

Moreno Snack Bars: which way to grow?

Learner workbook | Cambridge IGCSE Business (0264) and Cambridge IGCSE (9–1) Business (0774), for exams in 2027, 2028 and 2029 | Original TBS three-lesson case study

Over three lessons you will advise a family business that wants to grow. Lesson 1: use market research and market data to compare two target markets, then plan a marketing mix. Lesson 2: compare production methods, costs and break-even for the two growth plans. Lesson 3: consider finance, people and external influences, then write a justified recommendation of about 150 words.

Moreno Snack Bars, Port Amara, Kestrel Supermarkets, Goldfield Foods and every person, figure and quote in this case are fictional. All money is in dollars (\$). Figures are simplified for teaching. You need a calculator. This is original classroom practice, not an exam paper.

The business

Leila and Daniel Moreno run Moreno Snack Bars as a partnership in Port Amara, a fast-growing coastal city. For six years they have made handmade fruit-and-nut bars in a rented kitchen, using batch production. They sell at two weekend markets and to eight local cafes. Their only employee, Amir, has worked for them for five years. Their daughter Sofia studies business at college and has carried out market research for them.

Last year the business had sales revenue of \$60,000 and made a small profit. Customers praise the taste, and the cafes often run out of bars. Leila and Daniel want to grow by launching a new bar, but they can manage only one new plan at a time.

The two growth plans

	Plan 1: lunchbox bar	Plan 2: sports bar
Target customers	Parents buying for children's lunchboxes	Active young adults (about 18 to 30) who go to gyms or play sport
Product	A small fruit-and-nut bar, sold under Kestrel's own brand name with "made by Moreno" in small print	A large fruit, nut and seed bar under the Moreno name
Where it is sold	Kestrel Supermarkets, a chain of 30 supermarkets in Port Amara, sells it for \$1.00	Online and through gyms and sports shops, for \$2.00
Price Moreno receives	\$0.80 a bar from Kestrel. Kestrel collects the bars from Moreno's factory unit at its own cost, so Moreno pays no delivery.	\$1.60 a bar on average across online and retail sales (online sales bring the full \$2.00; gyms and shops keep part of it)
Forecast sales	30,000 bars a month, all to one customer (Kestrel)	5,000 bars a month to many customers
Production	Rent a small factory unit and lease a bar-forming machine	Made by hand in the existing kitchen in the afternoons

Leila: "Kestrel could make us a real business, but I worry about one customer having so much power."

Daniel: "Sports bars are where our handmade quality counts. But will enough people pay \$2.00?"

In both plans the existing market and cafe business carries on as before. All figures for the plans are for the new bar only.

Free sample

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Contents of the full pack

Lesson 1: Which market should the new bar target?

Lesson 2: Making the bars: production, costs and break-even

Lesson 3: Finance, people and the final decision

Student workbook and teacher guide, as PDF and as editable Word files.

The teacher guide has lesson plans, full worked answers and indicative guidance.

This sample is the cover and the first two pages of Lesson 1 of the student workbook. It contains no answers. The pages that follow are exactly as in the full pack.

Lesson 1: Which market should the new bar target?

Today you will analyse Sofia's market research and a market report, then plan a marketing mix for one of the plans.

Starter: key terms

Write the correct term next to each description. Word bank: market segment, niche market, mass market, primary research, secondary research, sample, market share.

Description	Term
1. A group of customers with similar characteristics or needs	
2. A small, specialised part of a market	
3. A large market in which similar products are sold to most customers	
4. Data collected first-hand by or for the business, for its own purpose	
5. Data that has already been collected by someone else	
6. A small group chosen to represent all the people being researched	
7. A business's sales revenue as a percentage of the total sales of the market	

Task 1: how did Sofia research the market?

Sofia gave a questionnaire to 200 people (Appendix 1): 80 young adults at the largest gym in the city and 120 parents outside two primary schools near the family kitchen. She also read a market report, the Port Amara Food Trade Review (Appendix 2).

a. Identify the primary research method and the secondary research method Sofia used.

Type of research	Method Sofia used
Primary research	
Secondary research	

b. Explain one reason why Sofia asked a sample of people rather than everyone in Port Amara.

Task 1 (continued)

Givens: Sofia asked 80 young adults at one gym and 120 parents outside two primary schools near the family kitchen. She also used a market report written by someone else.

c. Explain one reason why Sofia's survey results may not be accurate for the whole city.

d. Outline one disadvantage to Moreno of using the market report.

Appendix 1: Sofia's survey results (number of people)

Question	Young adults (80 asked at a gym)	Parents (120 asked outside schools)
Buy a snack bar at least once a week	52	66
Would pay \$2.00 for a large handmade sports bar	34	18
Would pay \$1.00 for a small fruit-and-nut lunchbox bar	44	96
Most important factor when choosing a bar: taste	20	30
Most important factor: price	12	54
Most important factor: health and ingredients	36	30
Most important factor: brand	12	6
Usually buy snack bars in: a supermarket	20	102
Usually buy snack bars in: a gym or sports shop	38	4
Usually buy snack bars: online	22	6
Usually buy snack bars in: other shops	0	8