THE GROWTH SHARE MATRIX

Boston Consulting Group Matrix

STAR

Stars are products characterized by high growth rate and high market share. Stars are in a very advantageous position in the market, they bring positive cash flow to the company, and they have future potential for growth. This makes them worthy of significant investment and attention, in order for the business to take advantage of the flourishing situation stars are in and double down on it.

CASH COW

Cash Cows are products characterized by low growth rate and high market share. These cash cows generate a lot of positive cash flow, but do not have future potential, or the market they are in does not have a prosperous future ahead. Still, the products falling under this category are catalyst for cash generation for the business; cash which is used to be reinvested in high-growth-rate products (e.g. stars).

QUESTION MARK

Question Marks are products characterized by high growth rate and low market share. As the foundational concept of the Growth Share Matrix is that market leadership makes for sustainable returns, question marks can be seen either as opportunities to invest in, or as wasteful resources to be discarded. The former belief may stem from the fact that question marks dispose of high growth rates, making them possible stars or cash cows for the future.

PET

Pets are products characterized by low growth rate and low market share. This is the worst position to be in. Companies can make one of two possible decisions: liquidate the product/business unit; or completely reposition the pet.