

Economic Basics

SPECIFIC EXPECTATIONS

After completing this chapter, you will be able to

- explain how needs and wants create opportunities for business
- describe the concepts of supply and demand and the conditions that affect them
- compare the ways in which different industries, sectors, and competitors address similar consumer needs and wants

PROFILE

Pita Pit

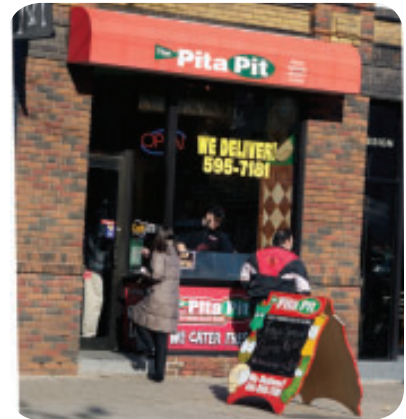
Can fast food be healthy? John Sotiriadis and Nelson Lang, the founders of Pita Pit, thought so and saw a need in the market for a healthy fast-food outlet. Pita Pit puts a fresh twist on fast food and is an alternative to traditional burger and pizza places. Pita Pit opened its first store in Kingston, Ontario, in 1995. In 1997, the Pita Pit franchise expanded across Canada and in 1999 expanded into the United States. Today there are 220 stores worldwide, with two to four new locations opening monthly.

Pita Pit's success is built around understanding their customers. Pita Pit has a loyal following of students and health-conscious individuals who want a healthy meal. Yet their customer base has broadened as students become professionals and as healthy eating is emphasized in society.

Pita Pit aims to please their customers on five dimensions: convenience, accessibility, service, atmosphere, and taste. Pita Pit tries to be accessible and convenient by locating its stores close to its customers, usually on or around college campuses and social hubs. Pita Pit also maintains extended hours, usually until 3 a.m. or 4 a.m., in order to satisfy hungry bar-goers after a night out or students studying late. Pita Pit also delivers. Often the delivery person arrives on a bicycle, reflecting Pita Pit's health-conscious image.

The atmosphere, service, and taste are consistent across locations. Stores are decorated in bright colours with familiar Pita Pit cartoon characters on the menu. Service is standardized as franchise owners receive training at national training centres. Pitas are made to order to the customer's exact specifications on the spot from a wide variety of fillings.

Pita Pit has faced increased competition from established fast-food chains. Most fast-food restaurants now have healthier meals and salads on their menu. However, Pita Pit feels that by specializing in pitas they have an advantage. Pita Pit feels they make one item extremely well as opposed to many items unimpressively. And they also understand their customers do not want to see fries and burgers on their menu. Pita Pit is distinctively healthy and that is why customers love it.



A hungry student chooses to go to the Pita Pit for her lunch break.

QUESTIONS

1. How has Pita Pit been successful in matching its understanding of customers with the needs and wants of its customers?
2. Businesses always try to gain a competitive edge on their competition. Explain how Pita Pit has been successful in this regard.