

# [Commerce](https://assignbuster.com/commerce/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [E-Commerce](https://assignbuster.com/essay-subjects/business/e-commerce/)

So it helps to increase the marketing towards the customer with new technology . Cash Cows: This products indicates that profits and market shares are high but the growth is very low . When Sony launch Ericson whew phone that time the growth of market was very low and this phone generates more cash and compare to another mobile companies In that time, this phone positioned Sony as a market leader In the world of music because It provides KGB memory card so the person can store more than 5000 music.

Dogs: It shows that the product becomes a Dog in market because of its low growth and hat time market shares are also low. The straight example of ASS was beaten by one of the giant company Microsoft oxbow . And the company had a loss of 3 billion at that time . That time media asked company's CEO Mr.. Howard Stringer that if it could affected on SONY branding image and on their gaming market -And Microsoft took the advantage of gaming market they launch new games with their new strategy . Question marks: It indicates the worst cash characteristics of all.

Because the demands of the product is very high but the market shares are very low so the returns of the product is very much low. Here I can present the good example of SONY BRAVE because when the product launched SONY expectation was very high behind this product but due to tough competition in marketing area this product couldn't make such sales. And the market share is only 14% where Samsung lead the market with 25%. Conclusion : SONY is continuously working to improve in their overall speed and flexibility in the 1 OFF highly dedicated in their electronics leadership.

They are taking maximum advantages of growing market and their consistent profitability in their hardware business make them market leader in the electronics market 2 Nestle - BCC Matrix and Brand Divestment Nestle is a multinational food and beverage producer, based in Switzerland. The firm currently has the 69th highest revenue in the world, generating $98, mom worth of sales in 2012. Nestle sell over 8, 000 brands, ranging from bottled water to pet food, of which 29 brands have sales of approximately $1 billion.

However, Nestles CEO, Paul Baulk, recently announced plans to divest (sell-mom under-performing brands due to poor sales. It is highly likely that the marketers at Nestle have used the Boston Consulting Group Matrix (BCC Matrix) to identify which brands to sell off. This post will look at what Nestles BCC Matrix is likely to look like and critique how useful the matrix is. Based on recent news sources and Nestles 2012 Annual Report (PDF), here is Nestles current BCC Matrix for a selection of their brands: Question Marks - these strategic business units (SSW) have a low market share of a high growth market.

Magi 2-minute Noodles currently require lots of investment in order to capitalize on the growing culinary segment, which may not offer the highest return on investment in Nestles brand portfolio. Stars - Subs with a high share of a high growth market. Nestles wide range of mineral water has benefited from the combination of healthier lifestyle trends and emerging markets. These products require large amounts of investments in order to differentiate the bottled water brands from competitors in mature markets and grow brand awareness in emerging markets.

Dogs - Subs in this category have a low market share in a low growth market. Sales of Jenny Craig and Lean Cuisine, weight loss management brands, have failed to expand outside of the USA - these two brands are tipped to be divested in the future. Sports performance and nutrition brand, Powerboat, is confirmed to be divested. This is most likely because of poor sales in a saturated market. Subs in this classification may generate enough profit to be self-sufficient, be are considered to never be major sources of revenue. Cash Cows - perhaps the most important SUB, Cash Cows have a high share of a low growth market.

They require very little investment to generate revenue, which allows funds generated from such Subs to be reinvested into Stars or Question Marks. Although Nestle appear to have TA Time consuming - given the above weaknesses, is the BCC matrix worth Nestles marketers time? This is a very important question Nestle should have asked homeless before analyzing 8, 000 brands! In summary, the principles of investing different amounts of money into different Subs is a good practice; however, the BCC Matrix should not be wholly relied upon.