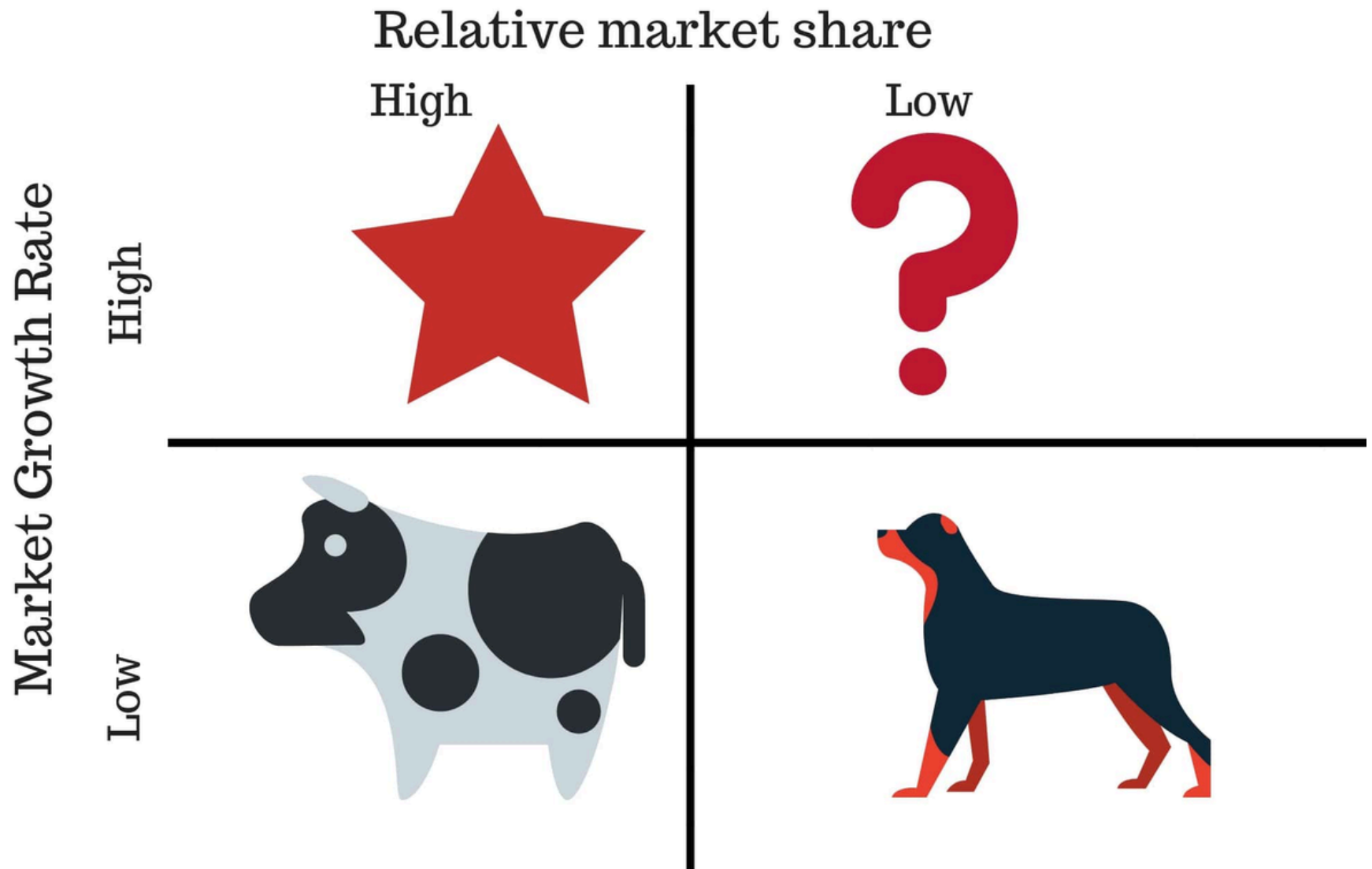


BCG ANALYSIS



The BCG Analysis (Boston Consulting Group Matrix) is a tool businesses use to evaluate their products or business units to decide where to invest, develop, or divest. It's based on two factors:

- **Market Growth Rate (how fast the industry is growing).**
- **Relative Market Share (how much of the market you control compared to competitors).**

It classifies products/businesses into four categories, often shown in a 2x2 matrix:

1. STARS

- High growth, high market share
- These are leaders in a growing market. They need significant investment to maintain their position but have the potential to generate high returns.
- Example: A trendy smartphone with growing demand.

2. CASH COWS

- Low growth, high market share
- These are stable and generate steady cash flow with minimal investment. They fund other parts of the business.
- Example: A popular household product in a mature market.

3. QUESTION MARKS

- High growth, low market share
- These are in a growing market but don't dominate yet. They require investment to grow but carry the risk of not becoming profitable.
- Example: A new technology product entering a competitive market.

4. DOGS

- Low growth, low market share
- These are underperformers with little potential. They might drain resources and are candidates for divestment.
- Example: An outdated product in a declining market.

PURPOSE OF BCG ANALYSIS:-

It helps a company prioritize where to:

- **Invest (Stars, promising Question Marks).**
- **Milk for cash (Cash Cows).**
- **Divest or exit (Dogs).**

Simple takeaway: It's like deciding which plants in your garden need watering (investment), harvesting (profit), or pulling out (divestment). 🌟

