

Portfolio analysis of square

Literature, Russian Literature



Case Study: Portfolio Analysis of Square Toiletries Limited

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Rukhsar Sanjaree Nawaz Jafrin Ahmed Adiba Square is a well-renowned brand in Bangladesh. It provides a wide range of markets with various products and services. It operates various sectors and one of them being Square Toiletries Limited. The Boston Consulting Group Approach (BCG Matrix) is the method by which a company identifies what makes up their portfolio. BCG Matrix helps to process the portfolio and analyze its product's attractiveness.

The company can then decide whether to refrain from or invest into the product or brand. In this case, Square Toiletries Limited is represented by four brands in four different markets. They are Meril Splash in the beauty soap market, Chaka in the washing powder market, Freshgel in the toothpaste market and finally Senora in the sanitary napkin market. As assigned by the Square Toiletries Limited, our analysis of the given products in relation to the BCG Matrix is given below: On the vertical axis, the market growth rate provides a measure of attractiveness.

On the horizontal axis, the relative market share serves as a measure of company strength in the market. STAR: Square Toiletries Limited has a sanitary napkin under which comes the brand ' Senora'. Senora holds 60% of the market share in terms of volume, which is much higher than any other competitive sanitary napkin brands in the market. It also has a high market growth. Senora can be considered as a star product of Square Toiletries Limited as it has both a high market growth as well as a high share in the

market. Thus Senora requires a high amount of investment to sustain their attractiveness in the market as its competitors are international brands.

CASH-COWS: In the matrix shown on the previous page, Chaka washing-powder can be considered the cash-cows of Square Toiletries Limited. Cash-cows are low-growth, high-share businesses or products. Chaka comprises 9% of the total market share in Bangladesh. It cannot compete with the likes of Wheel which controls a whopping 40% of the market share. Chaka however can compete with its local rivals such as Keya (6% market share), Tibet (9% market share) among others.

It is an established and successful SBU which doesn't require much investment. Chaka earns a lot of cash which can be used to pay for the expenses of the business and support other SBUs needing investment.

QUESTION MARKS: Meril Splash, a product of Square Toiletries Limited has a market share of 6% in the highly growing beauty-soap market. Compared to other brands like Lux, which has the most customers and an extremely high market share of 60%, Meril Splash has a very low market share.

As a matter of fact, Meril Splash can be considered under the 'Question Marks' category since they are low-share business units in high-growth market. This brand will require a lot of investment to hold its share in the market. So the management needs to make a very wise decision about investing further in this product and take the risk to turn it into a 'star' or should it be phased out. **DOGS:** Unlike its business compatriots, Freshgel, a toothpaste brand from Square Toiletries Limited has a very low market share of just 2%.

This category of product has low market growth. Hence in the BCG matrix, it can be considered a 'dog'. It is categorized as such because it has both a low market share and a low market growth rate. Therefore Square Toiletries Limited should stop investing in Freshgel as it does not promise to produce a large source of cash. Eventually Freshgel should be closed down. By focusing and working properly on such aspects of the business, Square Toiletries can become a money-making machine.