

1. Differentiate between the three dimensions of a product (core, branded, and augmented).

- A. **Core** – The product in its most basic form. The category or function in which they belong. (Category :Automobile)
- B. **Branded** – special characteristics that differentiate a product from its competitors. (Not just any car but a Ferrari has certain appeal such as unique styling and engine sound.)
- C. **Augmented** – Elements that are separate from the product but help contribute to a product use. These include any warranties, terms and condition of the sale. (Ferrari’s 5,000-mile bumper-to-bumper full coverage. In addition, free of charge maintenance on certain products.)

2. Explain the Boston Consulting Group Matrix, and explain how the matrix can help a manager’s decision making

- A. **Business Portfolio Analysis** – uses quantifiable performance measures and growth target to analyze a firm’s strategic business unit, as they were a collection of separate investment. It is calculated using an industries growth rate and products market share.

High Market growth	<p>Stars – These have both high growth rate and a high market share. Since they are rapidly growing they need large amounts of cash to finance their growth. As their market growth slows, they will likely become cash cows.</p>	<p>? – These are considered questionable since they have a low share of a high growth market. They not only need Large amounts of money to sustain present market share but even more to increase it. The company must decide whether to continue to invest or phase out unit.</p>
Low Market growth	<p>Cash cows – These Subs generate large amounts of money since they have a high market share. But since there is low market growth have more money then is needed to invest in their business. This money can be invested in other SBUs such as stars.</p>	<p>Dogs – These SBUs have a low share of a low growth market. They may generate enough cash to sustain themselves; they will never become real successes.</p>
	High market share	Low market share