

Retrenchment Strategies look at turnaround, selling out, divestment, bankruptcy and liquidation

A Product's life cycle goes from Introduction, Growth, Maturity and then Decline

In order to extend a product's life cycle:

- Expanding the number of brand users
- Increase usage of brand by users
- Product enhancement to attract new users/more frequent usage
- Marketing mix modification: pricing, offers, distribution channels, change of promotional mix, improved service

There are several analytical frameworks and models that can be used by organisations to make strategic decisions.

BCG (Boston Consulting Group) Matrix focuses on market share and market growth

Designed to help with long-term strategic planning, to help a business consider growth opportunities by reviewing its portfolio of products to decide where to invest, to discontinue or develop products.

The Star: High Market share/ High Growth

- Strategy is to build

Brand Product: iPad/iPhone

Cash Cow: High Market share/ Low Growth

- Hold, Milk to fund new products

Brand Product: Mac

Wildcat/Question Mark: Low Market Share/ High Growth

- Either build or divest

Brand Product: Beats by Dre

Dog: Low Share/ Low Growth

- Divest

Brand Product: iPod

Can be used for Business Brand products or market competition

The limitations of the BCG matrix is that it is over simplified, and profitability and cash-flow are the performance criterion (It is certainly possible that a particular dog can be profitable without cash infusions required, and therefore should be retained and not sold such as M&S clothing autograph range) and it is ambiguous.

The General Electric Model looks at the industry attractiveness against the business' position.

Industry attractiveness

- Market Size
- Growth Rates
- Profitability
- Technological impacts
- Competitive diversity and structure
- PESTEL

Business position