

Microeconomics

Analyze the role of markets and prices in the U. S. Economy.

Define the five economic utilities of goods and services.

Anticipatory

What factors determine how much time it takes a consumer to make a purchasing decision?

Some purchases require a lot of thought; others do not. Examples?

Some purchases are urgent. Examples?

Five Economic Utilities ^{of} goods & services

Economic Utility - the amount of satisfaction a consumer receives from the consumption of a product or service.

Form Utility

Type Text Here

Place Utility

Type Text Here

Time Utility

Type Text Here

Possession Utility

Type Text Here

Information Utility

Type Text Here

What is an “Economic Utility”?

It is the amount of satisfaction a consumer receives from the consumption of a product or service.

Entrepreneurs should understand how economic decisions create utility or satisfaction.

Form Utility

Changing raw material or putting parts together to make them more useful.

Not directly related to marketing

Example:

Chain

Wheels

Handlebars

Gears

What do these parts make?

Example 2: When you cut down a tree and use the lumber to create pencils, paper, furniture, etc.

The tree now becomes more valuable to the customer.



Place Utility

Having a product where customers can buy it.

Most convenient.

Most efficient.

Catalogs, retail stores, internet.



Time Utility

Having a product available at a certain time of the year or convenient time of day.

Give me some examples!



Possession Utility

The exchange of a product for money; allowing alternatives to cash such as credit, personal checks, debit cards, layaway.



Information Utility

Involves communication with the customer.

Salespeople

Displays

Packaging and Labeling

Advertising



Product Example Using all Five Utilities



Walmart 
LAYAWAY POLICY



Services, Hours & Contact Info

Main Store

Open until 10 pm

[662-324-0374](tel:662-324-0374)

Mon - Sun | 7 am - 10 pm



Let's walk through this one together.

Explain the five types of utility in relationship to a chicken sandwich:

1. Form
2. Place
3. Time
4. Possession
5. Information

What do you think?

Have you or your parents made a purchase that did not meet expectations?

In which way(s) could this product have been changed to better meet expectations?

Which utility/utilities would you categorize the change(s) as?

Let's say you're ready to purchase an automobile. **(Jot your response on your notes.)**

For you, would this purchase involve more form, time, place, possession or information?

Explain your purchase using economic utilities when I call on you.

Concluding Activity – Day 2

Using your notes and our class discussion, create a Google Slide presentation on the Five Economic Utilities in relation to an assigned product.



What's my product?
Candy!

Requirements:

Title slide

Title of Presentation, Student Name

Introduction slide

Candy & description of presentation

One slide per utility

Include description of the utility

Conclusion slide

As a consumer, give feedback on your level of satisfaction upon consuming the product. Do you have suggestions for improvement? Use utilities to express your ideas.

Include 2-3 photos per utility slide

Photos need to correlate with the utility

Include animations and transitions

Reminder: Less is more!

Upload through today's Google Classroom Assignment link.

Be mindful of spelling, punctuation, and consistency of font choices.