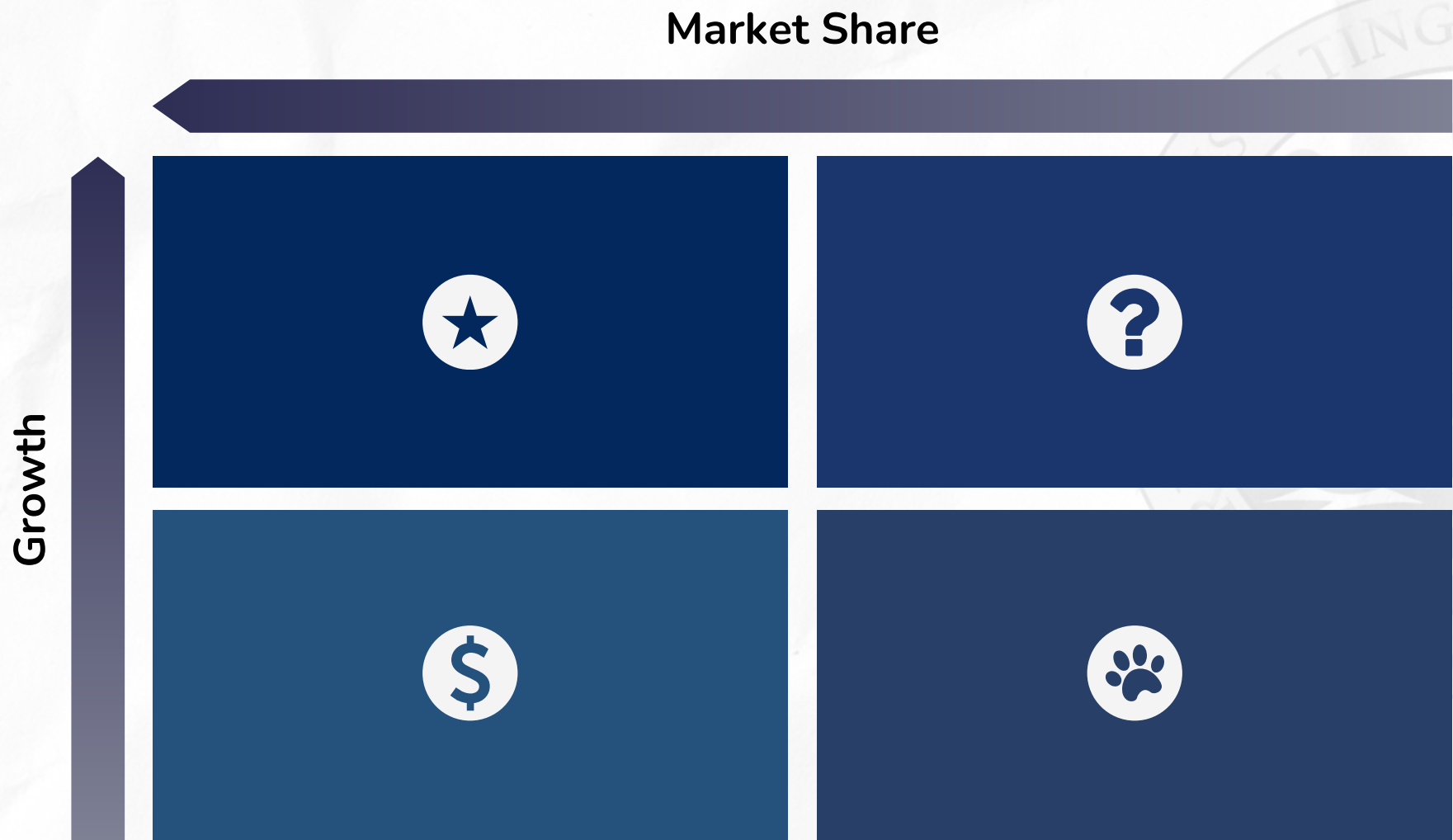# BCG MATRIX
STRATEGIC BUSINESS PORTFOLIO MANAGEMENT

The BCG Matrix helps evaluate a company's product lines or business units based on their **market growth rate** and **relative market share** to guide resource allocation and strategic decision-making. The framework categorises them into **Stars, Cash Cows, Question Marks, or Dogs.**

Market Share

Growth

Quadrant	Description	Strategic Action
Stars	High market growth, high share. Need investment to maintain lead.	Build / Invest aggressively
Cash Cows	Low growth, high share. Steady revenue, fund other units.	Hold / Maximize profit
Question Marks	High growth, low share. Potential to become Stars or fail. Risky bets.	Build selectively / Re-evaluate
Dogs	Low growth, low share. Weak position. Often unprofitable.	Divest / Liquidate / Reposition

MARKET GROWTH RATE

The rate at which the specific industry/segment is expanding annually.

- >10% → High growth (typically)
- <10% → Low growth or mature market

KEY AXES IN THE BCG MATRIX

RELATIVE MARKET SHARE

$$\frac{\text{Company's Market Share}}{\text{Market Share of Largest Competitor}}$$

- >1.0 → Dominant market share
- <1.0 → Lower market share than competitor

Competitive benchmarking

Corporate portfolio planning

M&A decisions

Startup pivots and product launches

WHERE IS BCG USED?

Amazon's Key Business Units

A global view of Amazon's core businesses based on growth, market share, and future potential.

aws

Amazon's cloud computing powerhouse, central to its tech leadership and future growth strategy; continuously evolving with AI and enterprise adoption.

Relative Market Share
1.4
(AWS ~30%, Azure ~21%)

Market Growth Rate
20–22% YoY global cloud market

amazon | project kuiper

Amazon's satellite internet initiative. Huge market potential but low current share; heavy capital investment underway. Still in early stages with unproven commercial success.

Relative Market Share
<0.1
(Starlink dominates)

Market Growth Rate
18–34% for LEO broadband

amazonads amazon

Mature, revenue-generating units with strong market presence; they fund innovation while maintaining Amazon's dominance in global commerce.

Market Share
Strong globally (~20–25%)

Market Growth Rate
Slowing (~5–10% in mature markets)

alexa

Early success in the smart home space, but now facing market saturation, strategic ambiguity, and monetization challenges.

Market Share
~40% globally but declining

Market Growth Rate
<5% (plateauing)