
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>
environmental - impact	using less packaging
Economic environ- ment	what If the global market is down you won't increase the cost of the product.
Technological environment	having the right technology for the produc- tion of the product at this time.

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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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Many large companies and multi-national business change their products pricing depending on the economy. ~~They~~ Depending on how the economy and the Global business market is running companies either lower their prices so that even though the Australian economy may be low, consumers are still able to buy their regular products without paying so much. For example, when Australia's economy dropped earlier this year, Coles put their prices down on daily staple products such as milk which they were selling for just \$1 per litre.

So companies change their pricings by putting products on sale that way families are able to afford and have a larger selection of food to chose from.

End of Question 26

eg. Coles were selling milk for \$1 per litre