

1. Study the information below and then answer the questions that follow.

Bisto is the nation's favourite gravy

Nearly one hundred years after its creation in 1908 the Bisto brand is still the strongest in the UK gravy market (Table 1), with a 100% distribution in UK retail stores. Ninety-nine years is a long time for any product to survive, and most start to decline long before that, as illustrated in the 'classic' shape of the product life cycle in Figure 1.

Bisto is in the maturity stage of its product life cycle, but there is now also a range of other Bisto-related products (Table 2). In Boston Matrix terminology, Gravy Granules is certainly a 'Cash Cow', but as Ian Greengrass, Head of Marketing points out... 'The slogan, *'Bisto means gravy'*, still has meaning to a very large number of consumers but, nonetheless, we still need to keep ahead of the game by understanding our customers needs and making sure that the brand name remains relevant to the meals people are eating today'. Bisto has recently launched a multi-million pound campaign entitled 'Aah! Night' to inspire customers to go home at least one night a week and share a home-cooked meal with family and friends.

Table 1

Gravy market share, UK 2006	
Bisto	62%
Oxo	7%
Supermarket own brands	25%
Others	6%

Figure 1

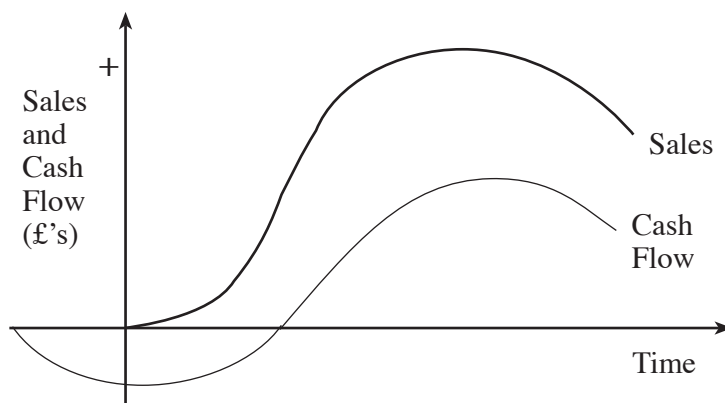


Table 2

The Expansion of the Bisto Product Range	
1908	Original gravy powder launched
1979	Gravy granules
1984	Chicken and onion flavour granules
1991	New 'fuller flavour' granules in glass jars
1993	New range - Bisto Best
2004	New gravy sauces - Roasted Onion and Ale, Rosemary and Red Wine, Black Peppercorn and Roasted Garlic
2005	Chilled and frozen products - Bisto Roast Potatoes, Yorkshire Puddings, Frozen Mashed Topped Pies

- (a) With reference to Figure 1, explain the relationship between cash flow and the various stages of the product life cycle. [6]
- (b) Explain how the Boston Matrix might help Bisto's marketing team manage its product portfolio. [8]
- (c) Given that the name Bisto means gravy to a very large number of consumers, to what extent is the multi million pound campaign necessary? [6]