

Chapter 3

Consumer and Entrepreneurial Literacy Program – Marketplace Literacy

3.1 Introduction

Day 1 focuses on marketplace exchanges. We cover the concept of a value chain from production to consumption. Day 1 begins by facilitating participants to be comfortable in a new learning environment, and then discussing and clarifying expectations. Key issues addressed here include the nature of the program, providing generic consumer and entrepreneurial literacy rather than specific trade skills. This is followed by covering the basics of marketplace exchanges. Various concepts are conveyed through discussions, exercises, and games, rather than lectures. How exchanges have evolved over time is an important topic for the first day, such as transactions evolving from barter to currency to various forms of credit. This discussion highlights the centrality of finding a demand and serving it better than the competition. The notion of a value chain as comprising multiple exchanges is also introduced. As mentioned earlier, one task in particular is illustrative, and involves a number of pictures relevant to a value chain (say, a farmer growing fruits through wholesaler and retailer to a customer) along with a picture of money. Participants are asked to place the pictures on a chart with concentric circles, placing the most important picture in the middle. Often, participants place money at the center. When this task is repeated on the third day, most participants place the customer at the center, emphasizing the importance of satisfying customer needs to run a business.

3.2 Introductory Activities

3.2.1 Registration & Welcoming of Participants

Participants are asked to register for the program by providing their names and other details. A welcome address or any formal inaugural address depending on the local circumstances may precede registration. Stakeholders of the educational program, such as conductors, organizers, facilitators, and instructors, are introduced to the participants. Once the instructors assume charge, they should discuss the ground rules of

the educational program in consultation with the participants for effective participation. The following are few suggestive but not exhaustive rules on the rights and responsibilities of the entire team, before beginning the educational program:

- Freedom to express views and opinions and seek clarifications
- Time management and adherence to schedules
- Need for participation through the day and through the program
- Mutual respect in all interactions

Issues such as timings and logistic arrangements should be finalized in consultation with participants.

3.2.2 *Ice-Breaking Exercise*

3.2.2.1 Objective

Relaxation and stress reduction to enable active participation in the educational program.

3.2.2.2 Rationale

Participating in educational programs may be new to many participants. Factors such as low income, literacy level, age of participants, educational method, and environment may inhibit participants from socialization or active participation. Identifying other participants and introducing them through a game rather than simple self-introduction appears to be an effective ice-breaking exercise.

3.2.2.3 Input or Materials Required

- A small plastic box
- Passport-size pictures of objects

The total number of pictures should be equal to the number of participants. A picture should reasonably link with another picture, such as a flower and a garland, a needle and thread, or a matchbox and a candle. Participants should be familiar with the pictures used. Pictures and their linkages could ideally be from the economic realm to cue the content and topic of the educational program that follows (Figure 1).

3.2.2.4 Process

Each picture is folded and placed in a box. The box is placed on a table in the center of the classroom or wherever it is comfortable for participants to select pictures. Participants are asked to form a circle and listen to the instructions carefully. Each

Sample pictures

**KEY****LOCK**

Listing of sample items

- | | | |
|-------------------|---|-------------|
| 1. Flower | & | Garland |
| 2. Book | & | Pen |
| 3. Lemon | & | Pickle |
| 4. Candle | & | Match Box |
| 5. Rainy Cloud | & | Umbrella |
| 6. Cow | & | Milk packet |
| 7. Weighing scale | & | Weights |
| 8. Egg | & | Hen |
| 9. Sewing machine | & | Scissors |

Figure 1 Paired Pictures for Ice-breaking Exercise

participant should select one picture from the box. When all participants have selected a picture, they should pass the unfolded picture to another person and receive one from someone else without unfolding it. This should be repeated at least three times. Finally they should unfold and check the picture but not announce it to anyone. They should look for the person who is holding the related object (e.g., flower and garland). After finding the person holding the related object, they should find out about each other and prepare for their mutual introductions to the group.

3.2.2.5 Expected Outcomes

Participants have opportunities to move around the room and meet other participants when passing the picture. The task may also lead participants to start thinking about the picture-matching task. After beginning their search, they may find a related object that they may never have guessed. They may have to adjust or compromise with available alternatives. Using pictures with marketplace linkages may also lead participants to think about the content of the program. In the process of looking for the person with the matching picture, they may have the

opportunity to meet with other participants. After finding the person with the matching picture, they may learn about their background. This exercise may enable the participants to prepare for active participation in the educational program and cope with its demands.

3.3 Discussion of Expectations

3.3.1 Objective

Aligning expectations of instructors and participants.

3.3.2 Process

The instructor should ask participants about their personal expectations from the educational program. The instructor should encourage participants to express themselves. Narrated expressions could be paraphrased and written on a chart. When issues are repeated, a continuous flow to the discussion can be maintained by referring to the list on the chart. The instructor should attempt to involve many participants in this exercise of sharing expectations. The issues raised could be grouped as being related to topics, such as entrepreneurial literacy, specific skill training, and resource identification. An aim here is also to help the instructor to learn about the types of participants and their priorities.

3.3.3 Expected Outcomes

The participants' expectations may include the following:

- How do marketplaces work?
- How should business be run profitably?
- How should competition be managed?
- How should business be run with profit or without loss?
- How can individuals be successful in business and earn profits?
- Can any technical skill be learned or acquired?
- How should the right business be selected?
- How should a business be run from one's home?
- How should products be sold?
- How should quality products be produced?
- How should capital be mobilized to run a business?

- How should the needs of customers be identified when running a business?
- What type of character and personality should a business person possess?
- How should suppliers of materials be identified?
- How should smooth relationships with customers be maintained?
- Which is preferable between a partnership and an individually owned business?
- How should the location of a business be selected?
- How can low-literate individuals manage a business?
- How should customer become well informed?
- How should customers bargain and buy products at good prices?
- How can customers avoid being cheated?

The instructor can group the list of these issues as suggested below:

Entrepreneurial literacy

- Example – How should business be run profitably?

Consumer literacy

- Example – How should customers become well-informed?

Marketplace literacy

- Example – How do marketplaces and markets work?

Specific skill training

- Example – Can any technical skill be learned or acquired?

Identifying resources

- How should sellers find informational resources for running a business?
- Which is preferable between a partnership and an individually owned business?

Personal(ity) development

- How should sellers learn to be professional?
- What is ethical behavior when running a business?
- How can low-literate individuals manage a business?
- How should customer relationships be developed and maintained?

The instructor should note that there are many things to learn from the participants and their experiences. The instructor should reiterate that the educational program is a forum for mutual learning by both the team of instructors and participants because it aims to discuss practices in the marketplace from the perspective of buyers and sellers. The participants should not, however, expect any skill training on specific trades or readymade solutions to address their individual problems.

The instructor should outline the proposed agenda/topics for discussion in the 5-day program and emphasize that participants utilize this opportunity. Further, the focus on

Day 1 should be clarified as being on the basics of marketplace exchanges, such as the process of exchange and the evolution of technologies, products and transactions over time, different types of products including goods and services, different customer segments, and value chains from production to consumption. On Day 2, participants assume the role of customers and the focus of the educational program is on consumer literacy. From Days 3 to 5, the participants assume the role of sellers and the focus is on a customer-oriented philosophy of doing business where sellers and buyers engage in mutually beneficial exchanges.

3.4 Prioritizing Elements of a Business

3.4.1 *Exercise*

Placing pictures within concentric circles based on their role and importance in the business.

3.4.2 *Objective*

Assessing how participants prioritize various elements of a business.

3.4.3 *Input and Process*

Materials to be used include four sets of pictures relating to fishing, flowers, rice, and clothing, and charts for display. Each set of pictures includes those of production, wholesale distribution, retail distribution, and consumer usage, as well as money/currency notes (Figure 2).

After forming groups consisting of 4–5 participants, each group can be provided with a set of pictures along with a chart that has the same number of concentric circles as pictures. Each set of pictures represents different elements of a specific value chain. Each group should be asked what the most important element is to start or sustain a successful business. Each group should be asked to discuss the pictures and place them in concentric circles on a chart, so that the most important object is placed in the innermost circle, and the remaining are in outer circles based on their order of importance to start or sustain a successful business. Finally, participants should be asked to present their conclusions to the class along with the rationale for the choices made during the task.

3.4.4 *Outcomes*

Each group should place pictures on the circles after discussion with their group members. Their presentation may reveal the understanding and rationale behind



Wholesale rice shop



Rice transporting vehicle



Rice producer/harvester



Retail rice shop



Currency



Consumers

Figure 2 Sample Pictures for Exercise on Prioritizing Elements of a Business

their decision to place those pictures. Usually, money, or in rarer instances, the product, is likely to be placed in the innermost circle. Other elements are generally given less importance and placed in outer circles.

These charts can be displayed and the antecedents and effects of each of the elements reviewed in subsequent sessions. Participants should be informed that the chart would be reviewed at the beginning of Day 3 as well as at the end of the educational program to reassess whether pictures could be replaced in a different order. In a 1-day version of a marketplace and consumer literacy program, this exercise should be explained after the subsequent exercise on evolution of needs.

3.5 Evolution of Technologies, Products, and Transactions

3.5.1 Exercise

Placing pictures in order, based on the evolution of technologies, products, and transactions (i.e., transactional methods).

3.5.2 Objective

Understanding the process of exchange and the evolution of technologies, products, and transactions over time.

3.5.3 Rationale

This exercise enables participants to understand basic business principles and the role of business in society. Sets of pictures related to goods and services can be used including one that shows the evolution of human life and another that shows the evolution of transactions. Here, participants are asked to compose their ideas about the pictures and provide a narrative based on their understanding.

3.5.4 Input and Process

The participants should be divided into 4–5-member groups and each group given a set of objects as listed below for illustrative purposes (Figure 3):

- A set of pictures of different transportation vehicles
- A set of pictures of different cooking devices
- A set of pictures that reflect different stages of human development over time
- A set of picture of different stages of evolution of transactions or transactional methods

Each group should be asked to arrange the pictures in order, according to their period or evolution, place them on a chart, and then present their narrative. As groups make their presentation, the instructor should encourage participants to identify the rationale for changes in technologies, products, or transactions through questions. Here, the instructor can facilitate understanding of needs and wants of individuals. The discussion could begin with the bullock cart, which was a basic form of transportation decades ago in India. But motorcars have become a necessity for transportation now. In fact, people are prevented by statute from using bullock carts in specific areas, such as cities. Today, bullock carts are not in regular use or have been abandoned.

Evolution in Transportation



Bullock Cart



Car



Airplane



Bus



Bicycle



Train

Figure 3 Evolution of Technologies, Products, and Transactions

The discussion can move from bullock carts to cycles and then to automobiles, covering different stages of development. Goods or services that were previously wants may become needs. Innovation is inevitable in leading to the development of new goods or services that serve needs or wants. Finally, the

Evolution in Cooking Technologies



Gas stove



Kerosene pump stove



Steel stove



Earthen oven



Kerosene stove



Stone oven

Figure 3 (continued)

discussion should conclude by noting that contemporary goods or services are subject to changes to suit the changing needs of users or customers. Even though progress in science and technology and financial resources are necessary for these changes to occur, specific products should satisfy customer needs to succeed in the marketplace. The potential for some confusion here is noteworthy. It should be emphasized that although technology and financial resources are important factors, goods and services that are developed with financial resources and technology succeed or fail based on the extent to which they serve customer needs in better ways. Technological changes that

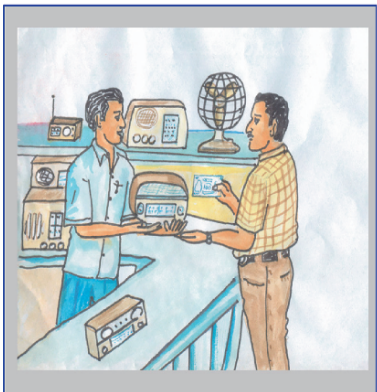
Evolution of Transactional Methods



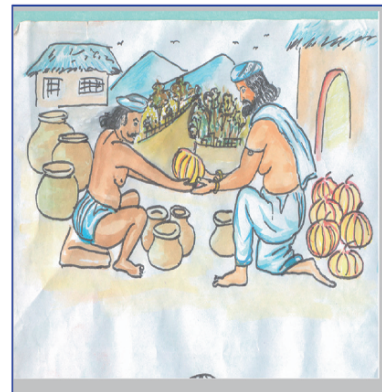
Using cheques or credit cards to buy products



Using coins to buy products



Using cash to buy products



Using products to buy products

Figure 3 (continued)

do not serve customer needs, such as additional, unnecessary features on a stove, can be used as examples to illustrate how changes need to serve customer needs better and be worth the additional costs if any.

The discussion can then turn to soliciting participants' responses about types of needs and how they are fulfilled. Examples, such as food and music, can be used to explore the issue further. This discussion should aim to enable the group to categorize needs in general into different types, such as physical needs and psychological needs.

The instructor should use questions, such as why people who used bullock carts shifted to motor vehicles, to lead the discussion. Typical responses from the participants may point to factors, such as technological improvement, wealth, and civilization.

The instructor should pose questions about innovations, such as the following:

- Was the innovation adopted solely to use modern equipment?
- Was the innovation adopted because it was new?
- Was the innovation adopted because customers had money and could afford to buy it?

Examples include switching to gas stoves from stone fire ovens. The aim is for participants to list out the rationale, such as the following, for switching over to new innovations:

- Convenience
- Safety and health
- Cost-effectiveness

The instructor should note that an innovation may not be adopted unless it provides benefits to the buyer when compared to competing products that serve the same need. Customers or users are not likely to adopt goods or service, just because of newness of innovation or technology. Goods and services in current use are not exempt from changes in the future. However, the nature of changes may be determined by a number of factors, such as technology.

A set of pictures about the “stages in the evolution of family life” of human beings placed in order on the chart can be used to elaborate about changes, covering the following questions:

- What goods and services were used by prehistoric human beings?
- How did the clan system evolve?
- How did governance originate?
- What were earlier family sizes?
- Why has the joint family system been replaced by the nuclear family system?
- How has specialization in production affected business?
- What is the relation between business and society?

For example, prehistoric humans:

- Hunted animals for survival
- Invented the wheel, which was the basis for many technological inventions
- Realized the need for group dwellings, learned to construct houses, and then established organized neighborhoods to live in safe and comfortable environments

Over time, individuals:

- Embarked on cultivation and produced specific farm products to meet demand
- Learned to exploit natural resources to benefit society which led to production of goods and increased interdependencies
- Engaged in exchange of goods through barter
- Specialized in specific occupations which led to specialists in fields and created more interdependencies, and new goods and services

Prehistoric humans used carcasses or the skin of dead animals as clothes. Over time, people identified and produced different materials, such as cotton, polyester, and wool, to meet the requirements of respective segments to suit climatic conditions, to be cost-effective, and to be long-lasting. Changes in the type of human dwellings and materials used to construct houses, evolution in lighting methods from fire and oil lamps to electricity, and changes in modes of transportation from walking to bicycles, motor vehicles, and aeroplanes can be used to provide other examples.

The discussion can then move to the set of pictures about the evolution of transactions. The focus should be on why transactions began, and how they are completed. For example, individuals hunted animals, and collected vegetables and fruits, for their survival. Individuals in later generations entered into cultivation and produced specific farm and other products in surplus and supplied to others, and in turn expected others to fulfill their needs. Individuals who cultivated vegetables may have depended on individuals who cultivated rice or wheat or individuals who offered other services, and exchanged goods for goods or goods for service. Currency was introduced, simplifying transactions. Later, banking systems introduced cheque facilities, electronic money transfers, and credit cards, in place of currency in transactions.

The discussion can focus on the role of money in business. A question that can be repeated is how wealth is created or money earned. The aim here is to generate key insights, such as receiving payments for the quantities of goods or services rendered to others. Participants can be asked how they could prepare themselves to earn money and fulfill their needs. Questions can be repeated to explore the role of money. Was there any form of money when transactions began occurring? How does the barter system balance compensation for exchanges? Is cash always required to buy products now? How do bank checks or credit card systems enable transactions? The discussion should ideally conclude around key issues, such as equipping oneself to be productive and beneficial to others wherein the compensation fulfills one's own needs.

3.5.5 Outcomes

The following conclusions can be summarized:

- Exchange occurs to fulfill the needs of customers
- The nature of transactions has evolved over time, such as transactions from a barter system to the use of money and, now, electronic currency
- Technology, civilization, and evolution of human life lead to corresponding changes in goods, services, and transactional methods; however, the form that specific goods and services take are influenced by customer needs and how they are satisfied
- There are inevitable changes in needs and wants and influencing factors
- Many factors influence innovation and improvement in goods or services

3.6 Buyers, Users, and Customer Segments

3.6.1 Distinguishing Buyers and Users

3.6.1.1 Objective

Matching pictures to distinguish buyers and users.

3.6.1.2 Rationale

Discussions in the earlier session should highlight the purpose of producing goods and providing services; to fulfill the needs of others and to be compensated in return. It is important to understand the distinction between buyers and users or consumers, i.e., who is making a purchase, and who is using the product, from a business perspective. It would enable the participants to recognize the different players in the marketplace, a topic that is discussed in subsequent sessions. For example, spare parts and services are required to assemble and create a product. Sellers of such products are, in turn, buyers of these spare parts and services.

3.6.1.3 Input and Process

Four sheets of paper in different colors should be cut into circular shapes. The radius of the first sheet can be around 1.5 inches, the radius of the second can be two inches more than that of the first, the radius of the third two inches more than that of the second, and the radius of the fourth two inches more than that of the third. Four pictures that denote vegetation, four of animals (e.g., lion (wild animal),

dog (pet animal), bird, fish), four of humans (e.g., baby, child, family, or people in a hospital), and four of objects (e.g., household articles – sewing machine, wall clock, and cupboard; motorcycle), are needed for this exercise. Each picture should be approximately 1.5–2 inches in width and length. On each sheet, pictures denoting vegetation, animals, humans, and objects can be placed at the outer end of the chart. Keeping the biggest circular sheet of paper with pictures at the bottom, setting the next smallest on this sheet, and fixing it with a pin at the center and so on would enable all pictures on all charts to be visible. The center pin should allow each sheet to rotate freely. A total of 21 such sets should be available to conduct this exercise, i.e., 20 sets for participants and one set preferably in larger size for the instructor to demonstrate in parallel during discussion (Figure 4).

The instructor's chart should be held on the board before starting this exercise. Each participant should be given a set and reminded that there is some relationship between the objects and the marketplace and that the circular sheets can be rotated. A few minutes should be allowed for participants to generate their ideas. They should be asked to arrange the sheets based on their discussion.

Once they complete the arrangement individually, the instructor's chart can be used for a demonstration (Figure 4). The instructor can ask participants for their thoughts and rationale. Two participants can be invited to repeat the procedure, using the instructor's revolving chart (demonstration set) displayed on a wall. Once these two volunteers complete the task, other participants can be asked whether they agree with the way the sheets are arranged. If there is any difference of opinion among the other participants, an opportunity can be provided to any two others and reconciled with the rest of the group until they reach consensus. Again they can be asked to explain what they did and why.

Participants may note that the pictures on the chart were initially haphazard and have now been arranged such that related pictures are in the same relative location from the center point of the chart. Participants can be asked what they understand from grouping these pictures and whether there are any links with the marketplace. Responses may be that one set of pictures represent nonliving (objects) and the other three represent life forms. The following questions can guide the discussion:

- Do all categories in different life forms need products that are in the market for their survival (e.g., fertilizers are produced for vegetation, special food items in the market for pet animals)?
- Who actually demands the items that are in the market?
- Who actually consumes it or who are the end users?
- Who actually compensates the seller?

Among the life forms, vegetations and animals may consume goods or services and they may be end users but they are not participating in the business directly and compensating the provider. Buyers are engaged in the exchange process. Buyers are potential customers for all items that are available in the market and actual users for many items. Hence, sellers target buyers of the business and try

Chart at the Beginning of the Assignment

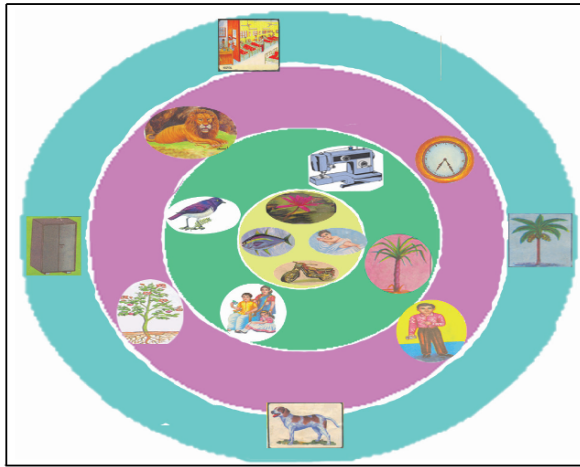


Chart with Matched Pictures After the Assignment

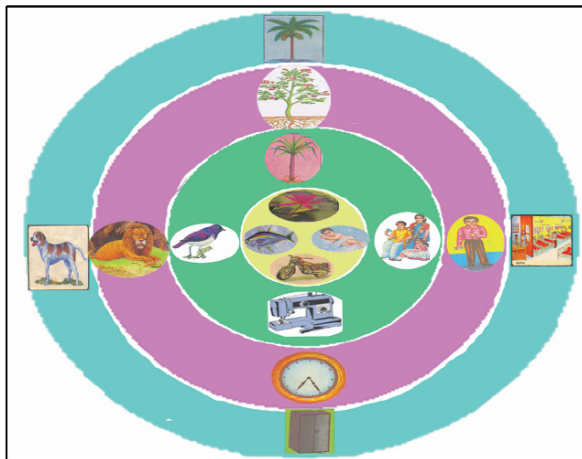


Figure 4 Distinguishing Buyers and Users

to satisfy their needs, though the actual end users or consumers may be different from the buyers. The use of categories, such as animals and plants, enables rudimentary treatment of content and an understanding of the key issues involved here.

3.6.2 Customer Segments

3.6.2.1 Objective

Understanding goods, services, and customer segments.

3.6.2.2 Input and Process

Pictures representing the categories of goods, services, and customer segments are required. Six sets of pictures with a picture from each category in each set are required along with three charts (Figure 5). Examples include medical drugs, doctor, and patient, clothes, tailor, and customer, and food, restaurant, and customers. Charts can be placed on a wall or board and 4- or 5-member groups of participants can be formed. One set of pictures should be given to each group. The instructor should use one set of pictures for demonstrating the procedures to be followed in this exercise. First, the instructor should show the three pictures and ask participants what they mean (Figure 5). Responses may include naming the good, or pointing out the occupation that is depicted in pictures that symbolize specific services. The discussion should be directed by providing leads, such as paraphrasing, (e.g., mentioning the name and occupation, what each symbolizes, how they relate to, and differ from, each other, and how they satisfy the needs of customers). The instructor should ask participants what the label for each picture is from a business perspective and use this opportunity to differentiate and define the good or service and the customer segment. For example, participants can be asked to explain a picture of medicines, doctor, and patient. Participants should be asked how a service fulfills one's needs, through whom and for whom. Responses may include the following:

- Patients are the beneficiaries and customers for medicine and medical service
- Drugs are goods, tangible products manufactured to fulfill the need of patients

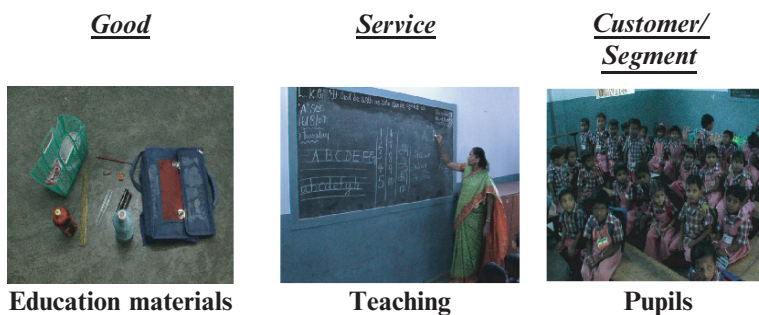


Figure 5 Sample Picture of Good, Service, and Segment

- Medical personnel, such as doctors, nurses, and counselors, apply their technical skills to provide treatment for patients – a service
- Patient needs can be fulfilled through goods, such as medicines and drugs, or through services of medical personnel, such as physiotherapy

The title of each category can be written on the top of each chart with the picture placed on the respective charts. Once the demonstration is over, members of each group can be asked to discuss the pictures assigned to them, identify their category, place them on a chart, and present their rationale. The discussion should be moderated as differences of opinion may arise among participants regarding their categorization.

The discussion can then move to defining segments. A broad question to start the discussion is whether all products and services are required by all persons at all times? The pictures of adults can be moved to the row of products, such as schoolbags and notebooks that fulfill the needs of children, to provide examples. This represents a very basic and rudimentary way of demonstrating customer segments. The reasons why specific customers seek certain goods and services can be explored. The discussion should be facilitated until some understanding of the notion of a segment is reached. Generally, the response may be that a segment consists of persons with unique needs, who are potential customers of a particular good or service.

Pictures can be used to explain common ways to segment, such as by gender, age, subculture, climate, or geographic location. A discussion using food items can be employed to analyze how it varies from place to place, and from generation to generation, and how factors, such as culture and climate influence it. Different types of clothing and respective segments can be related to such factors as gender, climate, and affordability.

3.6.2.3 Outcomes

Consumers are those who use goods and services; for example, women who buy and use saris, or children who use bags, notebooks, and other educational materials that may be purchased by their parents. Customers are the actual buyers and include organizational buyers, such as retailers buying from wholesalers and wholesalers buying from manufacturers. The following conclusions can be noted:

- Customer needs drive markets
- Goods and services fulfill customer needs (goods are tangible products, the broader term for goods and services is products)
- Goods are tangible products, e.g., clothes
- Services are intangible products, e.g., tailoring
- Everyone may not want, or be able to afford, all goods or services

- Each good or service has potential segments
- Segments are potential customer groups who share similar needs and are served by specific goods or services.
- Understanding customer segments enables understanding customer needs and designing better goods and services.

3.7 Value Chains

3.7.1 Exercise

Role-playing in groups to understand value chains.

3.7.2 Objective

Understanding the role of exchange, as it occurs between various parties ranging from producers to consumers or users including intermediaries; understanding how multiple exchanges form a value chain.

3.7.3 Materials and Process

- White board, chart, and marker pens
- Two sets of pictures for the instructor's use (Figure 6)

Participants are likely to have observed value chains in day-to-day life. This exercise is an opportunity to understand the process for a sample product in a group and present it in sequential order, instead of using a lecture mode. The instructor can facilitate presentations through paraphrasing and using pictorial displays. This approach may enable participants to evaluate their presentations.

Participants can be assigned to groups of approximately 4–5 individuals and each group asked to focus on a sample product, identify its segment, discuss how it is produced and how it reaches the consumer or user, and provide rationale for the nature of the value chain. For example, fruits or milk could be used as products to discuss these issues. Participants should be asked to discuss these issues in detail in their group and prepare for a presentation. Before the discussion, group members should have clear assignments of roles, such as facilitator, recorder, and presenter. In parallel, the instructor should use charts to note the relevant issues from the presentation. The instructor should summarize each presentation by explaining the outcome in detail and using pictures, such as in Figure 6, to display the sequences.

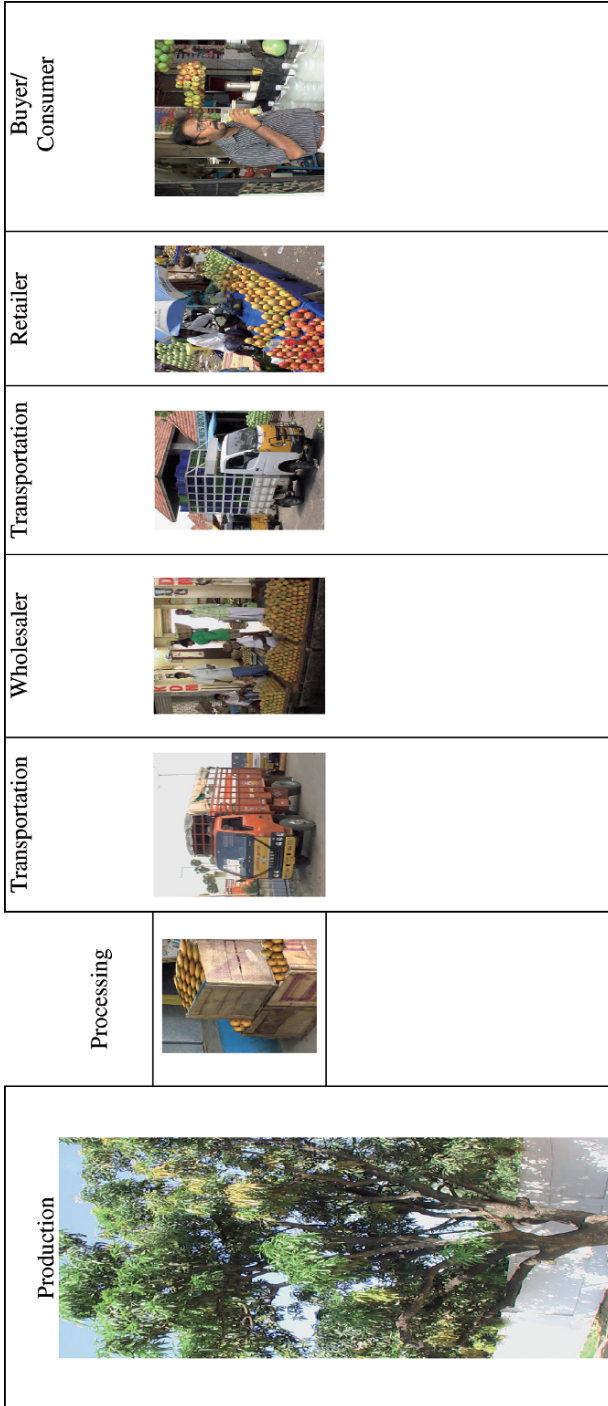


Figure 6 Elements of a Value Chain

3.7.4 Outcomes

A sample presentation is used to illustrate outcomes. One group identified fruits and fruit juice as their product for discussion. They presented vegetables and fruits as containing nutrients, and the special need they serve for pregnant mothers, children, and patients of all ages. Further, they stated that, generally, middle-class families would buy fruits regularly, and referred to them as a potential segment. They listed out the following and presented the process involved in the exchanges and the value chain in fulfilling the needs of the segment:

- Produced by farmers and harvested at the right time to ensure quality
- Collected and sorted by variety and packed
- Processed and transported to wholesale markets
- Cleaned, classified by quality; prices fixed by wholesalers
- Bought by retailers who resell to customers
- Fruits purchased by fruit juice shops from wholesalers or retailers, and fruit juices prepared by adding sugar and essence (flavoring) as ingredients

The instructor should use charts and facilitate grouping of the above process into categories as follows:

- Production
- Processing
- Transportation
- Wholesaling
- Retailing
- Consumption

The instructor should direct the discussion to enable further understanding of the exchange process. When discussing exchanges in different stages, a likely insight from participants is that products are not merely passed on to others but value is added at each stage, such as through adding other ingredients or transporting products, all aimed to fulfill the needs of the customer. For example, fruit vendors may buy fruits from the wholesale market and prepare fruit juice with fruits, sugar, and essence (flavoring) to add value and supply it to meet the requirement of patients or pregnant women or other customers. Both fruits and fruit juices have nutrition which serves the general need for nourishment.

The instructor can discuss the process and stages from production to usage, using the example of cotton clothes. Cottonseeds are planted to harvest cotton. Farmers collect the cotton from plants at fields. Quality cotton is sent to wholesale trading and then transported to textile mills, where it is processed and made into yarns and cloth. Cloth bundles are transported to wholesale traders and then to retailers. Customers buy clothes and get them tailored according to their needs. Finally, clothes may be delivered to members of customers' families who are the users.

The following can be used for discussion:

- How value is added from growing cotton through investing labor and applying fertilizers to ensure production
- How value is added from collecting and transporting the cotton at plants to collection centers to ensure it is available for sales
- How value is added through transporting cotton from collection centers to wholesale markets and grouping by quality to meet the process needs of different textile mills
- How value is added through transporting cloth from mills to wholesale and retail shops
- How value is added when customers buy clothes and get them tailored

The instructor can point out the main stages in value chains such as production, processing, transportation, wholesaling, retailing, and consumption, as highlighted above.

3.8 Summary

The instructor should enable a discussion to summarize the topics covered and paraphrase it as listed below:

- Expectations of participants at the beginning of the educational program
- Prioritizing elements of a business
- Marketplace exchange and the evolution of technologies, products, and transactions over time
- Goods – tangible products produced to fulfill the needs of customers
- Services – intangible products to fulfill the needs of customers
- Segments – groups of customers who share similar needs
- Value chains consisting of multiple exchanges, with value being added at each stage

At the end of the day, participants should be reminded that they are going to be taking the perspective of customers for the entire second day of the educational program.