

CASE STUDY

BCG MATRIX ZARA

We consider the 3 main SBUs of Zara:

SBU 1: ZARA WOMEN



SBU 2: ZARA MEN



SBU 3: ZARA KIDS



MATRICE BOSTON CONSULTING GROUP (BCG)

The BCG matrix classifies SBUs based on two variables

MARKET GROWTH RATE

RELATIVE MARKET SHARE

$$\frac{\text{Total sales year } x - \text{Total sales year } x-1}{\text{Total sales year } x-1} \times 100$$

$$\frac{\text{Turnover SBU A}}{\text{Turnover main competitor}}$$

Market attractiveness

Competitive position

Tab. 1 Calculation of total sales per SBU of main competitors

PRODUCTS PORTFOLIO	SALES OF THE THREE MAIN COMPETITORS IN MILLIONS OF DOLLARS year 2019			TOTAL SALES OF THE 3 MAIN COMPETITORS PER SBU
	ZARA	H&M	GAP	
SBU 1	9.875*	13.324	7.698	30.897
SBU 2	6.309*	6.513	6.541	19.363
SBU 3	3.380*	4.301	2.144	9.825
TOT.	19.564 ZARA (INDITEX 28.000)	24.138	16.383	

Tab. 2 Calculation of market growth rate

PRODUCTS PORTFOLIO	TOTAL NUMBER OF COMPANIES	TOTAL SALES YEAR 2018 (billion of dollars)	TOTAL SALES YEAR 2019 (billion of dollars)	MARKET GROWTH RATE
SBU 1	21	17.2	17.7	3%
SBU 2	15	11.4	11.9	4,4%
SBU 3	10	5.8	6.2	6,9%

For the construction of the BCG matrix it is necessary to calculate:

1. the contribution of each SBU to the total turnover;
2. the relative market share;
3. the average growth rate of the market.

Tab. 3 Contribution of the single SBU in relation to the total turnover

PRODUCTS PORTFOLIO	COMPANY SALES IN MILLIONS OF DOLLARS	CONTRIBUTION OF EACH SBU TO THE TOTAL TURNOVER	
		FORMULA	RESULT
SBU 1	9.875	$(9.875/19.564) * 100$	50,4%
SBU 2	6.309	$(6.309/19.564) * 100$	32.2%
SBU 3	3.380	$(3.380/19.564) * 100$	17.4%
TOT. SALES	19.564		

Tab. 4 Calculation of relative market share

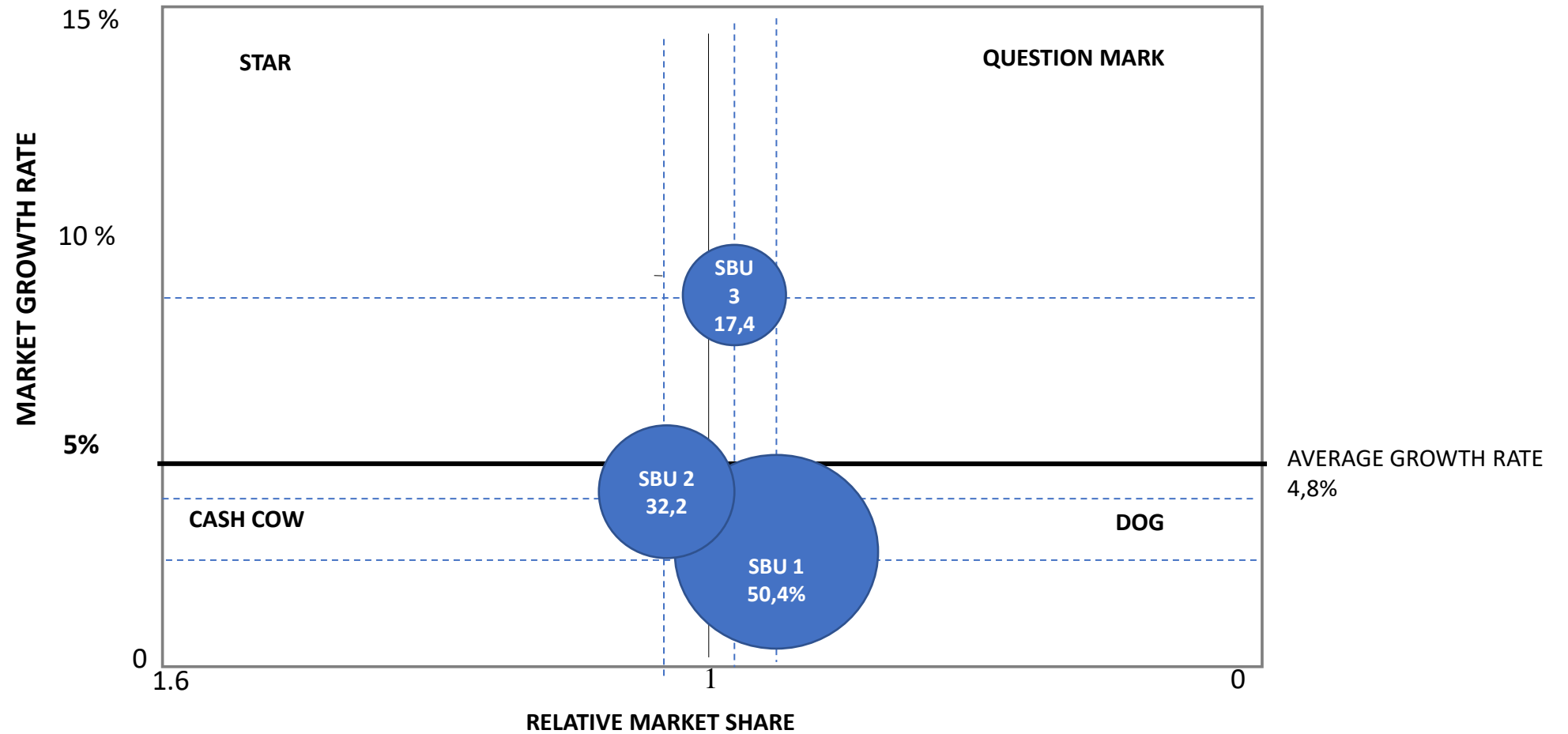
PRODUCTS PORTFOLIO	RELATIVE MARKET SHARE	
	FORMULA	RESULT
SBU 1	9.875/13.324	0,74
SBU 2	6.309/6.541	0,96
SBU 3	3.380/4.301	0,78

Average market share 8,82

Tab. 5 CALCULATION OF AVERAGE MARKET GROWTH RATE

PRODUCTS PORTFOLIO	GROWTH RATE	CALCULATION OF AVERAGE GROWTH RATE	RESULT
SBU 1	3%	$\frac{3\% + 4,4\% + 6,9\%}{3}$	4,8%
SBU 2	4,4%		
SBU 3	6,9%		

THE EXISTING PRODUCTS PORTFOLIO



THE EXISTING PRODUCTS PORTFOLIO

