Bcg matix

Placing products in the BCG matrix results in 4 categories in a portfolio of a company: BCG STARS (high growth, high market share) - Stars are defined by having high market share in a growing market. - Stars are the leaders in the business but still need a lot of support for promotion a placement. - If market share is kept, Stars are likely to grow into cash cows. BCG QUESTION MARKS (high growth, low market share) - These products are in growing markets but have low market share. - Question marks are essentially new products where buyers have yet to discover them. - The marketing strategy is to get markets to adopt these products. Question marks have high demands and low returns due to low market share. - These products need to increase their market share quickly or they become dogs. - The best way to handle Question marks is to either invest heavily in them to gain market share or to sell them.

BCG CASH COWS (low growth, high market share) - Cash cows are in a position of high market share in a mature market. - If competitive advantage has been achieved, cash cows have high profit margins and generate a lot of cash flow. - Because of the low growth, promotion and placement investments are low. Investments into supporting infrastructure can improve efficiency and increase cash flow more. - Cash cows are the products that businesses strive for. BCG DOGS (low growth, low market share) - Dogs are in low growth markets and have low market share. - Dogs should be avoided and minimized. - Expensive turn-around plans usually do not help. And now, let's put all this into a picture: Main Steps of BCG Matrix * Identifying and dividing a company into SBU. * Assessing and comparing the prospects of each SBU according to two criteria : 1. SBU'S relative market share. 2.

Growth rate OF SBU'S industry. Classifying the SBU'S on the basis of BCG matrix.

* Developing strategic objectives for each SBU. Benefits * BCG MATRIX is simple and easy to understand. * It helps you to quickly and simply screen the opportunities open to you, and helps you think about how you can make the most of them. * It is used to identify how corporate cash resources can best be used to maximize a company's future growth and profitable too Limitations * BCG MATRIX uses only two dimensions, Relative market share and market growth rate. * Problems of getting data on market share and market growth. High market share does not mean profits all the time. * Business with low market share can be profitable too BCG analysis Unilever MISSION STATEMENT * Unilever's mission is to add Vitality to life. We meet everyday needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life. From sumptuous soups to sensuous soaps, our products all have one thing in common. They help you get more out of life. Brands Cooking & eating Let our culinary experts bring pleasure to your palate. Healthy living Let us make the healthy choice your easy choice. Beauty & style

We want to help you feel good about yourself. Around the house Hints to make your household chores that little more manageable. BCG Analysis Chart for Unilever Portfolio Cash Cows Stars Products Question Marks Dog Products Decisions after Analyses BCG * Build Market Share: Make further investments (for example, to maintain Star status, or turn a Question Mark into a Star) * Hold: Maintain the status quo (do nothing) * Reduce the investment (enjoy positive cash flow and maximize profits from a Star or

Cash Cow) * Get rid of the Dogs, and use the capital to invest in Stars and some Question Marks.