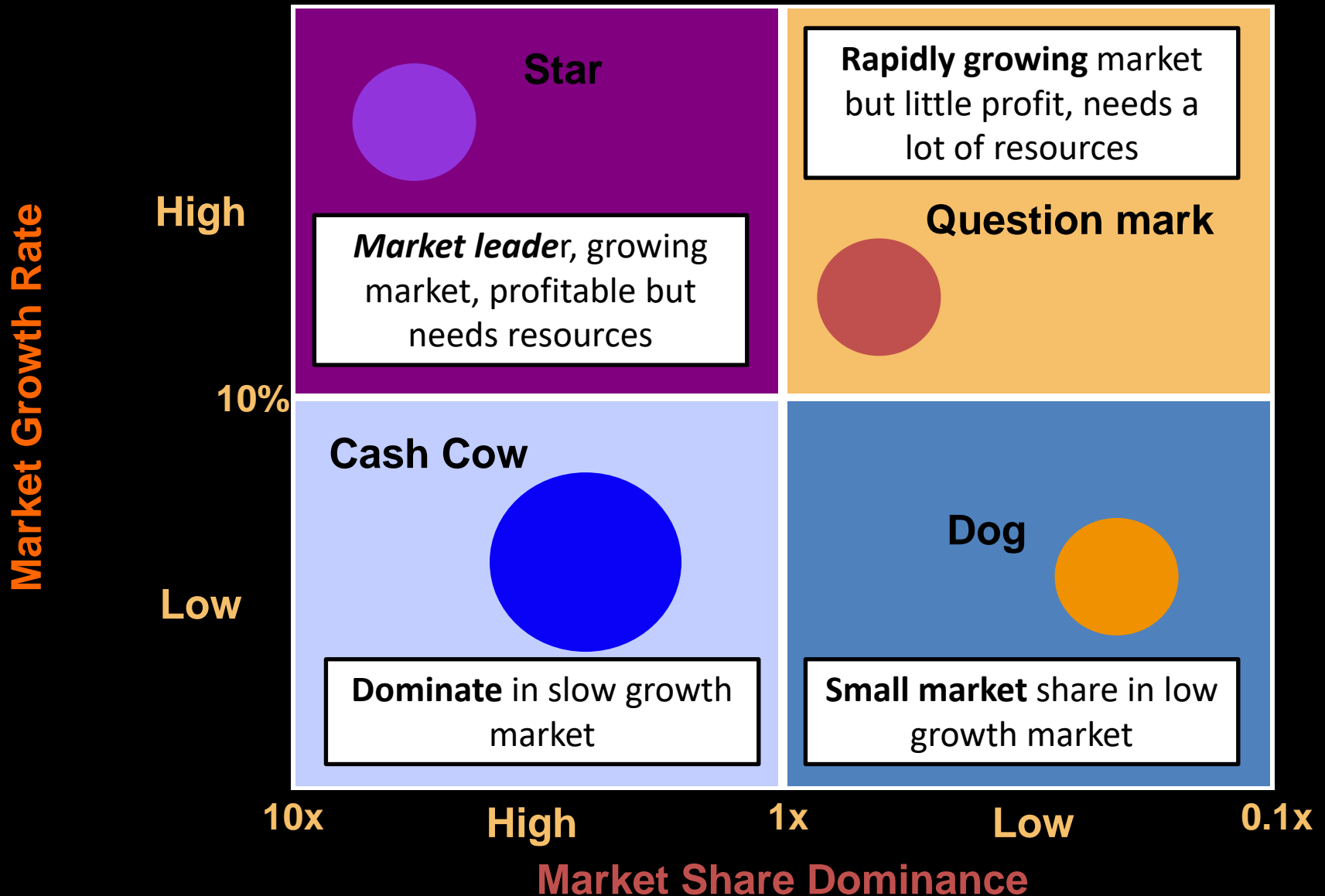


# BCG Portfolio Matrix



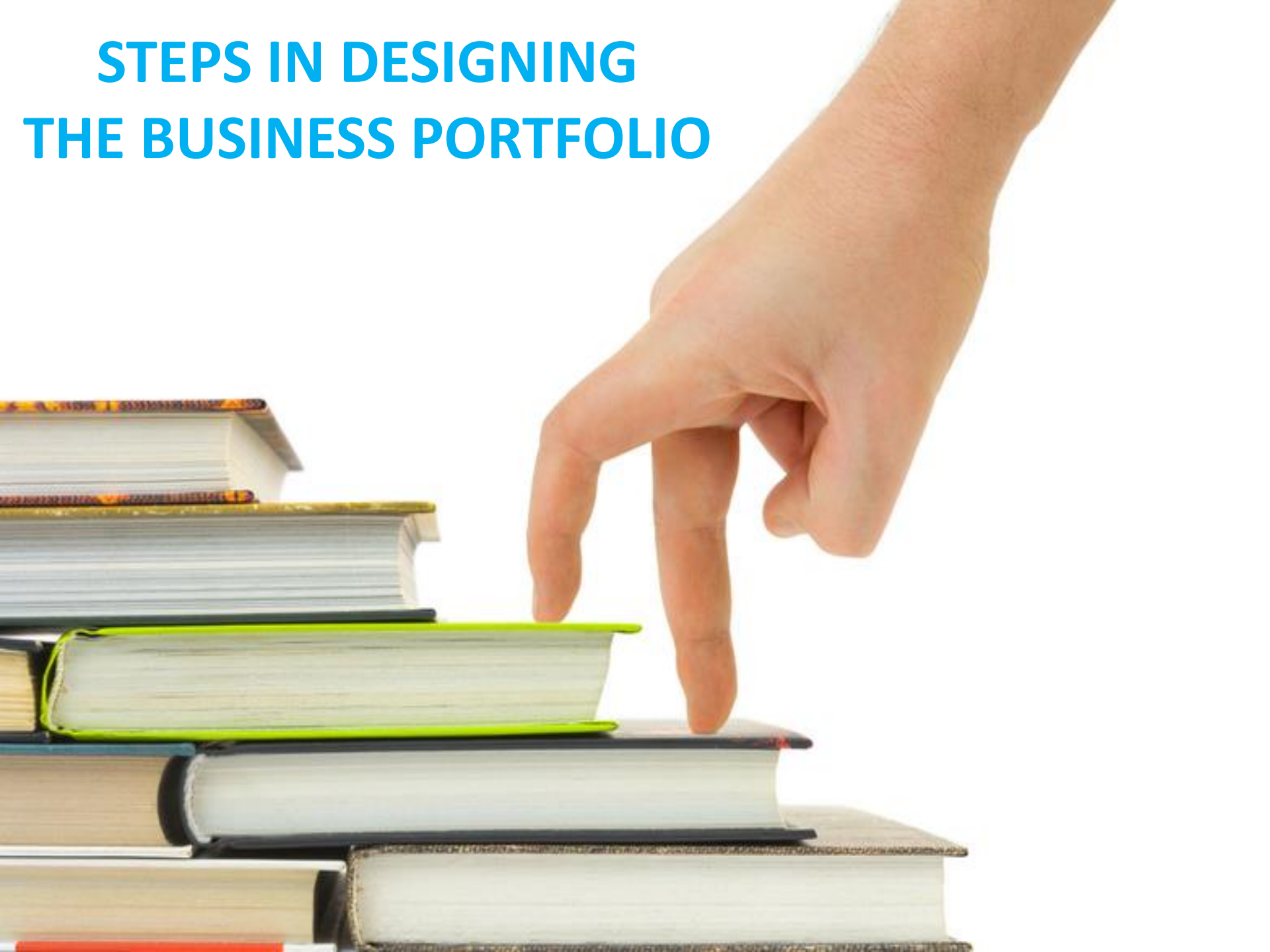
# Strategic Options for Using the Portfolio Matrix

- **Build - Stars**
- **Hold- Problem Children**
- **Harvest – Cash Cows**
- **Disinvest- Dogs**

# Strategic Options: Portfolio Matrix (cont)

- **Stars:** Build market share (“out market” them) using the 4Ps
  - lower prices, expanded distribution, increased ad spend, new product features/improvements
- **Cash cows:** Maintain market share (don’t rock the boat )
  - No changes to the 4 Ps, use cash to fund Stars and promising Questions Marks to turn them into Cash Cows
- **Question Marks:** Maintain cash flow by either:
  - reducing expenditure gradually (R&D, replacements) but faster than declining sales; or
  - improving marketing (see Stars above)

# STEPS IN DESIGNING THE BUSINESS PORTFOLIO







**GET REAL!**  
Cheese Burger & Small Chips

**22<sup>95</sup>**



**THE MIGHTY KING STEER**

**51<sup>95</sup>**



**CHIP SNACK**

**Small 13<sup>95</sup> Med 17<sup>95</sup> Large 22<sup>95</sup>**



**DOUBLE RACK**  
600g\* Rib Rack & Med Chips

**96<sup>95</sup>**

## REAL VALUE

(Available in Beef, Chicken)

**GET REAL! Burgers**

**GET REAL!**  
Cheese Burger & Small Chips **22<sup>95</sup>**

**Rave Burger**  
& Small Chips **29<sup>95</sup>**

## WACKY! WEDNESDAY

(Available in Beef, Chicken, Veg)

**NEW 2 BBQ Burgers**  
Wednesday Only **33<sup>95</sup>**

## THE FAMOUS BURGERS

(Available in Beef, Chicken, Veg)

**The Original King Steer**  
& Med Chips **49<sup>95</sup>**

**NEW The Mighty King Steer** (Beef only)  
3 slices of cheese. \*50% more beef **51<sup>95</sup>**

## THE KING BURGERS

(Available in Beef, Chicken, Veg)

**The Original King Steer**  
The legend **39<sup>95</sup>**

**NEW The Spicy King Steer**  
A mild kick **41<sup>95</sup>**

**NEW The Tropical King Steer**  
Juicy grilled pineapple **44<sup>95</sup>**

**NEW The Bacon & Avo King Steer**  
Meaty zesty twist **46<sup>95</sup>**

## CLASSIC BURGERS

(Available in Beef, Chicken, Veg)

**Veggie Burger** (Veg only)  
& Small Chips **34<sup>95</sup>**

**Steers Burger**  
& Small Chips **34<sup>95</sup>**

**Cheese Burger**  
& Small Chips **38<sup>95</sup>**

**Prince Burger**  
& Small Chips **41<sup>95</sup>**

## CHICKEN BURGERS

(Available in Chicken)

**NEW & IMPROVED Chicken Burger**  
& Small Chips **34<sup>95</sup>**

**NEW Creamy Mushroom**  
Burger & Small Chips **35<sup>95</sup>**

**NEW Zesty Peri-Peri**  
Burger & Small Chips **38<sup>95</sup>**

**NEW Tangy Pine**  
Burger & Small Chips **39<sup>95</sup>**

## freshly prepared handmade chips

**Small 13<sup>95</sup> Medium 17<sup>95</sup> Large 22<sup>95</sup>**  
Served with our famous,  
tasty seasoning salt.  
**ORIGINAL OR SPICY.**  
The choice is yours.

## RIBS

(Available in Pork)

**Rib Patty Burger**  
& Small Chips **34<sup>95</sup>**

**Riblet Snack**  
180g\* Riblets & Small Chips **32<sup>95</sup>**

**Single Rack**  
300g\* Rib Rack & Small Chips **56<sup>95</sup>**

**NEW Riblet Feast**  
500g\* Riblets & Med Chips **89<sup>95</sup>**

**Double Rack**  
600g\* Rib Rack & Med Chips **96<sup>95</sup>**

\* Portion size at uncooked weight.

## COMBOS

(Available in Beef, Chicken, Veg)

**Rib Burger Combo** (Pork only)  
Rib Patty Burger, Small Chips  
& 500ml Coke **44<sup>95</sup>**

**Chicken Burger Combo** (Chicken only)  
Chicken Burger, Small Chips  
& 500ml Coke **44<sup>95</sup>**

**Cheese Burger Combo**  
Cheese Burger, Small Chips  
& 500ml Coke **48<sup>95</sup>**

**Prince Burger Combo**  
Prince Burger, Small Chips  
& 500ml Coke **50<sup>95</sup>**

**The Original King Steer Combo**  
Original King Steer Burger, Med Chips  
& 500ml Coke **61<sup>45</sup>**

## Kids Meal

(Available in Beef, Chicken)

**GET REAL! Cheese Burger**  
& Small Chips with FUN TOY **31<sup>95</sup>**

## ICE CREAM

	CONE	CUP
Plain	3 <sup>50</sup>	9 <sup>95</sup>
Choc 99	10 <sup>95</sup>	15 <sup>95</sup>
Caramel	10 <sup>95</sup>	15 <sup>95</sup>
Choc Dip	10 <sup>95</sup>	15 <sup>95</sup>

## SHAKES

Chocolate, Strawberry, Vanilla and **OREO™**

250ml	11 <sup>50</sup>
350ml	15 <sup>50</sup>
500ml	18 <sup>50</sup>

## EXTRAS

Extra slice  
of cheese **4<sup>50</sup>**

Size and appearance may vary on all menu items.  
Red Onion subject to seasonal availability.  
Mighty King Steer only available in 100% pure beef.  
All portion sizes at uncooked weight.  
All Combos served with small chips (except King Steer Combo)  
and a 500ml Buddy Coke.  
Ask for your Steers Menu Nutritional Information Booklet.

Steers Sedgefield, Main Road, Sedgefield, Tel: 044 343 1112

Steers George, Courtenay Street, George, Tel: 044 873 6199

Terms and conditions apply. Prices subject to change without notice.

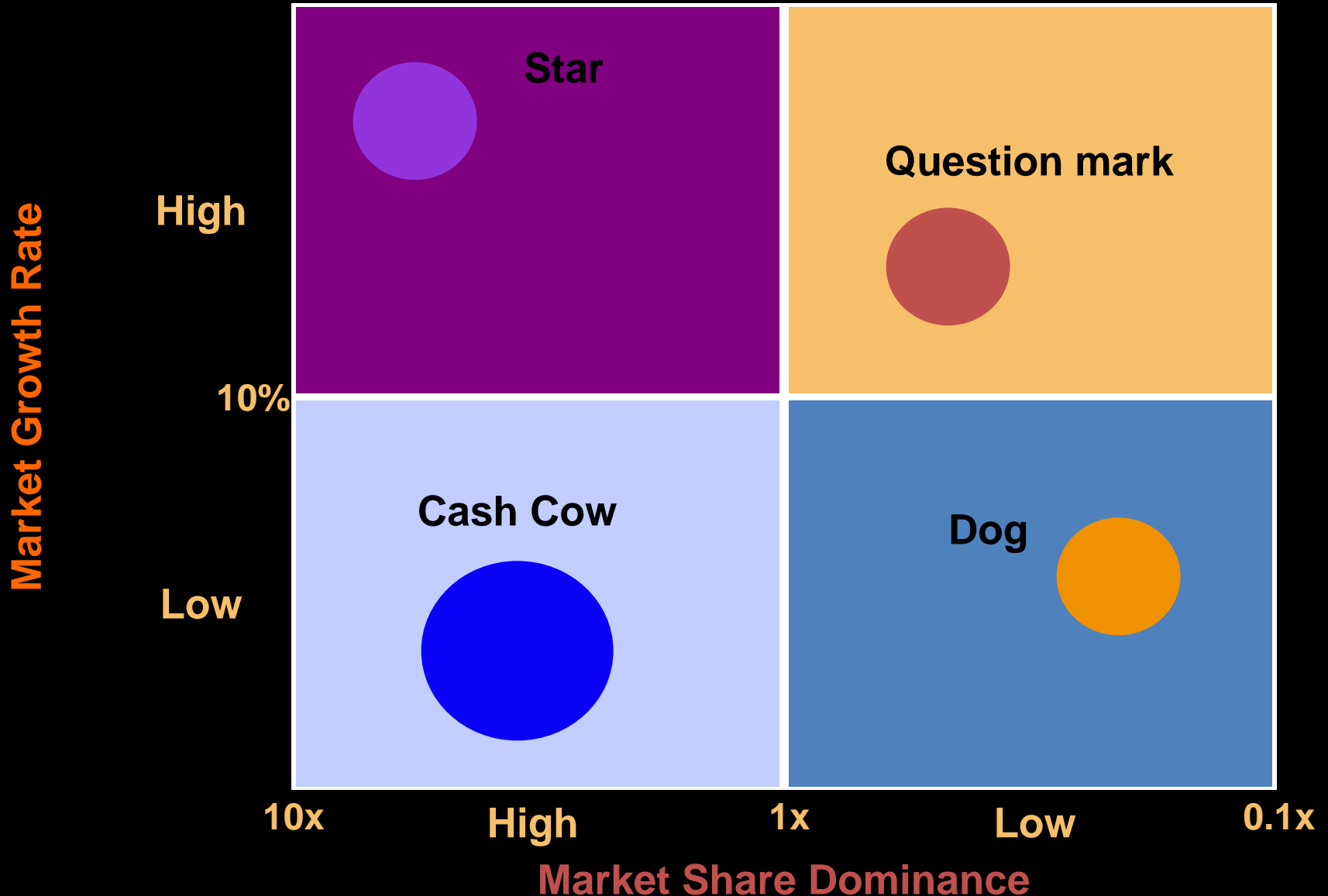
www.steers.co.za • Customer Careline: 0860 22 55 87 • steersrealfood.mobi

Not all products will be available at all Steers Outlets.  
Every care has been taken to keep our menu current,  
however prices and menu are subject to change  
without notice.

**STEERS** | REAL BURGERS

# STEP 1: DRAWING THE BOSTON MODEL

## BCG Portfolio Matrix



## STEP 2: CATEGORISE THE PRODUCTS

- **Example: Steers**

***Distinct between products & services. Use numbers & letters for distinction***

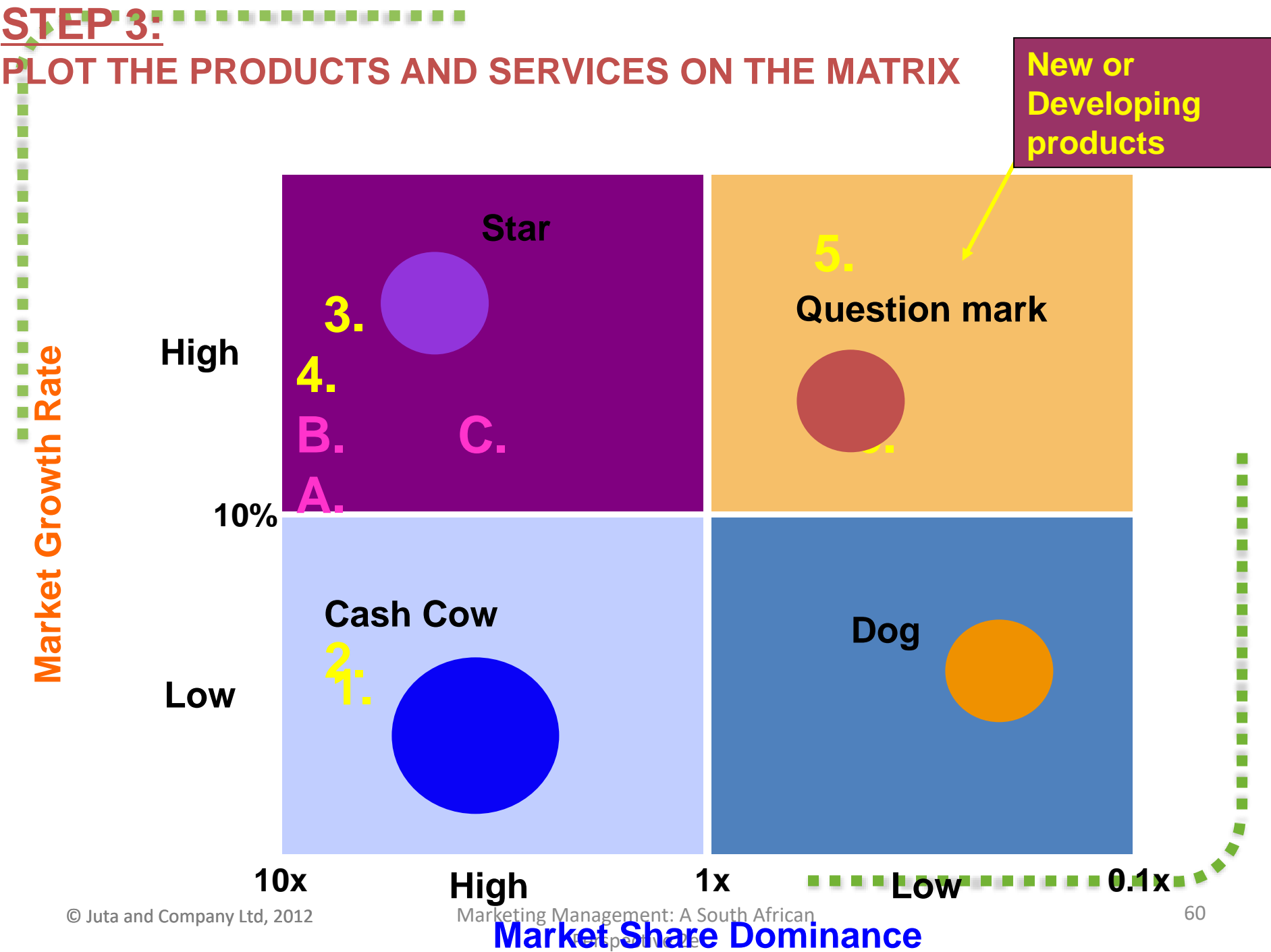
### Products

1. Burgers
2. Milkshakes
3. Combos
4. Chips
5. Salads
6. Coffee

### Services

- A. Drive through
- B. Normal take away
- C. Sit at tables

**STEP 3:**  
**PLOT THE PRODUCTS AND SERVICES ON THE MATRIX**





## STEP 4: ARE THE PORTFOLIO BALANCED?

- **For balance = only look at the three quadrants**
- **Must have products in the ?, \* and cash cow quadrants**
- **The triangle in figure refers to the quadrants that will determine the balance**

# BCG PORTFOLIO MATRIX

Market Growth Rate

High

Low

10%

10x

High

1x

Low

0.1x

Star

Question mark

Dog

Cash Cow

New or  
Developing  
products

3.

4.

B.

C.

A

5.

6.

1.

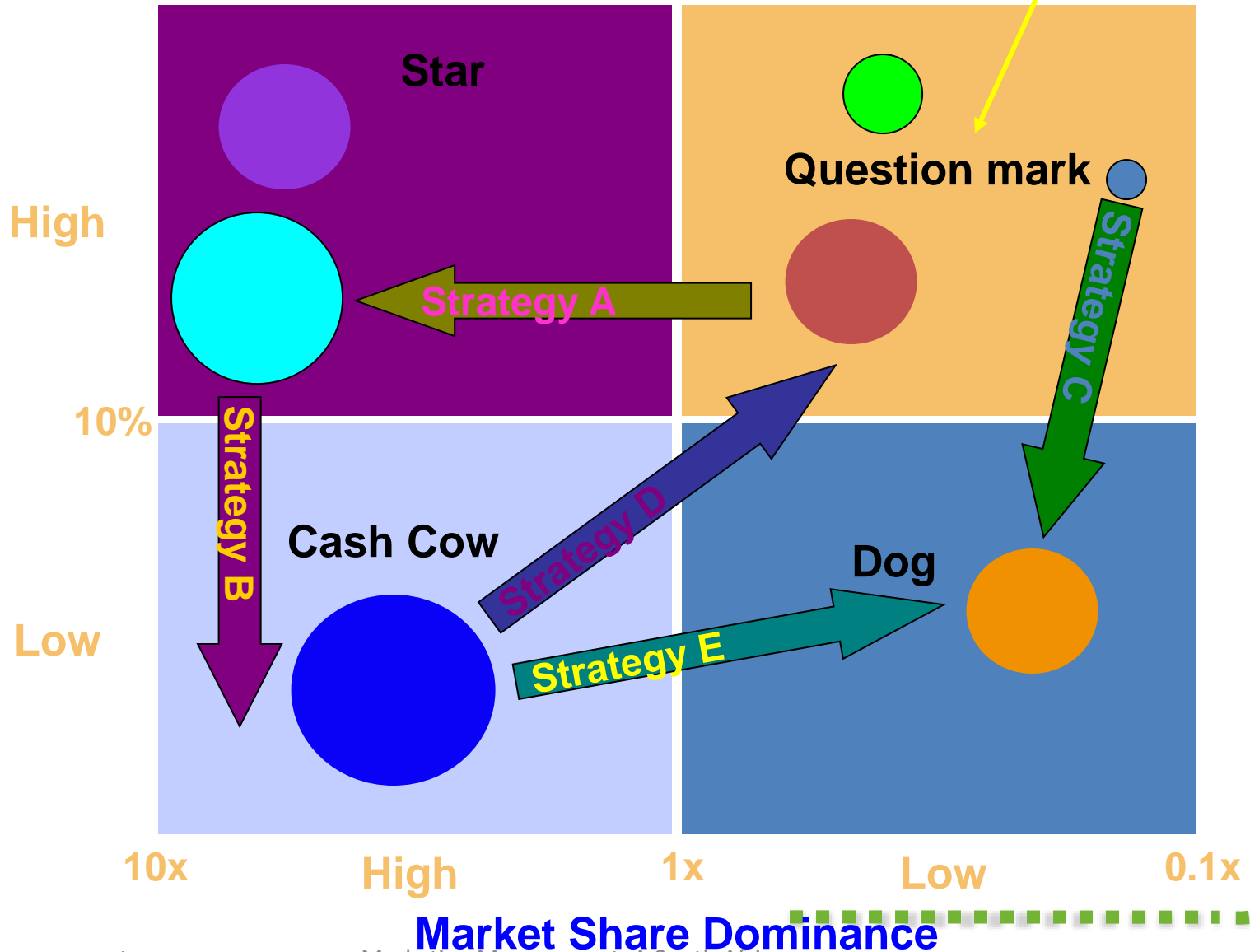
2.

## To get portfolio in balance, use the 4 P's

- Decrease **price**, sales will increase and market share will grow
- **Promote** products, sales will grow and get a higher market share
- Change (innovate) an existing **product** in cash cow phase (a specific burger) to introduce it as a new product

# Different strategies to use!

Market Growth Rate



## ASSIGNMENT 1: GROUP

*A typical question on BOSTON would look as follows:*

**Case study: KFC using data to improve performance**

Though KFC built its reputation on selling chicken, its management team decided, through reviewing customers' needs and behaviors, to expand the product offering by including other chicken and health salad counters in the stores. Management believes this will help sell more chicken. The average customer visits a KFC outlet at least twice a month. "The broader menu will entice customers to visit our outlets more often," remarked the CEO. "The chances of a family of four wanting to eat at the same time are zero, but since introducing our more varied menu, our business has become the largest chicken outlet in the country."

**Source:** Applied Strategic Marketing, Strydom, Jooste and Du Plessis, 2012 (475).

You are appointed as a marketing consultant by KFC. Management expects you to analyze the product portfolio by using the ***Boston model (market growth-market share model)***. **You can make assumptions in answering the question.**

- 1.1 Determine if KFC's portfolio is in balance? Motivate your answer. (5)
- 1.2 Make recommendations to management for balancing the portfolio in the long run and strategies for growth. (20)