**Topic 1.3 Product Life Cycle: Activity**



1. Draw the ‘Boston Matrix’ below and label it.

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**Relative Market Share**

1. Choose a company you are familiar with and has a range of products. Label the products in the place where you think they belong within the Boston Matrix.
2. Explain whether you believe the Boston Matrix is useful.

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| **Case study:** |
| Bisto gravy developed from an idea by two women for a product that would guarantee perfect gravy every time. It was first created in 1908. 100 years later, the Bisto brand is still going strong with a market share of between 60 and 70 per cent. Most of the rest of the market is made up of own label gravy products sold by the major supermarket chains. There is a great history in the product, the result of investment and advertising. During this time, there have been enormous changes to what people eat. Bisto has had to keep ahead of the game, battling against competitors and developing the product. Bisto granules were introduced in 1979. Bisto Best, giving a fuller flavour than the standard granule, was introduced in 1991. It is a premium product sold in a glass jar to give it an air of quality as well as convenience. More recently, a ready-made Bisto *Heat and Pour* gravy has been launched. This comes in plastic pouches suitable for heating. In 2004, the Bisto brand was extended into chilled and frozen products with the introduction of Bisto Roast Potatoes, Bisto Crispies, Bisto Yorkshire Puddings and Bisto Frozen Mashed Topped Pies. Bisto also makes a range of sauces including white sauce, cheese sauce, curry and parsley sauce in granulated form, as well as a range of casserole sauces all in glass jars.In 2009, the owners of Bisto, Premier Foods, announced plans to further develop Bisto. Premier Foods had been encouraged by a successful £20 million relaunch of another traditional product, Hovis bread, which had increased sales by 12 per cent. A relaunch of Bisto could both increase sales and profits.Table 1 Bisto history: 1908 – Bisto powder launched 1919 - Bisto Kids adverts born 1979 – Bisto Granules launched 1984 - Relaunched granules and new onion granules 1991 – Bisto Best is launched 2004 – Launch of chilled and frozen products under the Bisto brand name |

**Questions:**

1. Draw a product life cycle diagram for Bisto gravy. (**7**)
2. Explain where Bisto was on the product life cycle in (**i**) 1908 (**ii**) 2009. (**6**)
3. Give two examples of ways in which the owners of the Bisto brand have used extension strategies. (**2**)
4. Explain one possible reason why the producers of Bisto introduced these extension strategies. (**3**)
5. List the names of the four categories used in the Boston Matrix to classify products. (**4**)
6. In which category do you think Bisto was in 2009? Justify your answer. (**6**)