

# Topic 1.1: What Is a Business?

LO: 1.1.A, 1.1.B | Skill: 1.A, 2.A | Canvas: Task 1

## Apply It: Sweet Loaf Bakery

Sweet Loaf is a small bakery that, before 2020, sold finished loaves of bread and pastries out of a storefront. In 2020 the owner pivoted: instead of selling finished pastries, Sweet Loaf began selling **baking kits** — pre-measured ingredients with a printed recipe card — that customers could make at home. The kits sold out every week. The owner kept the kit line Even after reopening the storefront. Both products still sell today.

### Use what you learned in 1.1 to answer.

Show your reasoning in 1–3 sentences per question.

- 1 Identify the customer and the consumer for each of Sweet Loaf's two products (finished pastries AND baking kits). When are they the same person? When could they differ?
- 2 Describe the customer problem, need, or want Sweet Loaf addresses with its baking kits. How is it different from the problem the storefront pastries address?
- 3 For the baking-kit line, explain how Sweet Loaf creates value. What does the customer get that they couldn't get from just buying flour and sugar at the grocery store?
- 4 Sweet Loaf charges \$18 per kit, and the ingredients plus packaging cost \$7. Explain whether Sweet Loaf appears to be capturing value on the kit line, and identify ONE additional cost the owner should consider before celebrating.
- 5 Sweet Loaf could not have launched the baking-kit line for every possible customer. Explain in 2–3 sentences why a business cannot satisfy all potential customers, using Sweet Loaf as your example.