

Getting Your Own Set of Wheels

SUBMITTED BY: WGYP Summer 2011 Instructor

SUBJECT(S): Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students will think about which car to buy/lease based on the five stages of consumer behavior.

≡ NBEA STANDARD(S):

- Personal Finance, V. Buying Goods and Services

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- “New Car? The Costs Start Here”

Common Core Standard(s):

- Reading Informational Text — RI.9 -10.1.; RI.9 -10.2.
- Speaking and Listening — SL.9 -10.1.

Purpose:

- The students will learn about the five stages of consumer behavior.
- They will decide on which car they want (used or new, etc.) based on the five stages of consumer behavior.

Resources/ Materials: [Worksheet](#)**Activity:***Introduction (2 mins)*

In this lesson, students will think about the five stages of consumer behavior with respect to buying a new car. They will consider a few general options such as getting a new car versus a used car, and work in groups to come up with some criteria for taking a decision on which car make/model to buy.

Teacher Guided Activity (10 mins)

The teacher will go over the five stages of consumer behavior, discuss each step and write the underlined names of each stage on the board. Suggested topics of discussion are given in the brackets below. This first activity is in a sense part of the second stage, the information search.

There are five stages to consumer behavior

1. **Problem recognition** — A perceived difference between a person's ideal and an actual situation that is big enough to trigger a decision.[Talk about the difference between want and need, and what is required by someone taking a decision to buy a car. For the purpose of this lesson, tell students that they have already decided to buy a car.]
2. **Information search** — Includes internal and external search. The internal search involves delving into one's memory and/or knowledge. The external search includes things like consumer reports.[Talk about how some families want a particular car maker while others have a specific kind of car they prefer. This is an example of an internal search based on memory or knowledge. Talk about consumer reports and how valuable (or not) students think these are for taking purchase decisions.]
3. **Alternative evaluation** — The consumer's evaluative criteria include the objective attributes of a brand and the subjective attributes.[Once they come up with possible choices (example: Honda Civic or Ford Mustang) ask them to start thinking about the objective attributes of each car, and then the subjective attributes. Objective can be: a Civic gives good gas mileage. Subjective can be: Mustangs are sleek and swanky cars.]
4. **Purchase decision** — Three things must be decided: from whom to buy, when to buy, and whether to buy or not.[Talk about buying from an online trader, dealer or directly from the seller; what would be the best time of the year to buy; and the choice to opt out after the whole process, if you think it is not a good decision since you can't afford it, etc.]

5. **Post-purchase decision** – The consumer compares his or her expectations with the product and is either satisfied or dissatisfied. This can impact a consumer's perceptions or even his or her relationship to the product/service and its producer.

Group Activity (15 mins)

In groups of 3-4, ask students to go through steps 2-4 of the [worksheet](#) on their own. Tell them that they can take different decisions but must think through the process together and have reasons for each decision taken. Ask students to present their stages to the class at the end, and decide on the type, make, model and year of the car they want.

For stage 2, they can also consider the following issues. The teacher can see how many suggestions they come up with on their own and then give ideas if needed.

- Why should they consider used cars? The value of the used cars does not depreciate like that of a brand new car. Make sure they understand what depreciation means.
- Some used cars are still under a factory guarantee.
- If you buy from a private seller, you can negotiate the price.
- For used cars, it is important to do a DMV check or CarFax for major accidents.
- The biggest deciding factor for used cars is mileage accrued.
- Having a mechanic check for rust; engine status; and condition from inside and outside.
- Another important factor is finding the right car(SUV or a sedan)-gas per gallon.

Presentation (10 mins)

Spend some time going over as many students' presentations as possible. But make the presentations interactive and ask questions about their processes.

Tying It All Together:

In this lesson, students think through the consumer behavior stages involved in buying a car. They get into the specifics of different cars and options.