

Directions: In this section, you are going to read a passage with ten statements attached to it. Each statement contains information given in one of the paragraphs. Identify the paragraph from which the information is derived. You may choose a paragraph more than once. Each paragraph is marked with a letter. Answer the questions by marking the corresponding letter on **Answer Sheet 2**.

The Changes Facing Fast Food

- A) Fast-food firms have to be a thick-skinned bunch. Health experts regularly criticise them severely for selling food that makes people fat. Critics even complain that McDonald's, whose logo symbolises calorie excess, should not have been allowed to sponsor the World Cup. These are things fast-food firms have learnt to cope with. But not perhaps for much longer. The burger business faces more pressure from regulators at a time when it is already adapting strategies in response to shifts in the global economy.

- B) Fast food was once thought to be recession-proof. When consumers need to cut spending, the logic goes, cheap meals like Big Macs and Whoppers become even more attractive. Such "trading down" proved true for much of the latest recession, when fast-food companies picked up customers who could no longer afford to eat at casual restaurants. Traffic was boosted in America, the home of fast food, with discounts and promotions, such as \$1 menus and cheap combination meals.

- C) As a result, fast-food chains have weathered the recession better than their more expensive competitors. In 2009 sales at full-service restaurants in America fell by more than 6%, but total sales remained about the same at fast-food chains. In some markets, such as Japan, France and Britain, total spending on fast food increased. Same-store sales in America at McDonald's, the world's largest fast-food company, did not decline throughout the downturn. Panera Bread, an American fast-food chain known for its fresh ingredients, performed well, too, because it offers higher-quality food at lower prices than restaurants.

- D) But not all fast-food companies have been as fortunate. Many, such as Burger King, have seen sales fall. In a severe recession, while some people trade down to fast food, many others eat at home more frequently to save money. David Palmer, an analyst at UBS, a bank, says smaller fast-food chains in America, such as Jack in the Box and Carl's Jr., have been hit particularly hard in this downturn because they are competing with the global giant McDonald, which increased spending on advertising by more than 7% last year as others cut back.

- E) Some fast-food companies also sacrificed their own profits by trying to give customers better value. During the recession companies set prices low, hoping that once they had tempted customers through the door they would be persuaded to order more expensive items. But in many cases that strategy did not work. Last year Burger franchisees(特许经营人) sued(起诉) the company over its double-cheeseburger promotion, claiming it was unfair for them to be required to sell these for \$1 when they cost \$1.10 to make. In May a judge ruled in favour of Burger King. Nevertheless, the company may still be cursing its decision to promote cheap choices over more expensive ones because items on its "value menu" now account for around 20% of all sales, up from 12% last October.

- F) Analysts expect the fast-food industry to grow modestly this year. But the downturn is making companies rethink their strategies. Many are now introducing higher-priced items to entice(引诱) consumers away from \$1 specials. RFC, a division of Yum! Brands, which also owns Taco Bell and Pizza Hut, has launched a

chicken sandwich that costs around \$5. And in May Burger King introduced barbecue(烧烤) pork ribs at \$7 for eight.

- G) Companies are also trying to get customers to buy new and more items, including drinks. McDonald's started selling better coffee as a challenge to Starbucks. Its "McCafe" line now accounts for an estimated 6% of sales in America. Starbucks has sold rights to its Seattle's Best coffee brand to Burger King, which will start selling it later this year.
- H) As fast-food companies shift from "super-size" to "more buys", they need to keep customer traffic high throughout the day. Many see breakfast as a big opportunity, and not just for fatty food. McDonald's will start selling porridge(粥) in America next year. Breakfast has the potential to be very profitable, says Sara Senatore of Bernstein, a research firm, because the margins can be high. Fast-food companies are also adding midday and late-night snacks, such as blended drinks and wraps. The idea is that by having a greater range of things on the menu, "we can sell to consumers products they want all day," says Rick Carucci, the chief financial officer of Yum! Brands.
- I) But what about those growing waistlines? So far, fast-food firms have cleverly avoided government regulation. By providing healthy options, like salads and low-calorie sandwiches, they have at least given the impression of doing something about helping to fight obesity(肥胖症). These offerings are not necessarily loss-leaders, as they broaden the appeal of outlets to groups of diners that include some people who don't want to eat a burger. But customers cannot be forced to order salads instead of fries.
- J) In the future, simply offering a healthy option may not be good enough. "Every packaged-food and restaurant company I know is concerned about regulation right now," says Mr. Palmer of UBS. America's health-reform bill, which Congress passed this year, requires restaurant chains with 20 or more outlets to put the calorie-content of items they serve on the menu. A study by the National Bureau of Economic Research, which tracked the effects on Starbucks of a similar calorie-posting law in New York City in 2007, found that the average calorie-count per transaction fell 6% and revenue increased 3% at Starbucks stores where a Dunkin Donuts outlet was nearby—a sign, it is said, that menu-labelling could favour chains that have more healthy offerings.
- K) In order to avoid other legislation in America and elsewhere, fast-food companies will have to continue innovating(创新). Walt Riker of McDonald's claims the change it has made in its menu means it offers more healthy items than it did a few years ago. "We probably sell more vegetables, more milk, more salads, more apples than any restaurant business in the world," he says. But the recent proposal by a county in California to ban McDonald's from including toys in its high-calorie "Happy Meals", because legislators believe it attracts children to unhealthy food, suggests there is a lot more left to do.
36. Some people propose laws be made to stop McDonald's from attaching toys to its food specials for children.
37. Fast-food firms may not be able to cope with pressures from food regulation in the near future.
38. Burger King will start to sell Seattle's Best coffee to increase sales.
39. Some fast-food firms provide healthy food to give the impression they are helping to tackle the obesity problem.
40. During the recession, many customers turned to fast food to save money.
41. Many people eat out less often to save money in times of recession.

42. During the recession, Burger King's promotional strategy of offering low-priced items often proved ineffective.
43. Fast-food restaurants can make a lot of money by selling breakfast.
44. Many fast-food companies now expect to increase their revenue by introducing higher-priced items.
45. A newly-passed law asks big fast-food chains to specify the calorie count of what they serve on the menu.