

Operations Methods: Activity 5.2C



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5.2 OPERATIONS METHODS: ACTIVITY C

Read the case study information below and answer the questions that follow.

OH FUDGE!



Annabel Burton is the CEO and founder of a boutique chocolate company – Oh Fudge! – where artisan chocolates are made to order. The company has successfully **targeted** various **market segments**, supplying their chocolates to fine dining restaurants, high end hotels and weddings. The business has been profitable and retained earnings now presents an opportunity for Oh Fudge! to open a new chocolate factory where different chocolates could be made in relatively larger **batches**. Market

research suggests that there is demand from both supermarkets and cafes. Artisanal chocolates would still be created as this is a real passion for Ms. Burton. The **marketing mix** would be different for factory-made chocolates than for the artisanal chocolates.

IB Business Management – Operations Management

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QUESTIONS: 18 MARKS, 30 MINUTES

1. Using examples, explain the relationship between market segmentation and targeting. **[6 marks]**
2. Distinguish between traditional **job** production and **batch production**. **[6 marks]**
3. Explain how the marketing mix could be different for chocolates made using job production and for those using batch production methods. **[6 marks]**