072 gallons of wasted water!
If you can renovate...
Use low-flush toilets and efficient shower heads.

Replace older models with more efficient ones.

In the Kitchen
Wash only full loads of dishes in a dishwasher.
Use a dishwasher rather than hand washing dishes if possible.

Laundry
Wash only full loads + buy detergent in bulk

Save money, water, electricity, & heating!

Appliances
Replace older appliances with high-efficiency models: save energy, heat, and water!
Group Exercise:
Ask students to form small groups and identify the following:

- Did you learn anything in these slides that you did not know already?
- What is the biggest source of water waste in your life?
- How can you change it to save some money?

Discussion:
Ask students for their responses to the exercise above.

Homework:
Look around your home between now and the next class. Think of ways that you might be wasting water, and how you might be able to save it. Come to the next class ready to share your plan for saving water at home. Remember, all the small things we do to save some money add up and can lead to important savings.
Lesson 3: Sustainable Transportation

Objective:
Student will learn about tips to save money by changing their transportation habits.

Preparation:
Instructors may want to prepare a handout for students that includes tips for efficient transportation based on the slides. That way, students can have a reference to remind them of the tips learned during class.

Homework Review:
Ask students about their responses to the previous homework assignment:

Look around your home between now and the next class. Think of ways that you might be wasting water, and how you might be able to save it. Come to the next class ready to share your plan for saving water at home.16

Discussion:
How do you get to the places where you need to go? How do you get from home to class? How do you get to work? What’s your favorite way to get from one place to another?

Can you think of ways to travel that might help you save money, too?

Slides: Sustainable Transportation

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16 Note from previous session: Some students shared their ideas (on saving both water and energy). Some talked of taking a bath instead of a quick shower, others said that they never turn the lights off when they leave a room and that they have many devices that could also be turned off when they are not using them.
How do you get where you need to go?

How People Commute to Work: 2008-2012

Pros of Biking & Walking
- Improves health
- Increases alertness & reduces stress
- Reduces road congestion & air pollution
- Saves money

Pros of Public Transportation
- Saves money on gas, parking, maintenance, etc.
- Reduces road congestion & air pollution
- Walking to & from stop is still healthier than driving
- Gives you time to relax

Many people have intentions to use mass transit but might not know how to or not know exactly how easy it may be to do so. Google maps offers a tool where you can enter two destinations points click on the little transit icon and it will give you the precise time of departure and arrival with even which side of the street you can catch the bus, etc. http://maps.google.com/help/maps/transit/index.html
Try to make fewer trips

- Plan ahead before you go
- Make a list of errands and see which ones can be done together
- Try your best to run multiple errands at once instead of making separate trips

Q: What is the most gas-efficient speed?

A: 55 mph

You pay another $0.31 per gallon of gas for every 5 mph over 60!

How long do you idle the car?

Let’s say you drop off a friend at the library to return a book. How long will you wait before turning engine off?

1 minute
5 minutes
10 minutes
15 minutes
30+ minutes

19 You can assume that each 5 mph you drive over 60 mph is like paying an additional $0.31 per gallon for gas. Observing the speed limit is also safer. http://www.fueleconomy.gov/feg/drivehabits.shtml

20 2 minutes of Idling = 1 mile driving; 10 seconds of idling uses more fuel than restarting.
The Cost of Idling

2 minutes of idling = 1 mile of driving

Waiting 40 minutes for friend = 1 whole gallon of gas!

If gas is $4 / gallon, That's wasting $0.10 / minute!

Give your car some love

Regular maintenance = better fuel efficiency!

✓ Check the tires
✓ Change oil regularly
✓ Keep fluids filled
✓ Watch out for warning lights

If it’s time to buy...

Buy fuel-efficient and low-maintenance models of cars to save on gas.

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Discussion:
What is one thing that you picked up from these slides? How do you get to class and work? Do you drive, walk, bike, or use public transportation? If you drive, what are some things that you can do to save on gas? Do you think you might start walking or riding a bike, if you don’t already? How about public transportation?

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Lesson 4: Where Does the Trash Go?

Objective:
Students will learn about the importance of environmentalism for consumers and the role of the things they buy in the larger global environment.

Preparation:
Instructors may want to prepare a handout of the slides for students so they can have a reference to remind them of the tips learned during class. Also, please note that specific details for recycling certain materials vary from location to location. Please share information with your students about how they can recycle in their hometown (including hazardous materials that must be delivered to specific locations).

Additionally, a link to a video is embedded in the slides. This is an optional video that can be watched during the lecture, where it relates to e-waste, or on its own using the link below. Due to the transient nature of some YouTube videos, instructors are advised to test the link before sharing with students and consider replacing with another video if appropriate.

Slides: Where Does the Trash Go

What’s the big deal?
Americans generate 251.3 MILLION TONS of trash per year.

A little trash adds up to a LOT over time!
Manmade materials like plastics and Styrofoam last for 500 years.

The average baby goes through 8,000 diapers. These were tossed in a public park.

Americans throw away 25 BILLION Styrofoam cups every year!

Toxic Chemicals Invade Our Water

Household toxic chemicals in landfills or dumped illegally can leak into nearby land and groundwater – potentially harming wildlife and invading our drinking water.

Cigarette butts are especially full of toxins. Don't just toss them on the ground – throw them away!

Electronics: Toxic E-Waste

When we toss e-waste, it's sent to other countries where people take them apart to collect precious metals – and expose themselves to very toxic materials!

VIDEO: Designed for the Dump

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In places without sanitation resources, the trash doesn’t go away at all.

WHAT CAN YOU DO?

• Be aware
• Reduce – how much waste you create
• Reuse – what you can use again
• Recycle – what you throw out

Reduce – When More isn’t Better

Try to avoid:
• Items that you don’t need
• Disposable, single-use items
• Items with wasteful packaging

Reduce – Get MORE for LESS

Buy instead:
• Bulk items
• Reusable items
• Refillable items

You’ll save money on packaging, too!
Reduce & save outside

Got a lawn? Leave the cut grass on the lawn when mowing.
- Reduces the need for fertilizer by 25-50%
- The clippings quickly decompose and release valuable nutrients back into the soil
Switch to an electric or reel mower & stop paying for gas.

Reuse – Waste Not, Want Not

We can reuse things in new ways when they have outlived their original purpose.

Reusing in a new way

Recycle - Paper

- Junk mail
- Office paper
- Magazines
- Newspapers
- Cardboard
- Phone books
Recycle - Glass
- Bottles
- Jars

Recycle - Metal
- Aluminum cans
- Non-hazardous aerosol cans
- Tin cans & foil

Recycle - Plastic
- Disposable Bottles & Jugs
- Reusable Containers & Lids
- Medicine containers
- Buckets, Pails, & Lids

Recycle - Composting
Do you garden? Create a compost space in your backyard to turn food waste into fertilizer.
Recycle – Batteries & Electronics

These materials may need to be taken to special collection facilities:

- Batteries
- Electronics
- Light Bulbs
- Appliances & Gadgets
- Hazardous Chemicals (motor oil, gas, paint, antifreeze, etc.)

Feeling Overwhelmed? Don’t worry!

Even if you can’t recycle/reuse everything, even making a small change in your lifestyle will make a difference.

Every little bit helps!

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Optional Video:
The Story of Electronics: Designed for the Dump (2010) [https://www.youtube.com/watch?v=sW_7i6T_H78](https://www.youtube.com/watch?v=sW_7i6T_H78)

Discussion:
Think about some of the ways we can change the amount of trash we throw away. What did you learn that you didn’t already know? What steps, if any, would you consider taking to change your current behaviors?

Group Exercise:
Hand each group a giant post-it note, marker, and one disposable item. Ask them to draw an explanation for how the following objects are created, used, and disposed. Sample objects that can be used in this exercise:

- Pen
- Sheet of paper
- Water bottle
- Cereal box

Homework:
Observe yourself for one day and write down how you are using the different resources in your day-to-day life. What behaviors can you change to conserve resources? Think of at least one thing that you can start doing differently to reduce, reuse, and/or recycle.

Instructor Note:
At this point, it is useful to combine the two ways in which the notion of value has been used by representing the illustrations. It is useful here or elsewhere to do a broader exercise on value by asking what students value in life and what they invest and what the rewards are. This is a way of connecting the marketplace domain to the human domain that everyone has experienced deeply.

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24 Due to the transient nature of some YouTube videos, instructors are advised to test the link before sharing with students and consider replacing with another video if appropriate.
UNIT 5: ENTREPRENEURIAL LITERACY – GENERIC MARKETPLACE LITERACY

Over the course of this unit, students will be introduced to the concept of entrepreneurial literacy – i.e., learning about the marketplace, how to offer customer service, and how they might be able to start their own business. Even if they have no interest in providing customer service or starting a business, these lessons can help them become better consumers, employees, and citizens by increasing their understanding of the ways in which businesses should operate and benefit consumers.

The central thread through each of these lessons is about creating value: in this unit, how can students – as potential entrepreneurs – create value for customers? Once again, the emphasis is on a bottom-up approach which draws not just on being on the other side of the customer/business dynamic, but drawing on the experiences of being a customer to serve customers.

25 The pilot lessons for this unit took place during three-hour time slots to intensify what students could discuss and learn in a given class. The lessons here are divided into smaller lessons by topic, but you may combine them if you have the time to teach more lessons per class period in a block.
Value in Usage

Creating Value Through Exchange

Value Through Employment

Value Through Sharing & Community

Value Through Nurturing the Environment
Value Through Relationships

What we value in life

What we invest and what the reward is
Lesson 1: How Products Evolve

Objective:
Students will learn how the products we have today have changed over time, and what drives those changes.

Preparation:
This lesson can easily be combined with the lessons on Value Chain, Consumer Needs, etc. The Exercise for this lesson is included in the slide presentation and can be offered simultaneously.

Discussion:
What is entrepreneurial literacy? If consumer literacy means learning how to be a better consumer, entrepreneurial literacy can help us learn more about business. Have you ever thought about starting a business? If not, can you think of other ways in which it might be helpful to learn more about entrepreneurial literacy? How about working in customer service? What would you do if you knew more about how businesses work?

Slides: How Products Evolve
Discuss: What do you look for in a car?
If money is no object, what features would you want in your dream car?
- Technology
- Safety
- Environmental Impact
- Roominess
- Style
- Mileage

Video: Evolution of transportation

Exercise: Which came first? Which came next?
1. Cars with seatbelts vs. cars without seatbelts
2. Cars with air conditioning vs. cars without air conditioning
3. Cars with tape decks vs. cars with Bluetooth/USB ports

Why?

Video:
The History of Transportation by mrcoolbeanz5. Fair Use for Educational Purposes only. https://www.youtube.com/watch?v=TOZZNP8Lefk

Discussion:
What kind of car do you like? How do you define quality in a car? What do you think is the number one reason why products change over time? We have certain needs that lead to some of these choices. What benefits do we get? If money is no object, what features would you want?

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26 The History of Transportation by mrcoolbeanz5. Fair Use for Educational Purposes only. https://www.youtube.com/watch?v=TOZZNP8Lefk
27 Due to the ephemeral nature of YouTube it is uncertain whether this same video will be available from one semester to the next. If the suggested video is no longer available, browse YouTube for a short video that explains the concept of product evolution.
Exercise:
Ask students to consider cars in terms of certain features: seatbelts, air conditioning, music systems (tape decks vs. Bluetooth). Why did car manufacturers start making cars with some of these features? Why did certain products and features replace previous models?

Instructor Note:
A number of points here relate to how products evolve due to technological advances and financial investments. But the point to take away is that the products that sustain are those that serve customer needs better. Perhaps the example of a cell phone could be used to bring this point out.
Lesson 2: Value Chain

Objective:
Students will learn the concept of a value chain: how new technologies are invented to satisfy consumer needs, and how commercial products increase in value as they are processed from their point of origin to the end consumer.

Preparation:
For the group exercises, poster-sized notepads or dry-erase boards and markers can help the students share their diagrams when they move into discussion of their group work with the full class. It may also be helpful to have handouts of the slide in the Value Chain lecture that shows all the stages of the value chain at once for students to reference during the group exercise, as the photos will be smaller and harder to see on a projector from across a room. The Discussions, Video, and Exercises have been added to the slides so they can happen simultaneously with the presentation.

Discussion:
How does a product get to a customer? Where does it come from? What other steps are involved in between you and its point of origin?

Slides: Value Chain
Value Chain

- What are some ways you can add value in a value chain?
- Each step is an exchange – value is added in each stage.

Video: How do bananas come to you?

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28 Video: How do bananas come to you? By DoleTube. Fair Use for Educational Purposes only. https://www.youtube.com/watch?v=HnbljSaom1AY
Where is the value added?

- How is value added as the banana goes from the tree to the store?
- Why do they put the bananas into boxes?
- What does the Dole brand mean to you?
- Do you like certain brands more than others?

Group Exercise: Which of these is the most important?

Summary

Which element of the value chain is the most important in business? Why?

If you start a business, what’s the one thing you need, even if you don’t have any money starting out?

How often do you go to a business where they treat you badly?

Did your group choose the Consumer?

References

- Original artwork by Warren Widjaja for IMMLP
- Video: How do bananas come to you? By DoleTube. Fair Use for Educational Purposes only. [https://www.youtube.com/watch?v=HnbjSaom1AY](https://www.youtube.com/watch?v=HnbjSaom1AY)
- Other images from Microsoft Office.com royalty-free clipart

(Optional) Video:
How do bananas come to you? By DoleTube. Fair Use for Educational Purposes only. [https://www.youtube.com/watch?v=HnbjSaom1AY](https://www.youtube.com/watch?v=HnbjSaom1AY)
Discussion:
Where is the value added as the banana goes from the tree to the store? Why do they put the bananas into boxes? What does the brand name mean to you? What brands do you like? What does branding mean to you?

Using the example in the slides of the milk value chain, ask students to draw a diagram of the steps in the chain from production to consumer. Prioritize which stages are the most important if you want to run a business, and put the most important in the middle of a circle, based on the six pictures on the slide. (Give each group a large sheet of paper and markers, or space on a chalkboard / dry-erase board.)

Discussion:
Ask each group to present their pictures to the class and explain which element is the most important. If you start a business, what’s the one thing you need, even if you don’t have any money starting out? How often do you go to a business where they treat you badly? (Reinforce the point that the consumer should be the most important element.)

Instructor Note:
The exercise on what is the most important element is unmatched in our experience in terms of effectiveness.

Writing Exercise:
Jot down at least one thing you learned in this lesson.
Lesson 3: Consumer Needs

Objective:
Students will learn how to classify different types of consumer needs as psychological or physical.

Preparation:
This lesson can easily be combined with the lessons on Value Chain and others in Entrepreneurial Literacy. For the group exercises, poster-sized notepads or dry-erase boards and markers can help the students share their diagrams when they move into discussion of their group work with the full class.

Discussion:
What different things do we need as consumers? Why do we choose certain types of clothes over others? What need makes us go to a dentist? How do you identify those needs?

Slides: Consumer Needs

![Consumer Needs](image)

Identifying Needs: Physical or Psychological?

- Why do we go to the grocery store?
- Why do people like to dress up?
- Why do we go to the dentist?
- Why do we go on dates?
- Why do we go to the mechanic?
- Why do we like making friends?
- Can you think of other examples?

What’s the difference?

Physical Need - Needed for survival

Psychological Need - Needed for happiness; acceptance, self-esteem; makes life more enjoyable
Writing Exercise:

- Jot down the names of three products:
- One that really satisfies a physical need for you,
- One that satisfies a psychological need, and
- One that does both.

Discussion:
Ask students to share their responses, and explore the differences between physical and psychological needs. Why do you want certain brands more than others? What are some things that you buy only because you physically need them? What are some things that you are willing to pay more for because they make you feel good psychologically?
Lesson 4: Goods and Services

Objective:
Students will learn the concept of goods and services as types of business.

Preparation:
This lesson can easily be combined with the lessons on Value Chain and others in Entrepreneurial Literacy. As in previous lessons, instructions for the group exercise have been included in the lecture slides. Ask students to think of an idea for a good or service for their business; then assign them to groups based on similar business models (if possible). Poster-sized notepads or dry-erase boards and markers can help the students share their diagrams when they move into discussion of their group work with the full class.

Slides: Goods and Services
Can a product be both a good and a service?

Recap: Goods & Services
Group Exercise
1. Think of a good or service that you could use to start your own business.
2. Join a group with other students who have similar ideas for goods or services.
3. Come up with a name for your business.
4. Assign at least one task to each person in the group: what needs to be done to get the business started? Who will be doing which task?
5. Develop advertising for your business.
6. Develop menu/items and pricing.

References
• Original artwork by Warren Widjaja for IMMUP
• Video: Goods & Services.mov by dotpixelhandwritten. Fair Use for educational purposes. http://www.youtube.com/watch?v=hriOz9yl-Ro

(Optional) Video:

Group Exercise:
Think of a good or service that you could use to start your own business. Maybe it’s something that you know how to do, or a product that you like. Then, get in a group with other students who have similar ideas for a business. Come up with a name for your group’s business. Figure out what needs to be done to get your business started, and make sure each person in the group has at least one task to make this business possible. Develop advertising for the business, and a menu or list of items and pricing for what you will be selling.

Homework:
Write down a good or a service that you think you could build into a business. Also, explain who would be your customer.
Lesson 5: Groups of Customers or Segments

Objective:
Students will learn the concept of segmentation in marketing.

Preparation:
This lesson can easily be combined with the lessons on Value Chain and others in Entrepreneurial Literacy. For the group exercises, poster-sized notepads or dry-erase boards and markers can help the students share their diagrams when they move into discussion of their group work with the full class.

Discussion:
When you planned your business, did you have any specific customers in mind? Which kinds of customers would be looking for your business? What do they have in common – similar interests, geography, income level? How can you target your business to attract them?

Instructor Note:
Critical here is to stitch the concept together bottom-up rather than start with the notion of segmentation.

Slides: Segmentation
Groups of Customers = Segments

When a group of people share the same interests, they represent a segment of the population.

Businesses can cater to different segments!

- Restaurants with entrees for vegetarians
- Clothing stores with special sizes

Can you think of other examples? What groups of customers would buy different types of products within the same category?

Video: Segmentation, Targeting, and Positioning – McDonald’s

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30 Video: Segmentation, Targeting, and Positioning – McDonald’s by Dowtsx. Fair Use for educational purposes. https://www.youtube.com/watch?v=RcRFBVlwJHw
Group Exercise

1. Think about your business idea from previous lessons.
   - What segments of customers do you want to attract?
   - What are their wants and needs?

2. Make a list of each segment and describe each one.
   - What do they do for a living?
   - What do they want?
   - What do they need?
   - How can your business target them specifically?

3. Take turns role-playing as customers for the other groups’ businesses. What steps do customers go through when they are trying to decide where to eat or shop?

References

- Original artwork by Warren Widjaja for IMMLP
- Video: Segmentation, Targeting, and Positioning – McDonald’s by Dewtxt. Fair Use for educational purposes. https://www.youtube.com/watch?v=RsRFBv1vJHw
- Other images from Microsoft Office.com royalty-free clipart

(Optional) Video:
Segmentation, Targeting, and Positioning – McDonald’s.
https://www.youtube.com/watch?v=RsRFBv1vJHw

Group Exercise:
Think about your business idea from previous lessons. What segments of customers would you want to attract? What are their wants and needs? Describe each segment, what they do for a living, what they want, their needs, etc.

Alternative Exercise:
If students seem to lose interest in the prolonged group activities, ask the groups to answer a list of questions about customer demographics in a handout, or keep the exercise open to the full room rather than small groups. This would allow the more engaged students to keep interacting without losing interest due to any less engaged group members.

Group Exercise:
Ask students to take turns role-playing as customers for the other group businesses. What steps do customers go through when they are trying to decide where to eat or shop?

Homework:
Conduct market research. Ask family and friends what they would want out of your business idea, what would convince them to buy something you are selling. Observe, listen, read, ask questions. Pick your own business or the one you did in class. See what you can do by talking to people and maybe looking up some things online. What does your area need? What sort of competition is already out there?

Writing Exercise:
Now, write down a few things you learned today. Take a look at the steps you go through when you decide which business to go to as a customer, and then think of it in terms of a business and how you could pull those customers in. How can you get customers to choose your business?
UNIT 6: ENTREPRENEURIAL LITERACY – BUSINESSES AND PRODUCTS

Lesson 1: Philosophy of Doing Business

Objective:
Students will learn the philosophy behind successful business practices.

Preparation:
This exercise could be conducted as a full-class discussion, depending on the group dynamics in the classroom. Some students may be more engaged in coming up with ideas with their fellow students if not in individual writing and reflection.

Slides: Philosophy of Doing Business

If you had your own business...

...What principles would you follow?
I will always...
I will never...

How would you balance your customer’s needs with your own?
How would you create exchanges that benefit both of you?
Discussion:
If you had your own business, what principles would you follow? What would you want to do or not do? How would you balance your customer’s needs with your own? How would you create exchanges that benefit both of you?

References
• Original artwork by Warren Widjaja for IMMLP
• Other images from Microsoft Office.com royalty-free clipart
Lesson 2: Choosing a Business

**Objective:**
Students will learn how to choose a business for themselves.

**Preparation:**
This exercise could be conducted as a full-class discussion, depending on the group dynamics in the classroom. Some students may be more engaged in coming up with ideas with their fellow students if not in individual writing and reflection.

**Slides:** Choosing a Business

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**Exercise: Choose a Business**

Jot down an idea for a business you could start in your local community.

What sort of business would you like to have? What do you think would sell well? What do people in your community need?

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**Discussion: What’s your business?**

What factors did you consider in choosing a business?

• Is there a need and a demand?
• What are you good at? What are you bad at?
• What is your competition good at? What are they bad at?
Exercise: Choose a Business
Jot down an idea for a business you could start in your local community. What sort of business would you like to have? What do you think would sell well? What do people in your community need?

Discussion: What’s your business?
What did you come up with for your business idea? Why? What factors did you consider in choosing a business?

Group Exercise:
Sort students into groups based on similar business interests. Give each group a large sheet of paper and ask them to draw or write details for a mutual business idea.

Discussion:
Ask each group to present its business to the class. What would you need to find out before starting this business?

Homework:
Come up with three ideas for starting a business, or three variations on a similar idea. Talk to family and friends about it. Think about what potential customers would need or want from a business like the one you’re considering. What competition is out there? What are your strengths and weaknesses?
Lesson 3: Conducting Market Research

Objective:
Students will learn how to conduct market research in preparation of starting a business.

Preparation:
When students are divided into groups based on similar business ideas, there may be a few students whose ideas don’t match the others. If you know these individuals can work well independently and they seem engaged in the activity, you can invite them to work on their own business idea as an alternative to switching businesses to work with a group.

Allow plenty of time for the group exercises. In previous class sessions we have used up to 20 to 25 minutes per group activity (not including the post-group discussion with the full class).

Slides: Market Research
Group Exercise:
Sort students into groups based on similar business interests. Give each group a large sheet of paper and ask them to draw or write details for a mutual business idea.

Discussion:
Ask each group to present its business to the class. What would you need to find out before starting this business?

Homework:
Come up with three ideas for starting a business, or three variations on a similar idea. Talk to family and friends about it. Think about what potential customers would need or want from a business like the one you’re considering. What competition is out there? What are your strengths and weaknesses?
Lesson 4: Understanding Consumer Behavior

**Objective:**
Students will learn how to understand the behavior of consumers from the perspective of a person running a business.

**Preparation:**
Lesson 4 picks up where Lesson 3 ends and can be offered in one continuing lesson. If any students have significantly changed their business ideas since the last group exercise, they could be reshuffled into a better-fitting group.

**Discussion:**
Think about a product or service you bought for the first time. What were the steps in your decision process? How did you choose the item from among other possibilities? Were you happy with your choice? Based on the steps you took, what could a business do to earn your business?

**Slides:** Understanding Consumer Behavior
Stages of consumer buying

Problem recognition
Information search
Purchase decision
Weighing the options
Post-purchase satisfaction

Video: Consumer Behavior & The Consumer Decision-Making Process

Consumer behavior

What you need to know about your customer

• Who is your target market?
• What are your target buyer’s demographics?
• What are your target buyers’ hobbies, interests, recreational activities, political beliefs, cultural practices, etc.?

This information can also tell you how to reach your customers through advertising & promotions.

31 Video: Consumer Behavior & the Consumer Decision-Making Process by woltersworld.com (Dr. Mark Wolters, University of Illinois College of Business). https://www.youtube.com/watch?v=6SVt9nmVYDM
Example: Athletic Shoes

Brand X, a leading athletic shoe manufacturer, knows that its typical customer is also a sports fan. If Brand X can build shoes good enough to be worn by professional athletes, it will have a convincing story about quality to tell.

In addition, it can also benefit by using well-known athletes as spokespersons in its advertising, and by placing advertisements in sports magazines where its customers are likely to see them.

Reference

• Video: Consumer Behavior & The Consumer Decision-Making Process by woltersworld.com (Dr. Mark Wolters, University of Illinois College of Business). [https://www.youtube.com/watch?v=65Vt9nmVYDM](https://www.youtube.com/watch?v=65Vt9nmVYDM)
• Original artwork by Warren Widjaja for IMMIP
• Other images from Microsoft Office.com royalty-free clipart

(Optional) Video:
Consumer Behavior & the Consumer Decision-Making Process by woltersworld.com (Dr. Mark Wolters, University of Illinois College of Business). [https://www.youtube.com/watch?v=65Vt9nmVYDM](https://www.youtube.com/watch?v=65Vt9nmVYDM)

Group Exercise:
Go back to your group business idea from Lesson 3. Write down a list of the types of customers who would use your business. What are their needs and wants? How can you give them what they want and need?

Discussion:
Share your list of customers and their wants and needs with the class.
Lesson 5: Designing Products – Creating the Value Proposition

Objective:
Students will learn concepts in designing a product to meet consumer needs.

Preparation:
In this lesson, a suggested exercise included in the slides is based on the suggested video. A broader alternative exercise is suggested below the slides in this lesson plan.

For the group exercise, try to allow 30 minutes total. After 15 minutes of discussing ideas, they should start drawing them out on paper.

Slides: Designing Products

Designing Products

Addressing the needs of customers

How can your business do this?

How can your product do this?

Why would a customer choose a product?

Customers would buy a product if it is

• Safe
• Cost-effective
• Timely
How should a product be designed?

The product needs to fulfill the core and peripheral needs of the customer.

Example core needs:
- safety
- good price

Example peripheral need:
- “Will it make me look good?”

Customer-Oriented Product Design: Pizza

Benefits
- Task
- Nutrition

Ingredients
- Prebiotic
- Sauce
- Veggie
- Protein

Adding Value for Customers

Value is added to a product in order to satisfy the expectations and needs of customers.

Each ingredient needs to have a specific benefit for customers.

Video: ABC Nightline – IDEO Shopping Cart

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Discussion: What did you learn from this video about how to make a product? How does a team work together to come up with many ideas?

Group Exercise: Design a different shopping cart that addresses your own needs. First, individually come up with your own ideas so that you have something you can contribute to the group. Then, share your ideas and work together to come up with a design on paper.

Alternative Group Exercise: Ask students to form groups and select a product. Ask them to list what they would need to make the product, and why those components are included.

Discussion: Ask each group to present its product design to the class.
Lesson 6: Communicating the Value Proposition

Objective:
Students will learn how to promote their business by communicating with consumers.

Preparation:
The discussions could be done with the entire class or in small groups. Instructors may choose one or the other or both.

Slides: Communicating About Products

Understanding Your Customer
What do you know about the customers for your business?

• Who is your target market?
• What type of people would buy your product?
• What do you know about their lifestyles? What are their hobbies, political or religious beliefs, cultural identities?

This information can tell you how to reach your customers through advertising and promotions!

Why did you buy the television you watch, the shoes you wear and even the shampoo you use?

PROMOTION!
What is Promotion?

✓ A form of persuasive communication
✓ Information about a product or service

Promotion is important for a business to survive in today's competitive environment!

Example

Brand X, a leading athletic shoe manufacturer, knows that its typical customer is also a sports fan. If Brand X can build shoes good enough to be worn by professional athletes, it will have a convincing story about quality to tell. In addition, it can also benefit by using well-known athletes as spokespersons in its advertising, and by placing advertisements in sports magazines where its customers are likely to see them.

Promotion Communicates Value

The product must have some value for the consumer. What is it?

You can't make someone buy something if they do not see any benefit in buying it.

So, how do you convince them?

Promotional Tools Take Many Forms
Video: 11 Types of Advertising

Discussion: Sell This Backpack!
How would you promote this book bag to high school students?
What promotional tool would you use?
What attributes would high school students find valuable in their lives?

Discussion: Toothpaste
At first, a woman might not think she needs this specific toothpaste. How would you promote this toothpaste to convince her to buy it?

References
- Photo Credit: Toothpaste
  https://www.flickr.com/photos/52928371@N00/224213834/ by bradleyjohnson via http://creativecommons.org/licenses/by/2.0
- Video: 11 Types of Advertising by Dominic Carraro. Fair Use for educational purposes.
  https://www.youtube.com/watch?v=QN7N2B4f4qM
- Other images by Warren Widija for IMILP and from Microsoft Office.com royalty-free clipart
Discussion: Sell this Backpack!
How would you sell a backpack to high school or college students? What promotional tool would you use? What attributes would high school students find valuable in their lives? What demographic information should you know about the students?

Discussion: Toothpaste
At first, a woman might not think she needs this specific toothpaste. How would you promote this toothpaste to convince her to buy it?

(Optional) Video:
11 Types of Advertising by Dominic Carraro. Fair Use for educational purposes.
https://www.youtube.com/watch?v=QNS7ZB4f4qM

Homework:
Think about your business idea from the previous lessons. How would you promote your business?
Lesson 7: Delivering the Value Proposition

Objective:
Students gain an understanding about how to deliver goods and services to customers.

Preparation:
This lesson may be combined with the previous lessons on entrepreneurial literacy. The discussion topic is included in the slide in a shorter form.

Slides: Delivering the Value Proposition

Delivering the Value Proposition

Remember the Value Chain?

How does a product get from production to customer?
• Where does it come from?
• What other steps are involved along the way?
• What is added?
Value Chain

- What happens in each stage?
- Why is it needed?
- What is added?
- What is value?
- What are some ways you can add value in a value chain?

A Value Chain – Exchange with value added at each step

Consider Your Product Example

How will you deliver your product to customers? What are the different alternatives available to you? Draw out the different paths available to you:
- Wholesaler-Retailer
- Direct to Customer
- Online

Different channels

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34 Creative Commons licensed image by David T. Cadden and Sandra L. Lueder, featured in Modern Management of Small Business. V. 1.0: http://2012books.lardbucket.org/books/modern-management-of-small
Choosing Channels

How do you choose an option? What are some factors to consider?

Video: Amazon Testing Drone Delivery System

What modern methods can you use to get your product to customers?

References

- Different Channels: Creative Commons licensed image by David T. Cadden and Sandra L. Lueder, featured in Modern Management of Small Business. V. 1.0: http://2012books.lardbucket.org/books/modern-management-of-small-businesses/
- Original artwork by Warren Widjaja for IMMLP

(Optional) Video:
https://www.youtube.com/watch?v=Le46ERPMlWU

Discussion:
Let’s go back to your idea for a business. How would you deliver your product or service to customers? What options are available to you? What expenses would they add to your business model (i.e., shipping, gas, mileage, web design, etc.)?
Lesson 8: Pricing the Value Proposition

Objective:
Students gain an understanding about the principles of pricing products for sale in a business.

Preparation:
This lesson may be combined with the previous lessons on entrepreneurial literacy. The discussion topic is included in the slide in a shorter form.

Slides: Pricing the Product

When you manage a business...

How do you decide how much to charge for your products or services?

Example: MLP Motor Scooter, Silver

<table>
<thead>
<tr>
<th>Produce:</th>
<th>X 100 units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost: material</td>
<td>$2500</td>
</tr>
<tr>
<td>labor</td>
<td>$2000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1500</td>
</tr>
<tr>
<td>Profit:</td>
<td>$2500</td>
</tr>
<tr>
<td>Price Per Unit</td>
<td>$___??</td>
</tr>
</tbody>
</table>
Method 1: Cost-Based Calculation

Revenue = price x total units
         = cost + profits

Price = \(2500 + \frac{2000 + 1500 + 2500}{100 \text{ units}}\)
       = $85

Method 2: Consumer-Based Pricing Method

Thinking of your customers' need and expectation = consumer-based pricing

Consumer Need: Selling Price or Selling Value

<table>
<thead>
<tr>
<th>Feature</th>
<th>MLP Motor Scooter</th>
<th>BikerMan Motor Scooter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Color</td>
<td>Silver</td>
<td>Silver</td>
</tr>
<tr>
<td>Safety</td>
<td>★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Speed</td>
<td>★★★</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Terrain</td>
<td>Normal Road</td>
<td>Mountain</td>
</tr>
<tr>
<td>Guarantee</td>
<td>2 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Walmart Price</td>
<td>$88</td>
<td>$124.99</td>
</tr>
</tbody>
</table>

Your time, by the hour

Price customers are willing to pay

Tools you need to own, repair, and replace over time

Cost of materials you need to make the product

Gas mileage, auto maintenance over time
Video: Value-Based Selling

Discussion: Will he buy the scooter? What other factors should he think about in his decision?

Factors of Pricing

- Profits manufacturers want to earn
- Costs
- Features for this product
- Consumers’ maximum affordable price
- Competitors
- Additional customer service

References

- Illustrations by Warren Widjaja for IMMLP
- Video: Case Study: Building Value-Based Selling Into Medical Products Sales and Selling by ZSAssociates. Fair use for educational purposes. https://www.youtube.com/watch?v=_mcSU0y51-A

36 Video: Case Study: Building Value-Based Selling Into Medical Products Sales and Selling by ZSAssociates. Fair use for educational purposes only. https://www.youtube.com/watch?v=_mcSU0y51-A
(Optional) Video:
Case Study: Building Value-Based Selling Into Medical Products Sales and Selling by ZSAssociates. Fair use for educational purposes. https://www.youtube.com/watch?v=_mcSU0y51-A

Discussion:
Should he buy the scooter? What other factors should he think about in his decision? If you are selling scooters, how can you address his needs and concerns in your merchandise? How would you encourage him to buy one scooter or the other? What else might you do to ensure that he is happy with his purchase and becomes a repeat customer to your store?
**Lesson 9: Basic Accounting**

**Objective:**
Students will learn about the importance of accounting in their business, and the terms asset, liability, and owner’s equity.

**Preparation:**
Some exercises designed to give students practice in calculating assets would be helpful.

**Slides:** Basic Accounting

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**Basic Accounting**

Why is Accounting Important?

A precise financial picture of your business operations

3 Elements of Accounting

- **Assets** = **Liability** + **Owner’s Equity**
Assets = What you Have

Liabilities = What you Owe

Owner’s equity = Combination of investments of the owner and their profit or losses for the business over time

Balance Sheet Example

(Optional) Video:
Case Study: Building Value-Based Selling Into Medical Products Sales and Selling by ZSAssociates. Fair use for educational purposes. https://www.youtube.com/watch?v=mcSU0yS1-A

Writing Exercise:
Write down one thing you learned from this lesson. Then, write down the “muddiest point”: which concept was the hardest to understand?
Lesson 10: Financing the Enterprise

Objective:
Students will learn about managing finances for a small business, investing, getting loans, and interest.

Preparation:
The practical exercises for this lesson are included in the slides and can be discussed with the entire class, in small groups, or for students to work independently in class. For the writing exercise, collect students’ responses at the end of the class and prepare to go over their “muddiest points” in the next lesson.

Slides: Basics of Finance

Financing the Enterprise

What do you need to finance a small business?

Money  Good Recordkeeping  Long-Term Planning  Goals for the Future

Equity Financing: How to Pay for Ownership

• You give an ownership of your business in exchange for capital (friends, family, investors)

• If you start your business with your savings you are financing it with equity and you own 100% of that business
Debt Financing
You don't have to give away part of your company!

Short-term loans carry higher interest rates, similar to credit cards.

Long-term loans help pay for assets that you expect to use for more than one year (property, vehicles, machinery, equipment).

What do lenders look for? The 4 "C"s of Lending

1. Cash flow
   - Your ability to repay the cash
   - Measured using your cash flow forecast

2. Collateral
   - Value of the assets that you are willing to pledge

3. Commitment
   - The amount of money that you're committing to the business (equity)

4. Character
   - Personal credit score
   - History of borrowing and repaying debt
   - Very important!

Interest = fee for borrowing money

Variable interest rates are adjusted to market conditions and may go up and down. Fixed interest rates stay the same for the duration of loan.

Annual Percentage Rate (APR) vs. Effective Annual Rate (EAR)

APR is a stated annual rate

EAR takes into consideration the compounding of interest over time
Interest Example (APR)

Let's say your credit card charges a 22.9% rate. Your purchases = $2,000.

How much are you paying in interest at the end of the year?
- Assume all payments are made on time
- APR = EAR

\[
22.9\% \times \$2,000 = \$458
\]

Same example, but with EAR!

Your credit card charges a 22.9% rate. Your purchases total $2,000. Your interest is compounded monthly \((n = 12)\).

How much are you paying in interest at the end of the year, if all payments are made on time?

\[
\begin{align*}
22.9\% / 12 &= 1.9083\% \text{ per month} \\
\text{EAR} &= (1.019083^{12}) - 1 = 25.46\% \\
25.46\% \times \$2,000 &= \$509.26
\end{align*}
\]

Return on Investment (ROI)

\[
\text{ROI} = \frac{\text{Gain from Investment}}{-\text{Cost of Investment}}
\]

- A performance measure used to evaluate the efficiency of an investment or to compare two investments
- You usually go with the highest ROI!

Exercise: What's the Best ROI?

You create and sell custom computers and have the following opportunities:

1. Sell a laptop for $800, when the parts cost $461
   - OR -
2. Sell a desktop for $1200, when the parts cost you $567

Let's assume it takes you the same amount of time to make both models. What's your best option?
ROI Exercise Solution

For the laptop:

\[ \text{ROI} = \frac{\$800 - \$461}{\$461} = 0.735, \text{73.5}\% \]

For the desktop:

\[ \text{ROI} = \frac{\$1200 - \$567}{\$567} = 1.1111\% \]

Assuming both take the same amount of time to make, it would be more profitable to make a desktop!

Opportunity Cost

- The cost of not pursuing an alternative opportunity
- The benefits that you could have received by doing something else with your time or money

It’s important to look at all the possible costs associated with an investment, including the opportunity cost!

Opportunity Cost Example 1

If a gardener decides to grow carrots, his or her opportunity cost is the cost of growing those carrots and the income that could have been gained by growing something else – potatoes, maybe?

Opportunity Cost Example 2

Choose between a book and a movie:

If you choose the book, the opportunity cost is the cost of the book plus the pleasure that you would have gotten from watching the movie.

If you choose the movie, the opportunity cost is the cost of the movie ticket plus the pleasure that you would have gotten from reading a good book.
Exercise: What’s the Best ROI?
You create and sell custom computers and have the following opportunities:

- Sell a laptop for $800, when the parts cost $461
- Sell a desktop for $1200, when the parts cost you $567

Let’s assume it takes you the same amount of time to make both models. What’s your best option?

Discussion:
Do you have any questions about financing? Would you ever consider applying for a business loan? Have you ever weighed opportunity costs in your life? If so, what were your choices? What was your decision, and how did you feel about your choice after it happened?

Writing Exercise:
Write down one thing you learned from this lesson. Then, write down the “muddiest point”: which concept was the hardest to understand?

Instructor Note:
Once again, it is very useful to bring back all value-oriented illustrations and juxtapose them with the one on creating value through exchange.
UNIT 7: BALANCING THE VALUE PROPOSITION WITH THE ENVIRONMENT AND SOCIETY

Summary
Objective:
Students will learn about the importance of environmentally and socially sustainable business practices and discuss steps they can take in their business to reduce their ecological footprint.

In this final unit, we broaden out to how the notion of exchange fits within larger society. There is a third element that needs to be balanced for ethical behavior in the marketplace.

The final summary can be based on the illustrations developed specifically to convey concepts. A variety of types of value can be used at the end to lead to a single visual which shows all of them in one place. As such, a central concept that binds the entire program together while linking the marketplace to the large life experiences that students bring to the program is illustrated.

Preparation:
Many suggestions for sustainability can be found in Unit 4: Sustainable Consumption. It may be helpful to review these slides with students when talking about ways to conserve resources in a business.

The final discussion could take the place of a short survey given to students on the last day of the course. The point should be to get a sense of which lessons students remember most, and what they will take from these lessons in their future experiences as consumers and potential entrepreneurs.

Slides: Sustainable Entrepreneurship

Original illustrations for marketplace literacy have been created by Warren Widjaja, a University of Illinois student in Entrepreneurs Without Borders.
Getting Value Through Exchange

Value in Usage

Creating Value Through Exchange

Balancing the Value Proposition with the Environment and Society
Another Factor in Your Business

Natural Resources
For a business to run, a lot of natural resources are needed daily.

High profit is not the only concern when running a business.

Why care about the environment?
Besides doing good for the environment—which is already important—ethical practices can help your business as well.

1. Establish trust with customers
2. Draw in new customers
3. Create customer loyalty
4. Save money
In businesses and our homes, we use a lot of water. It may seem limitless, but consuming too much can lead to negative consequences. $$$$$$

1. Increased prices
2. Water restrictions
3. Lowered water levels

Natural gas has many uses in and out of businesses.

Remember our unit on sustainability at home?

A lot of our guidelines for saving money on energy, water, paper, etc. at home can be applied to a physical business location, too!

What are some ways that we can conserve resources at work?

Imagine how many trees are needed for an entire company.

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Ways to reduce water

- Automatic faucets
- Less leaks
- Average home wastes 10,000 gallons of water due to leaks
- Toilets with dual flush

Ways to reduce natural gas

- Carpool, bus, train
- Replace dirty filters
- Use high-efficiency heaters
- Set thermostats to 68°F during day and 55°F during night
- Automatic lights

Example: Ways to save paper

1. Recycle – 1 ton (40 cartons) of recycled paper could save 7-12 trees
2. Print on both sides of paper
3. Electronic substitutes – Online bills, PowerPoint, emails, etc

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All of these options can also be used in your home.

By reducing your use of natural resources, you can save money on utility bills in your business and home.

Final tips you can use in your household.

• Turn off the water while brushing your teeth.
• Take short showers over baths.
• Turn off the heat when no one is home.
• Unplug your appliances from the wall.
• Take the bus, bike, or walk when it's nice out.
• Use natural sunlight as much as possible.
• Recycle paper, plastic, etc.
• Reuse sheets of paper as shopping lists.
Discussion:
What are some ways that we can conserve resources at our workplace or business?

Group Exercise:
Go back to your idea for starting your own business from the previous lessons. Write down a list of steps you would take to save money and build customer trust by using environmentally friendly business practices. Then, share your groups’ ideas with the rest of the class.

Final Discussion:
What do you think was the most valuable lesson you learned in this course? Do you feel motivated to start your own business? Do you feel better prepared to interact with businesses as a consumer?
Illustrations

The following is a list of all original illustrations for marketplace literacy that have been created by Warren Widjaja, a University of Illinois student in Entrepreneurs Without Borders.

- Value in Exchange – What you give and what you get
- Getting Value Through Exchange
- Value in Usage
A Value Chain—Exchanges with value added at each step

Physical and psychological needs

Services vs. Goods

Differences between customer groups
Mutually Beneficial Exchanges

Balancing buyer and seller needs

Choosing a business:
Customer demand,
Competition, and you

Learning about the marketplace by conducting market research

Understanding consumer behavior
Designing Products

Creating Value Through Exchange