

Chapter 5

Consumer and Entrepreneurial Literacy

Program: Day 3 – Entrepreneurial Literacy

5.1 Introduction

5.1.1 Overview

From Day 3 onward, participants take on the role of a seller. An issue that is covered is identifying and evaluating a business opportunity through a relative assessment of one's own strengths and weaknesses, and competitors' strengths and weaknesses, in light of the customer needs to be addressed. Emphasized here is the need to carefully evaluate a business opportunity and work through it before deciding to pursue it. Another central issue covered is the basic business philosophy of being customer-oriented and engaging in mutually beneficial exchanges as a means of making a profit. Different philosophies are covered here to highlight distinctions, such as a focus purely on selling or on production without paying attention to customer needs. These two broader issues set the stage for a discussion of more specific issues. The next topic covered is information gathering and research. The importance of carefully collecting and evaluating information is emphasized. Included here are ways of gathering information, such as through talking to people, observing the competition, conducting an analysis of costs, and obtaining feedback on specific ideas. Also covered here are some basic issues in asking questions when gathering information, such as planning questions beforehand, avoiding leading questions, and attempting to obtain accurate information. Role-playing is used to bring out these issues. The importance of asking oneself tough questions and looking for accurate information is emphasized. This is followed by a general introduction to consumer behavior in terms of steps in decision-making, such as need recognition, search for alternatives, and evaluation of alternatives, and the various influences on consumer decision-making.

The next major topic covered is product design, which includes basic issues, such as what a product is and what customers look for in specific products. The purpose is to understand how physical product characteristics and ingredients translate to psychological benefits for customers. The concept of customer orientation runs through all the topics discussed, such as through linking product design to benefits received by customers. Also important is the abstract benefit being served.

The distinction between goods and services is also reemphasized here. The importance of packaging to preserve the product and provide an attractive exterior is also covered. Exercises are used where participant-groups choose a product category and design a product.

5.1.2 Ice-Breaking Exercise

A game can be conducted as the first activity of Day 3 to involve participants. The instructor can write four or five names of goods or services, such as fruit juice, pickles, chili powder, and radio, on pieces of paper, which can then be folded and kept in a box. The instructor should ask participants to form a circle and pass a small object to the person standing to their left. The person who is holding the object when the instructor blows the whistle should be selected. That person should pick a piece of paper from the box and communicate about the goods or services written on the paper by acting it out without using or spelling any words to enable other members to identify the product. The person should communicate nonverbally until the others identify the good or service. The entire process can be repeated four or five times.

5.1.3 Recap

Participants should be asked to summarize the topics covered over the first two days. The recap can be organized by activity or session, which generally appears to maximize effectiveness, with each day being summarized by key concepts. The instructor should facilitate participants' understanding by summarizing key concepts, such as exchange and value chains on Day 1, and value on Day 2. They should be reminded that they are going to discuss issues, such as evaluating business opportunities, product, pricing, promotion, and distribution from the seller's perspective on Days 3, 4, and 5. They should also be reminded that the typical businessperson not only sells, but also buys, raw materials or ingredients, and other products. A seller oriented around serving customers and understanding how they judge value, the trade-off between what customers give and what they get in exchange, is likely to make a profit while serving customer needs.

5.2 Prioritizing Elements in Business (from Day 1)

The instructor should ask participants whether they suggest any changes to an earlier assignment from Day 1 where they placed pictures depicting money and various stages in the value chain for a product in concentric circles on a chart

according to their importance. There may be changes in participants' perceptions after going through two days of the program and they may prefer to move the customer to the center. This is a major juncture in the educational program where participants realize the importance and centrality of customer needs and the importance of organizing a business around serving customer needs.

At this point, the instructor should summarize the philosophy of running a business that will be used in the educational program, to create mutually beneficial exchanges and make a profit as a result of satisfying customers. There are many ways to make a profit, by selling whatever one produces, or by producing whatever one wants to, without heed to customer needs. The philosophy of running a business covered here is one that is customer-oriented. A figure of a balancing scale with one side showing the buyer and the other showing the seller introduced in Day 2 should be used to illustrate this philosophy (Figure 1 in Chapter 4). The remainder of the educational program elaborates on various aspects of a business using this underlying philosophy. This philosophy is ethical in the sense that it is mutually beneficial, and also makes good business sense. From the point of view of the buyer, the important concept is value. The seller, on the other hand, should attempt to provide a valuable exchange to the buyer and make a profit as a result of providing value to the customer.

5.3 Evaluating Business Opportunities

The instructor should ask participants to assume they are business owners from Day 3 onward. They should be asked the very first thing to determine when considering whether to start a business. After the first two days of the educational program, participants usually understand the centrality of customers and customer needs for exchanges and for running a business, and, therefore, their responses may be that they should identify customer needs. The instructor should ask why and facilitate discussion. Asking the participants what they would do after identifying customers might yield answers, such as knowing the needs of customers and segments to which they aim to provide a good or service, understanding how their good or service would satisfy the needs of specific customers and segments, and fulfilling the needs of customers through delivering appropriate goods or services. The instructor should paraphrase responses and mark them on a chart, as shown in Figure 1.

Asking participants how a seller/businessperson can identify the right customers and their needs could lead to responses about studying customers and the marketplace. The instructor should ask participants such questions as what the next step after identifying the needs of the customer should be. The responses from participants may suggest that every seller or businessperson cannot fulfill everyone's need. The businessperson or seller should have adequate skills or strengths in a specific trade or product category to produce a product that would satisfy the needs

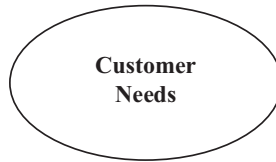


Figure 1 Step 1 in Evaluating Business Opportunities¹

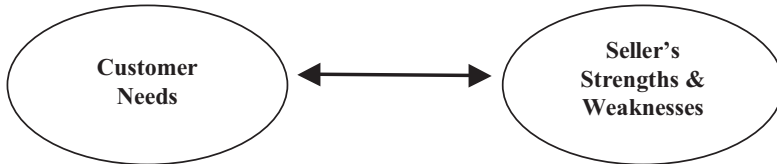


Figure 2 Step 2 in Evaluating Business Opportunities

of customers. The instructor should capture the words that connote skills or strengths from their statements and highlight it for further discussion and suggest that the assessment of strengths and weaknesses is central in deciding to pursue a business. The instructor should mark this as the second step and illustrate it as shown in Figure 2.

The instructor should ask participants whether this process could be stopped after finding customer needs and assessing the seller's strengths and weaknesses. The instructor should facilitate the discussion until participants raise issues about threat from competitors in the market to a particular product they decide to launch. The discussion should continue until a consensus is reached among the participants, that they should identify the competition and assess the competitors' strengths and weaknesses as well in order to evaluate a business opportunity (Figure 3). It would be preferable to research an opportunity thoroughly and decide not to pursue it rather than to hastily start a business and face a loss. This is an important theme to communicate in this session, and repeat in subsequent sessions, and in summarizing the learning points as well.

Although this process is discussed in discrete steps, the actual discussion may be iterative and the steps do not have to be covered in strict linear fashion. Moreover, though this approach aims to get the process of choosing a business started, a number of other factors need to be considered, such as business potential. Raw

¹Figures 1, 2, and 3 are adapted with permission of the McGraw Hill Companies from Kenichi Ohmae, *The Mind of the Strategist: The Art of Japanese Business*, Figures 8.1, p. 92, copyright 1991, McGraw Hill.

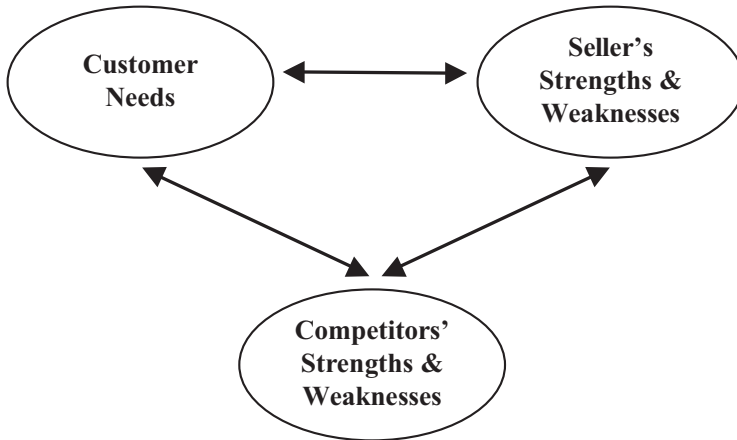


Figure 3 Step 3 in Evaluating Business Opportunities

material, capital, support services, and market potential are factors central to identifying viable income-generating activities.²

5.4 Gathering Information to Make Business Decisions – Elements of Research

5.4.1 Exercise – Gathering Information to Evaluate Business Opportunities

The instructor should repeat questions such as how the needs of customers or segments, and the strengths and weaknesses of competitors and one's own strengths and weaknesses should be identified. Responses from participants may include making enquiries, observing markets, and seeking others' help or technical advice. The instructor should ask participants what these activities are and what they should be called.

The instructor should ask participants whether it is advisable to carry on business-related activities based purely on their own assumptions and intuitions. The instructor can point out, using local proverbs where possible to enable participants to relate to the material at an intuitive level, that judgment based on thorough enquiries and verification is better than believing or trusting based on merely seeing or hearing. The instructor should facilitate the discussion to arrive

²We thank Kirti Prasanna Mishra for his insights on this issue.

at a consensus on the importance of ascertaining facts through systematic methods, i.e., to conduct research and carefully gather information. Participants' responses about sources of information and methods should be captured through brainstorming and discussion.

Information could be collected through informal interaction with the following sources:

- Introspection – experiences as a customer
- Relatives
- Friends
- Neighbors
- Individuals already making the product/running the business
- Retail shops who sell related goods or services
- Wholesale shops and markets
- Specialized institutions and departments for technical information

The instructor, in consultation with the participants, could classify the above as follows:

- Personal sources – family, friends, neighbors, and acquaintances
- Commercial sources – retailers and wholesalers
- Public sources – specialized institutions, departments, and media

The instructor should ask participants how they would seek information or conduct research and how they would ensure cooperation from the respondents and obtain accurate responses. For example, would they get accurate responses from a personal source when they are planning to start a particular business or would responses be biased either intentionally or unintentionally? The instructor should emphasize the importance of obtaining accurate information and discounting possible biases in information obtained.

The instructor should direct and facilitate the discussion about different ways of learning about consumer decision-making. As summarized in Table 1, approaches include considering how the participants would act as customers, asking potential customers about their experiences, asking customers about their purchase plans for the immediate future, and asking customers about ideal ways to buy products and ideal products.³ The instructor should enable participants to recognize that research or information gathering does not end once a business is started but should be an ongoing process. Research or information gathering is a way of looking at the marketplace and understanding it. Research is akin to a lens through which one can view and understand the marketplace. Important here in identifying a profitable business is to ask oneself difficult questions before investing and facing losses. As mentioned earlier, it would be preferable to research an opportunity thoroughly and

³Approaches to learning about the stages of the decision process from Kotler, Philip (2003), *Marketing Management*, 9th Edition, Upper Saddle River, NJ, are adapted here to learn about buying processes as well as product preferences.

Table 1 Approaches to Learn About Customer Decision-Making

Considering how participants would act as customers in terms of the process they would follow to buy products and the products they would buy (would they buy from themselves?)	Introspective
Asking customers to discuss buying processes and outcomes of recent purchases, problems they faced, and their expectations	Retrospective
Asking potential buyers to discuss their likely buying process and expectations from goods or services	Prospective
Asking customers to describe the ideal buying process and the ideal product that would satisfy their need	Prescriptive

decide not to pursue it than to hastily start a business and face a loss. This is an important theme to repeat in this session and in summarizing the lessons learned.

Instructors could enact a role-play to highlight the issues. A role-play that can be used is one where an acquaintance encourages an individual to start a business without being thoughtful in providing advice. One of the instructors should act as a potential seller who wishes to start a business and collect market information and another instructor should play the role of retail shopkeeper and respondent. Their conversation should reflect the practical issues in informal research. The person who seeks information should have a very informal interaction with the retailer and try to gather information as it pertains to the new business. The instructor should orient participants on issues in collecting information through this role-play such as the following:

- The need to find multiple independent sources for information rather than rely exclusively on one source
- The need to supplement communication with people with other methods such as observation
- The need to understand individuals' motives and biases in providing information and discount accordingly (e.g., for a retailer, the threat of competition is an obvious motivation; for an acquaintance, lack of involvement or trying to please may be factors)

The instructor should caution participants that the method used in the role-play is one of many and not the only one. They should be asked to practice in a real world context where they may face different situations. The instructor should remind participants that research is not a one-time exercise in business but should be an ongoing process that results in improved practices.

5.4.2 Group Discussion and Presentation About Sample Research on a Selected Product

Groups of about 4–5 participants each should be formed and asked to discuss research methods and present how they would identify their segment and its

needs, evaluate their strengths and weakness as sellers, and evaluate the competition. They could be given about 20 minutes to present and provided with clarifications as needed. The representatives of respective groups should present their conclusions. At the end of the group's presentation, the members from other groups could be given the opportunity to raise questions for clarifications. The instructor should moderate the discussion among participants. Issues that evolve from their discussion can be written on a chart for presentation. Groups may identify personal sources, such as neighbors and friends, from whom to seek information through conversations. They may list their own strengths and weaknesses and decide on the related product or service that could satisfy the needs of local customers.

They may identify the competitors and assume that the following attributes are areas of weaknesses for competitors, which could be translated into their own strengths:

- Price
- Models/Designs
- Variety in materials and price
- Courteous customer service
- Timings

Further, they may state that they would continue their research and listen to customers' views to fine-tune their product and improve their business.

The instructor should summarize each group's presentation and highlight the outcomes, gaps, practical difficulties, and potential errors. It may not be uncommon for groups to restrict themselves or show interest in businesses serving clientele they are familiar with. The need to be specific in describing potential segments in terms of geographic location and other characteristics should be emphasized. Table 2 presents a sample adapted from some group presentations.

The instructor should request participants to review the assignment completed during the first session on prioritizing elements of a business (Figure 2 from Chapter 3). The instructor should ask participants whether research is essential for a businessperson, and if so, where it could be illustrated in the diagram. The instructor should facilitate the discussion leading to research at the second circle from the center as shown in Figure 4. In other words, research is the means for understanding customers and the marketplace.

5.5 Consumer Behavior and Decision-Making

5.5.1 Consumer Behavior

The next topic is consumer behavior. The instructor should ask some participants to think aloud about how they purchased a product in a category the first time. The

Table 2 General Outcomes From Sample Research

Outcome from search	Group 1	Group 2	Group 3	Group 4
Potential goods/ service	Sari business	Agarbathi (incense sticks)	Notebooks	Tailoring for women's clothing
Potential segments	Women who are neighbors, friends, acquaintances, or employees of companies nearby	Middle-class families living in neighborhoods nearby	School-going children living nearby, college students, employees and teaching staff	Women who are neighbors, friends, or acquaintances
Strengths (+) and weaknesses (-)	<ul style="list-style-type: none"> + Friendly to customers + Material fitting customer's taste + Competitive price + Easy access to customers + Flexible timings to suit the customers + Speedy response - Lack of money to invest - Lack of experience 	<ul style="list-style-type: none"> + Technical know-how to produce the product + Competitive prices + Volume discounts - Lack of variety in product - Lack of money to invest - Lack of experience 	<ul style="list-style-type: none"> + Home delivery + Quality products + Consistency in supply and service + Convenient timing + Good price + Friendly to customers - Lack of variety in products - Lack of money to invest - Lack of experience 	<ul style="list-style-type: none"> + Tailoring skill + Timely delivery + Convenient timing + Post-purchase service - Financial resources for sewing machine or to hire extra help
Strengths and weaknesses of competitors	<ul style="list-style-type: none"> + Size + Financial resources + Experience - High Prices - Unfriendly to customers 	<ul style="list-style-type: none"> + Size + Financial resources + Experience - High prices 	<ul style="list-style-type: none"> + Size + Financial resources + Experience - High prices 	<ul style="list-style-type: none"> + Modern Equipment + Size + Financial resources - High prices



Figure 4 The Role of Research⁴

responses should be summarized using the model shown in Figure 5. The instructor should use this model to present the stages in the customer buying process.⁵

5.5.1.1 Problem Recognition

The buyer recognizes a need or problem that is triggered by internal or external stimuli. Internal stimuli include the physiological needs of a person, such as hunger and thirst. External stimuli include the physical appearance of a product, which sparks interest in the good or service.

5.5.1.2 Information Search

The buyer searches for information. General sources of information include the following, as discussed in Session 3:

- Personal sources
- Commercial sources
- Public sources

⁴ Adapted from Kotler, Philip, and Gary Armstrong, *Principles of Marketing*, 9th Edition, © 2001, p. 64, Figure 2.5. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

⁵ Adapted from sources including *Marketing Management* (Prentice-Hall, 11th edition, 2003) by Philip Kotler. Other sources include *The Theory of Buyer Behavior* (Wiley, 1969) by John A. Howard and Jagdish N. Sheth, and *Consumer Behavior* (Harcourt College Publishers, 9th Edition, 2001) by Roger D. Blackwell, Paul W. Miniard, and James F. Engel.

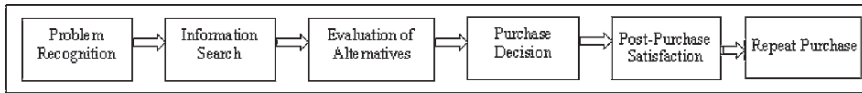


Figure 5 Stages in the Buying Process⁶

5.5.1.3 Evaluation of Alternatives

There is no single process used by all customers or by one customer in all buying situations. Customers may consider several factors while evaluating the alternatives. They try to satisfy their needs and look for certain benefits from the product. They may see each product as having multiple attributes and varied benefits. The attributes of interest vary by products and across buyers. Customers vary as to which product attributes they see as most relevant and the importance they attach to each attribute. They likely pay the most attention to attributes that deliver the sought benefits. The market can often be segmented according to attributes that are salient to different customer groups. The instructor should elicit examples from participants to convey the key issues above.

5.5.1.4 Purchase Decision

The actual decision to purchase is made following evaluation of alternatives.

5.5.1.5 Post-Purchase Satisfaction

Following purchase, the product is used and evaluated by customers. This step influences repurchase of the product and sustained sales for the seller.

5.5.2 Evaluating Alternatives

When evaluating alternatives, it is important to understand that, although there are many alternatives, customers may be aware of only a subset of them, and in turn consider only a subset of the alternatives that they are aware of. Only a subset of the alternatives in the consideration set may be in the choice set that receives close attention before an alternative is chosen. Participants can be asked to relate how they considered alternatives for specific product categories and arrived at the choice

⁶ Adapted from Kotler, *Philip, Marketing Management*, 11th Edition, © 2003, p. 204, Figure 7.4. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

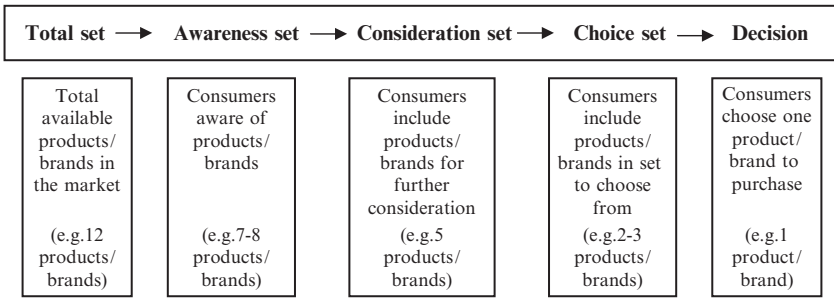


Figure 6 Sets of Products or Brands in Consumer Decision Making⁷

of one alternative. Such an approach of beginning with examples and then providing a broader summary is likely to be effective (Figure 6).⁸

5.5.3 From Evaluation of Alternatives to Purchase Decisions

After providing an overview of the decision-making process, some nuances in terms of how customers reach decisions can be covered. At least two sets of factors can intervene between the purchase intention and the purchase decision: attitudes of others and unanticipated factors. Infomediaries, such as published reports, can also play a key role. Unanticipated situational factors may also change the purchase intention. A customer's decision to modify, postpone, or avoid a purchase decision is likely to be influenced by perceived risk, such as the money at stake, amount of uncertainty about products, or financial difficulties (Figure 7).⁹

5.5.4 Sub-Decisions

Customers may make many purchase sub-decisions that sellers need to understand:

- Brand decision
- Vendor/dealer decision

⁷ Adapted from Kotler, *Philip, Marketing Management*, 11th Edition, © 2003, p. 205, Figure 7.5. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

⁸ Adapted from *Marketing Management* (Prentice-Hall, 11th edition, 2003) by Philip Kotler. Relevant sources include "Consumer behavior and product performance: An alternative conceptualization", *Journal of Marketing* (October, 1975), by Chem L. Narayana and Rom J. Markin.

⁹ Adapted from *Marketing Management* (Prentice-Hall, 11th edition, 2003) by Philip Kotler. Relevant sources include "An investigation of relationships among evaluative beliefs, affect, behavioral intention, and behavior", by Jagdish Sheth, in *Consumer Behavior: Theory and Application* (John U. Farley, John A. Howard, and L. Winston Ring (eds.), Allyn & Bacon, 1974).

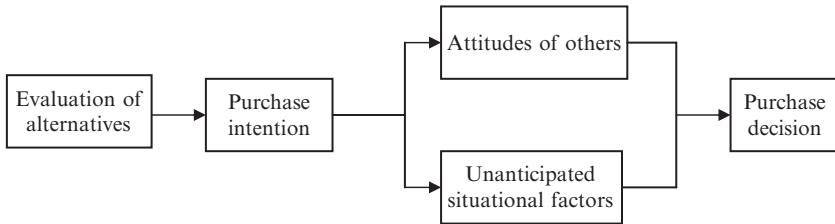


Figure 7 Stages Between Evaluation of Alternatives and Purchase Decision¹⁰

- Quantity decision
- Timing decision
- Payment method decision

5.5.5 *Buying Decision Process – Roles Individuals Play in a Buying Decision*

Often, the buyer may not make an independent decision to buy a product, though vested with ultimate decision-making power, either in a household or in an organization. The buyer may have to accommodate the interests of other individuals. An example, such as a household product used by everyone or a product being sold to a store or a small business, can be used as a starting point in the discussion. The discussion should be summarized by categorizing roles as¹¹:

- Initiator Person who first suggests the idea of buying the product or service
- Influencer Person whose view or advise influences the decision
- Decider Person who decides on any component of the buying decision, whether to buy, what to buy, how to buy, or where to buy
- Buyer Person who makes the actual purchases
- User Person who consumes or uses the product or service

From a seller's perspective, it is important to understand how the decision to buy is made and the different roles that individuals may play in that decision. For instance, as a seller, it would be important to make initiators aware of products. It would be important to provide full information to the decider. For example, when selling to a wholesale or retail store, it is important to know the different individuals involved

¹⁰Reproduced from Kotler, *Philip, Marketing Management*, 11th Edition, © 2003, p. 207, Figure 7.6. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

¹¹Adapted from several texts including *Marketing Management* (Prentice-Hall, 11th edition, 2003) by Philip Kotler. Relevant sources include *Organizational Buying Behavior* (Prentice-Hall, 1972) by Frederick E. Webster and Yoram Wind.

in various roles and to get information to the initiator. A fuller discussion of these issues is conducted under the topic of promotions. This discussion should be used to make participants aware that an understanding of consumer behavior is central as they continue to other topics, such as product design. If the business is to be oriented around the customer, the key is to understand consumer behavior.

5.6 Product Design

The instructor should begin the discussion with the question of how the needs of customers could be addressed by a businessperson. Participants may respond that it would be possible through providing goods or service. Figure 8 should be introduced to present the larger picture of the content being covered. The instructor should reverse the question and ask how a product could address the needs of customers, why a customer would be interested in buying a product, and how the product should be designed. Participants' responses for the first two questions may suggest that the product should primarily address the core needs of customers. Customers would prefer to buy a product if it is safe, cost-effective, and timely.

Responses about how to design the product may include fulfilling core and peripheral needs. The instructor should use a product, such as pickle, to provide an example and ask participants to list out the aspects to be considered when making the product. Products that participants are familiar with and can relate to provide a good starting point for exercises. Participants may explain the required ingredients, process, and packing methods. They should be asked whether the combination of ingredients, processes, and packing methods are common to all segments or would



Figure 8 Product Design¹²

¹²Adapted from Kotler, Philip, and Gary Armstrong, *Principles of Marketing*, 9th Edition, © 2001, p. 64, Figure 2.5. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

vary across segments. For example, a segment including construction workers may expect certain benefits from the product, such as a high degree of spiciness and small, affordable package sizes. This may be different from the benefits expected by a segment consisting of middle-class families, who may emphasize healthy ingredients and larger package sizes.

The instructor can place pictures representing the senses/organs of humans, such as eyes, ears, nose, tongue, brain, and heart, on a chart and arrange participants' responses under respective pictures. For example, "taste" would be written under the picture of a tongue. The idea here is to bring out the different benefits of products in a concrete manner. The instructor should remind participants of the concept of a value chain and ask how and why value is added in the process of making pickles. Each ingredient and its blending with other ingredients provide specific benefits to customers from the final product. The discussion can be concluded by emphasizing that value is added to produce a customer-oriented product that satisfies the expectations and needs of customers. Products should fulfill the sensory and psychological needs of customers, and ingredients should not be included solely because the producer decides to do so but rather because they serve a benefit. The key here is for the seller to understand the link between each ingredient and each aspect of the production process, and the benefits delivered to customers. Participants should be reminded that a producer of a product should continue to research and make necessary changes in such aspects as ingredients, process, or customer service, and fine-tune the product to meet the needs of customers.

The instructor should ask participants to form groups and each group should select a good or service they wish to sell in the market, discuss it among themselves, and make a presentation about how they are going to design it and why they prefer such a design, e.g., designing products, such as nutritional mix powder, pickles, and masala/chili powder. The groups may recall the value chain and present the following as the main stages in their respective product design and its production:

- Purchase of ingredients for the selected product
- Process of product preparation
- Packaging process
- Making or supplying products in a variety of sizes/colors/models

Their presentation may reflect the following as vital aspects in the product design:

- Visual appeal
- Fragrance/aroma
- Taste/Flavor
- Safety and healthiness
- Affordable sizes/configurations/models
- Brand recognition among customers

Because it is a first exercise, participants may focus on production in isolation and not on other aspects such as post-production and after-sales service. Participants should be asked to draw a multilevel figure where ingredients are at the bottom level, which link to benefits received by customers, at the middle level, which then lead to

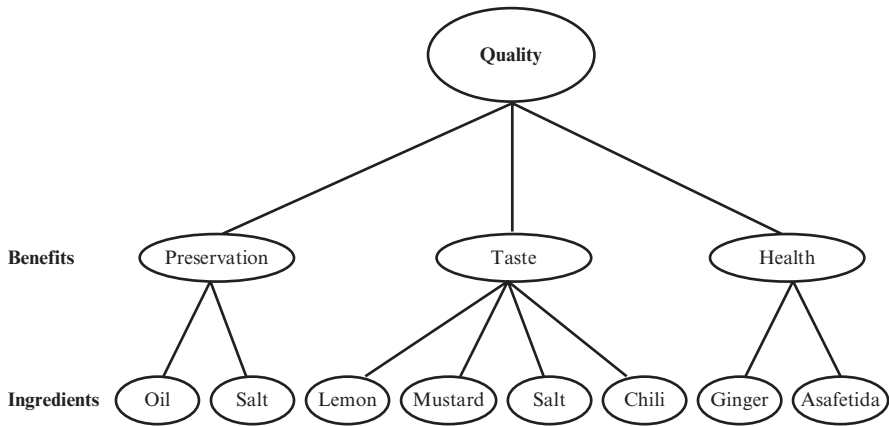


Figure 9 Understanding Customer-Oriented Product Design

overall perceptions of quality and satisfaction at the highest level. The aim here is to extend the implications of a customer orientation to product design. It is quite possible that a practical exercise may involve separating the task into two stages: first to list out ingredients and attributes, and next, to list benefits to customers (Figure 9).

Parallel to their presentation, the instructor should encourage discussion to classify the prescribed activities in product management and list them on charts as follows.

Input to product design and production:

- Updating knowledge on technology to make the product efficiently (e.g., how to make quality pickles)
- Identifying outlets to buy raw material or ingredients e.g., from retailers, wholesalers, or producers
- Deciding when to buy ingredients or raw materials, e.g., during periods of harvest or during periods when ingredients are cheaper in the market
- Mobilizing appropriate machinery, and labor, if necessary
- Using quality ingredients or raw materials
- Following a careful process of product design
- Ensuring hygienic (safe) preparation of the good or service
- Applying eco-friendly methods in the preparation
- Improving the attributes of products, e.g., spice, color, or aroma in the case of food items
- Providing information on usage of the product
- Packing and delivering products with adequate safety
- Using different package sizes and product type depending on the segment to be supplied
- Finding ways and means for storage, distribution, and delivery of the products

The instructor should remind participants of the relationship between product, pricing, distribution, and promotion. The instructor should also remind participants that the product design process does not end with determining the ingredients, but may need to be modified as issues of pricing, distribution, and promotion covered in subsequent sessions are considered. The central issue to emphasize here in product design is the need to understand the customer segment that the product is being made for, how customers will use the product, and what benefits they will derive from it. This understanding should form the basis for product design.

5.7 Summary

The instructor should facilitate a summary of topics covered in the last three days including Day 3:

- Understanding a customer-oriented philosophy of doing business, balancing buyer and seller goals through mutually beneficial exchanges
- Evaluating business opportunities through systematic assessment of needs, strengths and weaknesses, and competitors' strengths and weakness
- Understanding the role of research or information gathering
- Understanding customer behavior
- Product design