A mix of economics and sale forces

Accepted 7th October, 2013

ABSTRACT

The catering activity is a business and if well-managed, it is a very profitable business. In this paper, we tried to underline that this kind of economic and social activity is a mix of micro-economics and of sale forces. The consumers’ tastes and behavior are in a continuing dynamic, and that is why the suppliers or producers have to pursue the trend to anticipate them in order to satisfy the demands (needs) required and, par consequence, to improve the general mechanism of functioning of an entity. We are speaking about the first (basic) level of the Maslow’s hierarchy of needs in a period when the food consumer se detaches from the industrial producer. The food supply in the quantity and quality desired is necessary for daily consumption or for specific occasions, tastes and beyond all, the budgets’ sizes. On the other hand, being a business, catering or food industry supplier is part of the so-called sale forces, communicating system of the firm and the direct interface with the potential distributors and clients. Identification of potential markets or consumers merchandising and advertising the entire set of food supply stages and services linked to customers’ behavior; these are the commands of this commercial indispensable nowadays activity. The activity of catering itself means a dynamic action, starting from resources (factors of production), through the preparation of meal assortments, distribution to customers and compulsory feedback from the users in order to satisfy promptly the needs and tastes.

Key words: Food suppliers, consumers, markets, satisfaction, efficiency.

INTRODUCTION

The survey and analysis methods were used starting from practice of the units in the field and from the information received from clients and some owners regarding the situation of the domain, the problem solved and ideas for improvement the activity. The empirical study was essential for revealing the features of the business and its links with other activities and with the final judge: the client. The survey is based mainly on the activity of specialized units in the field, consumers’ behavior, including myself and colleagues.

The purpose is to pursue the entire flow of production and service of this business as mentioned from the material aspects of supply, creation of assortments, logistic and vending, to the imaterial goals represented by clients satisfaction and desire to consume the favourite products offered. Using the literature in micro-economics (theory of the firm and consumers’ behavior) such as Samuelson and Nordhaus (1997) and Fischer et al. (1988), that is, the best way to understand the general context in which the activity or the business of catering is incuded in. The chapters regarding the demand and supply, consumers’ behavior, theory of management and organizational behavior were used with priority, enhancing the complex problem discussed with the real economy.

The consumers’ tastes and preferences are in a dynamic trend. The modern human being is increasingly attracted by the convenience of food for his basic necessities (according to the first level of the Maslow hierarchy of needs). For our purpose, the term “catering” derived from cate, a noun with the meaning of buy (our underline) and after that, the sense of foods purchased.

The micro-economic approach of consumption is focused
on the universal "game" of the two variables, the demand and the supply, respectively production-consumption, but determinant being the prices of goods and services, and on the other side, the incomes and preferences of the potential consumers. Any catering (food supplier) system that is efficient (the results exceed the efforts), involved more essential points (or even tips)\(^1\), in order to ensure the success and continuity of this activity. Such essential points may include:

1. Identification of the consumer (characteristics and needs).
2. Consolidate orders to maximize production efficiency.
3. Interpretation of the demand and analysis of the offer.
4. The utilization of the facilities and innovations in technologies.
5. Keeping the clients happy and satisfied in order to continue the business.
6. All plans, well organized and executed have to be controlled and supervised.

We appreciate that food-supplying products can and have to answer to nutritional needs and to necessities influenced by the action of economic, socio-cultural and psychological factors from the environment.

A particularity of this activity is the interdependence between real economy (market) and so called "metabolic" market for the consumers protection and healthy and appropriate foods. On both markets are taken into account the sale forces specifying that in metabolic market, the ratio of biological demand for nutrients and the specific offer requires daily balance between quantitative foods offer, but mainly structural (qualitative), this situation being different from supply-demand classic relationships. Therefore, we are in the presence of sale forces' action, catering being also part of the cultural behavior: eating behavior.

The problem of human feeding can not be reduced only to biochemistry and physiology\(^2\). The modern life implies a larger number of factor of impacts on manpower and it is necessary that human personality bio-psycho-social is permanently able to perform either in working activities, or domestic activities.

Extending the fabrication of this kind of products is possible because there are or can be created the necessary technical conditions; adequate resources of raw materials can be provided, there is growing demand in the context of an increasing level of employment and a reduction in the time for preparing and serving food.

Potential consumers are all those consumers that are receptive to new ideas and willing to give up the idea of traditional, replacing even partially the traditional cuisine. Catering or food-supplying activities are more and more required, even by individuals, not only by groups of people as in hospitals, schools, jails, or to important festivities, receptions, rustic feasts (picnics)\(^3\). Rapidity in serving the desired meals, the quality, presentation and downtime elimination are the advantages for this type of business.

This activity and business has to be managed not from behind a desk, but from the middle of the action, the kitchen, logistic chain and clients. This is a so-called shift management and every detail being watched in order to ensure the appropriate standard of quality and plan of production.

Considered as a mix, exactly as in marketing, the promotion of catering products and services is compulsory in the study of the consumers' necessities, of the suppliers' capacities and of possibilities of required assortments\(^4\). In this action, it has to be an optimal ratio between communication and persuasion, the message received by those interested has to reflect the true characteristics and nutrients of the food products and their strength.

The communication and contact with the client represent the key of success in business, hence, in catering. The food-sellers (the caterers) intend to transform the consumers' satisfaction in loyalty, in order to gain a stable portfolio which can be expanded step by step in order for an important part of the occupied population (around 60 % in the developed countries) to be included in the catering systems.

Perhaps, more than any other business domain in catering activity it manifests the characteristics of the sale forces in which people, resources, devices and technologies are involved in direct selling activity, direct contact with the client and his needs and tastes.

**Thinking in practice**

I started from the analysis of the activity and performances of some hotel units, but merely restaurants providing catering from Lasi and Piatra Neamț cities of the Moldavian region (such as Rita Terrace, Belvedere, Ceahlul and Mamma Mi). Restaurants are also units directly linked to the consumers' demands and tastes and, hence, more appropriate to the food supply activity to the different kind of clients.

A catering firm is like the other firms, including 4 (four) important phases of production and services providing:

- The input of resources (materials, manpower, capital and ingredients and food products).
- The production or the preparation of the meals required by orders from clients (consumers).
- The output of convenience of food or final preparations, mainly directly, but also its own other specialized firms’ chains of distribution.
- The process of feedback, the most important stage or phase starting from consumers’ opinions (positive or not) to the stage of production and service provision, because in such manner, it is possible that the caterer or the specialized management take operative measures to correct or improve the food products offered.

This type of firm is also a mix between production (the preparation of the different meals and menus) and services, including transportation, the mode of presentation and arrangements (where necessary). Therefore, we see that all stages in the existence of the firm are present here. We think that the success in this business, viewed as a chain, depends mainly on four major aspects:

- Entrepreneurship.
- Experience in the field or related fields.
- Business (and management) knowledge.
- Creativity and risk calculation.

Furthermore, by the direct contact of food products to consumers, people to people, we are also in the presence of the behavioral theory of the firm; one which expresses the quality in any firm (enterprise) activity and it is the expression of the current conditions in the theory and practice of the firms.

The quality of the activity and quality of the products is the mixture for a performance in this field, where the consumers are very exigent in what they eat for their health and power to do better in their jobs.

We are dealing with some distinctive activities, starting with the input of resources (more precisely, the factors of production), continuing with the effective production or service providing and finishing with the output of goods and services and inter-relations with the market. This system comprises the 5 (five) functions of an enterprise (firm) and all the 5 (five) management functions involved. We think that the following chain or scheme of functioning (Figure 1) is illustrative for this kind of activity (business).

We see the straight relationship with the Maslow Hierarchy of Needs where the first level, the most important one and basic for the entire theoretical architecture indicates the need for food, water and houses. Therefore, if the individual (especially the working people) has the right food in due time, in the required ratio of quantity, quality and price, the whole activity is doing well and all parts involved in are satisfied.

All these steps and trends are enclosed in the activity of drawing plans (marketing included) and image creation on the market. Delimitation of the individuals’ market from that of companies’, classification of suppliers and bidders, selling the right products to the right persons or consumers, represent also aspects to be taken into account by the food suppliers firms, in order to achieve the proposed goals.

The aforementioned scheme of the Maslow Pyramid is taken from one of my article; in this respect, our intention being only to emphasize the liaison between the final stages in catering chain of activities (in this case) and the first level of the pyramid, the strong base for the development and accomplishment of the human personality and also for manpower.

The offer is important in this business because many people expect to see how diverse the food supply is, or the arrangements of menus, in order to satisfy theirs requests. That is why the catering activity means a complex of actions designed to meet the clients’ tastes or budgets in a word to meet the demand.

In the practical activity, no matter what catering firm is, the caterer is the person deciding the menu or the meals to be prepared for different events or destinations. He (she) has the required aptitudes, knowledge, skills and communication abilities in order to ensure the right rules of food preparation, the requirements of a special diet menu, the sub-activities linked to supplying and delivering functions of the firm (enterprise) and other strong point for some firms in the field: presenting or sending samples of the dishes or menus prepared.

It is the direct contact of the offer and the clients and the last ones that have the opportunity to wittingly decide and with more chances to win the respective firm. Also, we think that the caterer must have other indispensable qualities: communication capacity, marketing knowledge, capacity to work under pressure and short dead-lines. These are the key points for obtaining profits and recognition on the specific food supplying market.

RESULTS AND DISCUSSION

The results of the present analysis revealed a straight combination of specialized catering units in preparing and delivering convenient food in the quality and assortments required with the answers received from various clients (students, employees, office workers, civil servants) in this area. The accent is put on the demand in ensuring satisfaction for each one. The good results obtained are due to a know-how of the caterer and all personnel involved along the chain of distribution.

The increase in time spent at work led to emphasis of the trend to eat out of home, serving convenient food and finished food products. Therefore, catering systems have been launched operating during the different periods of the day, from early hours of the morning to late night of the

---

week and year with remarkable results both for suppliers and clients.

The realization of food products in catering system ensures the increase of economic and social efficiency in entities, organizations and households.

Catering sales and the entire industry around it remained the fastest growing domains in economics of today (industry and services), especially in U.S.A., but also in EU, in trend with communities’ life development. The final result in the activity of food supply has to be in any situation and case, the simultaneous gain of profit on one hand and the client’s satisfaction, on the other hand.

The links between resources used → food preparation and assortments created → meets the consumer’s preferences, but the feedback from the market to producers and suppliers in order to fasten the correction or adjustments of the refusals or failures in this respect are the relation chains and a niche market within economics. Cater within form means exactly the action of providing food and entertainment (pleasure) to the clients and interactions involved in this action become business.

CONCLUSION

As I emphasized earlier, the present research is based on the practical activity of some catering units in order to create links with the literature in the field (not so rich, effectively focused on this issue) and to put other bricks to the theoretical construction of this problem. Furthermore, the link with Maslow Pyramid of Needs (Salceanu and Trifu, 2010) was considered to be of utmost importance in understanding the problem and consumers’ behavior issue. The development of the subject on the new discoveries in the food preparation and supply issued from the activity of the catering units and from the better acknowledge of the business and management features in this respect is very necessary both for scholars and practitioners in the field. The result preparation suggests that good economic knowledge plus data from the own activity and from that of the competition plus the sound feedback from the clients represent the major mix for the success in the food supplying business.

REFERENCES

