
Question 26 (9 marks)

- (a) Identify THREE external factors that affect food product development, and give a relevant example for each. 3

<i>External factor</i>	<i>Example</i>
Environment	Consumers who support Eco demand for less packaging in products
Other competitors	New products are being released
Customer needs	Some customer consumers may be allergic to an ingredient eg: nuts Therefore, a demand for a new product

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Question 26 (continued)

- (b) How does the food industry adjust its pricing structures in response to changes in the economy?

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The food industry adjusts its pricing structure in response to changes in the economy. A product's price may be lowered due to the low quality of the product and consumers would rather purchase it than a more expensive but different product. Companies may choose to set the product price same as the other competitors' products to create give more competition in the market. The company may also ~~start~~ start a new-to-the-world product at a low price and gradually increase the price ~~once~~ once consumer acceptance is increasing.

End of Question 26