
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>
Economy	Recession
Consumer Acceptance Machine Availability	is the product machine available for the product development.
Environment	Environmentally safe productions.

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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 pricing structure ~~that~~ is adjusted by the price of the ingredients, cost to run equipment, staff income/wages, and product demand.

If the economy is doing negatively ~~the~~ companies may reduce the cost of their product so ^{more} consumers purchase it or they can increase the price of their product if they are struggling with the economic downturn. In doing this though, consumers may not purchase the product as ~~if~~ they will think twice.

End of Question 26