

Marketing

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Based on the Saw's the company uses a portfolio planning method to establish the positioning and attractiveness of their products. The best known portfolio planning method used is the Boston Consulting group (BCC) approach. The BCC approach is a growth share matrix used to categorize the company's Saw's into four categories based on their growth rate and market share to help the firm in understanding which brands the firm should Invest, divest , hold or harvest. The four categories consist of the Stars, Cash Cows, Question marks and Dogs.

These categories each describe an Saw's position In the firm In terms of growth rate and market share. Stars are those high-growth, high-share businesses or products. They usually require heavy investment to finance their rapid growth. Over time these SSW will reduce on growth and eventually turn into " Cash Cows". Cash cows on the other hand, do not require the same level of support. They are high-share, low growth businesses or product and are generally low maintenance. Therefore, they will generate heavy income that the company will use to pay its bills and support other SSW that need investment.

Question Marks are low share products or business products that are in a high growth market. They usually require a lot of cash to hold their position in the market, let alone Increase it. Management has to make a tough decision on which of the question marks should be developed Into stars and which should be eliminated. Dogs are low growth low-share businesses and products. They do not promise to be a large source of cash. The dogs are usually the most recommended category a firm tends to divest and liquidate to gain market share and growth.

Dogs play a major role maintaining customers. In most cases, dogs are the brand that generates enough cash to maintain itself, or break-even. They accommodate the portion of the market that has been loyal to the product or brand (Loyal customers). These loyal customers in turn are more likely to maintain a relationship with company forming a defense against competing firms. For example, Kentucky Fried Chicken (KEF) is a franchised fast food restaurant that earns high profits from selling fried chicken and chicken affiliated meals.

In attempts to accommodate a new market, consisting of consumers who are vegetarians and non-chicken eaters; management decided to incorporate fish burgers. These fish burger meals are classified as "the dogs" since they don't generate the high cash returns as the chicken menus. Management may consider keeping the dog because it aids in maintaining the customers it generates as well as providing a variety to avoid losing customers to local restaurants. Dogs can also be used as the means for seeking the society long run interest.

Firms provide their dogs as a means of giving back to the community and in return they receive promotional services. A simple example, the Grenade Breweries decides to help a school within the community of springs in hosting a back to School Street fair. The nature of the Grenade Breweries is the producing and selling of a variety of drinks. They realize that "Ting" is a mild drink that would be suitable for the event; it is also considered a dog due to drop in cash returns. The firm therefore decides to provide "Ting" free of cost to the persons attending the event.

By doing this the firm fulfills its objective of giving back to the community while in return reminding customers of the drink and its unique taste. In conclusion, this analysis of the Boston Consulting Group Approach is an ideal and successful way to view your product portfolio, organize products into their categories and make sound decisions for current plans for the products and business. It is used by many major organizations around the world and has proven to be very effective.