# Chapter 12 Situational Factors in Food and Drink

## **Multiple Choice Questions**

1. Time pressures have particularly increased demand for what in the food and drinks industry?
2. Hay as a suitable substitute for bread
3. Easy to prepare and ready to eat foods
4. High salt content in food and drink
5. The packaging of food and drink products
6. Which one of the following is a macro-economic factor that affects consumer behaviour in food and drink?
7. Economic
8. Social
9. Technological
10. All the above

**Revision questions**

1. How do social surroundings affect the consumer decision making process, in relation to food and drink? Include a relevant theorist.
2. What are temporal factors and how do they affect consumer behaviour and the food and drink industry?
3. How does our socio-economic status affect our purchasing habits of food and drink industry?
4. Suggest the ways in which PESTLE factors can affect the consumer’s decision-making process when choosing where to go out for dinner.
5. Define queueing theory and explain how businesses may improve performance in relation to extensive queues.

**Answers**

### Multiple choice questions

1. B
2. D

### Revision questions

1. *How do Social Surroundings affect the Consumer Decision Making Process, in relation to food and drink? Include a relevant theorist.*

Depending what social situation you are in will determine what sort of product you buy and how much money you spend on it. For example, if you are with someone you want to impress, like a work colleague, you will be more likely to buy healthy food opposed to unhealthy food, whereas if you are with a group of friends, you will feel calmer and won’t spend as much time debating what to buy. Similarly, if you were to go on a date, you would most likely to choose somewhere upper class like an Italian restaurant, opposed to somewhere like McDonald’s or another fast food restaurant as you would want to impress the other person.

Your social surroundings can affect the Consumer Decision Making Process in positive and negative ways, as it can cause a consumer to spend more or less on certain food and drink products. We can use Maslow’s ‘Hierarchy of Needs’ model to explain this as he says everyone should go through each stage and eventually reach the ‘Self-Actualization’ stage of the pyramid to lose prejudicial perspectives. However, some people may skip the ‘Physiological Needs’ stage, which says you eat food when you are hungry and it doesn’t matter what food it is, as you just want to satisfy your needs, and try to skip straight to ‘Belongingness and Love Needs’ stage, in order to feel accepted and part of a social group because of the choices they made in relation to what food and drink they consumed. Consumers may feel under pressure or ‘judged’ when choosing what food and drink to consume when they’re in a social situation, which could result in them skipping vital stages of Maslow’s model in order to create a positive self-image for themselves.

1. *What are temporal factors and how do they affect consumer behaviour and the food and drink industry?*

Temporal factors include the time frame it might take for someone to consider purchasing a product or service, the time it takes for them to make the purchase itself or the time frame it may take to consume the good. Time affects consumer behaviour because our time is something we have to spread across numerous day-to-day activities. This chapter quotes “Time is precious, especially in the eye of a consumer.” Which also refer to the fact that ‘time is money’ and therefore, consumers believe that it is better to carry out tasks as quick as possible unless of course, it regards spending more time to ensure they get the good result they are looking for. From this chapter I also understand there are two forms of temporal time, which includes Economic time and Psychological time.

In regards to the food and drink industry, demand has been met since the introduction of ready-to-cook meals, pre-packed fruits and vegetables any many other fast access foods. This is a convenience for those who want a quick meal regardless of the downfalls. People steer away from healthier options as they take time and effort to prepare. Even though these ‘convenience foods’ are higher in cost, time constrained customers are still willing to pay for them because they are still cheaper and quicker to access than eating out. However, if consumers don’t wish to purchase these quick home-make options and don’t have the time or energy to cook then they will purchase food at some form of restaurant. It’s also essential that marketers understand the

fluidity of time because people are more likely to be in a ‘consuming mood’ at some times than others. For example, having the time to sit and eat in a restaurant around other day to day priorities.

1. *How does our Socio-economic status affect our purchasing habits in the Food and Drink Industry?*

Our socio-economic status is defined by our education, income and occupation. Those who are classed as having higher socioeconomic status will have had high valued education and will have a well-respected job with high income.

If we look at supermarkets there are many brands that offer different customer experiences. Supermarkets such as Lidl and Aldi may appeal more to lower socioeconomic groups as they provide lower priced products, compared to supermarkets such as Waitrose and M&S who pride their products on quality as they know their customer base aren’t as concerned with the pricing of products.

Supermarkets like Tesco and Sainsbury’s have taken the approach of trying to cater for the majority of different socioeconomic groups. They do this by offering different product ranges. At Tesco they cater for higher socio-economic groups with their Tesco finest range, this range is of higher quality but with the higher quality also comes the higher cost. They also provide a Tesco Value range. This is very basic quality food with a lower cost appealing to lower socioeconomic groups.

1. *Suggest the ways in which PESTLE factors can affect the consumer’s decision-making process when choosing where to go out for dinner.*

Politics can affect our economy dramatically, as we have seen in the recent Brexit referendum, which could increase the average price for goods. Consumers may search for better value restaurants if the budget is limited. The consumer may also choose to cook at home. New trading laws are expected to be introduced as a result of Brexit which could include high tariffs and lower quotas. This could increase the price of food meaning consumers will not buy as much.

The economy can affect an individual’s wealth, as a higher GDP will give consumers more money to spend on average. This will cause the consumer decision making process to change as more alternatives will be considered. The consumers buying behaviour is proportional to their income and with the market offering many cuisines at all budgets, more consumers can consider eating out.

Social factors such as who the consumer is with when in the purchasing situation, can affect what and where they go for a meal. If the consumer is with a boss or someone they are trying to make a positive impression, then they may chose a premium eatery who use improved quality ingredients.

Technological factors have seen the rise in self-service kiosk. This technology is being used in restaurants to eliminate the need for queuing and waiting to purchase the food demanded. Customers may also feel more inclined to purchase meal size up-sales as they do not feel judged by the machine, unlike how the consumer may feel by the cashier.

Environmental factors can be used to in the evaluation of a restaurant. If food is locally sourced, Co2 emissions are reduced and the company’s carbon footprint improves. Consumers will perceive this ‘green’ company to have additional benefits and may be of importance to the selection amongst alternatives.

1. *Define queueing theory and explain how businesses may improve performance in relation to extensive queues.*

Queuing Theory examines the length of time consumers are willing to wait for a service/product, depending on the products attractiveness. It examines each stage of the sale; arrival process,

service process, number of cashiers/employees and number of systems. In addition, it also shows if the resources are available to meet the demand of a particular period of time. It is a popular theory to use for businesses in certain sectors such as supermarkets, at a petrol station and at restaurants.

 Companies use the queueing theory to examine the satisfaction of customers and ensure that they do not get fed up waiting in line for products. One technological factor that has improved business performance in relation to queueing is the introduction of self-service check outs. This has sped up the time that consumers spend at checkout for their products, ultimately increasing consumer satisfaction.

 Another way of improving performance in relation to queueing is how restaurants treat customers who are waiting for a table. Restaurants may offer drinks and snacks to keep customers happy, especially during busy times. This will ensure that the chances of consumers returning are not hindered by the waiting time they might have to endure. This will improve the post purchase evaluation stage on the consumer decision process.