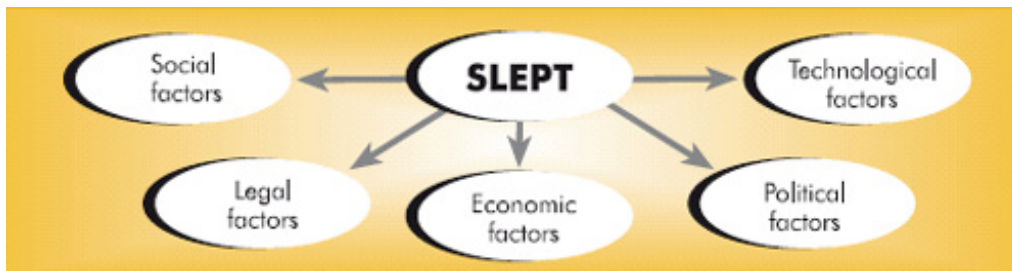




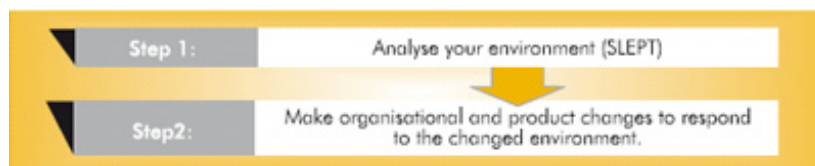
## How McCain responds to changes in the external environment

### SLEPT analysis and social factors

In order to be able to understand its customers' requirements and respond to other changes, it is important for a company to analyse its environment. A SLEPT analysis is a tool that helps to analyse the environment.



ate a SLEPT analysis the company needs to examine the key environmental factors that affect its business. These are broken down into:



Having carried out the analysis it must then take action to respond to the important changes that have been identified.

Of course, some of the factors in the SLEPT analysis can be placed under more than one of these headings.

The following analysis outlines SLEPT factors and indicates some of the changes that McCain has made and is making.

### Social factors

Social trends are one of the key factors affecting a business. Consumer buying patterns are determined by trends. Just as the demand for some popular clothes are determined by fashion, demand for food products is determined by eating patterns. Eating habits are always changing. Currently one in four of all British potatoes consumed are eaten as chips.

Recently McCain and other food producers have seen a slow down in sales as a result of campaigns to encourage healthier eating such as that spearheaded by Jamie Oliver. McCain has responded to this challenge in two main ways:



\* by reducing quantities of salt and oil throughout its potato products range. McCain argues that these figures are very low already. For example, McCain's Oven Chips contain only 5% fat, 0.8% saturated fat and 62mg of sodium in every 100g portion. They are made with only natural ingredients - specially selected potatoes and sunflower oil.

\* by seeking to get the message over that its chips are not unhealthy. The message that it communicates through public relations campaigns and advertising is that all McCain potato products are made from simple ingredients such as whole potatoes and sunflower oil.

A key way in which McCain has responded to changing customer tastes has been to improve the nutritional make-up of its products. All of McCain's potato products are now pre-cooked in sunflower oil instead of regular vegetable oil to reduce saturated fats. There is no added salt in oven chips and added salt has been reduced by up to 50% in other potato products.