

Business XYZ wants to evaluate the attractiveness of various markets to select the most appropriate target markets. It wants to use the GE Mckinsey Matrix method to identify the target markets and gathers the below data after a discussion with the experts. The current ratings represent the ratings in the year 2020, the dynamic ratings represent the ratings five years later, i.e. in 2025.

Horizontal rating data (Business Strength)(2020)	Dept Store	Supermarket	C-Store	Gourmet Food	Book Shops
Brand equity	4	8	6	6	2
Market share	2	8	8	8	3
Customer loyalty	3	8	5	4	5
Innovation + R&D	1	6	3	3	2
Product differentiation	5	5	3	3	2
Logistics/production expertise	6	10	8	8	2

Horizontal Dynamic rating data (Business Strength)(2025)	Dept Store	Supermarket	C-Store	Gourmet Food	Book Shops
Brand equity	3	7	6	5	3
Market share	2	7	9	8	4
Customer loyalty	4	7	6	2	6
Innovation + R&D	3	4	5	2	2
Product differentiation	6	5	3	2	4
Logistics/production expertise	4	9	9	9	4

	Horizontal weights
Brand equity	15
Market share	25
Customer loyalty	20
Innovation + R&D	5
Product differentiation	15
Logistics/production expertise	20

Vertical rating data (Market Attractiveness) (2020)	Dept Store	Supermarket	C-Store	Gourmet Food	Book Shops
Market size	3	10	8	6	4
Profit margins	3	6	7	10	5
Market growth rate	1	6	3	10	5
Competitive rivalry	2	4	3	8	5
Threat of competition	2	3	4	6	5
Threat of disruption	1	5	4	6	5

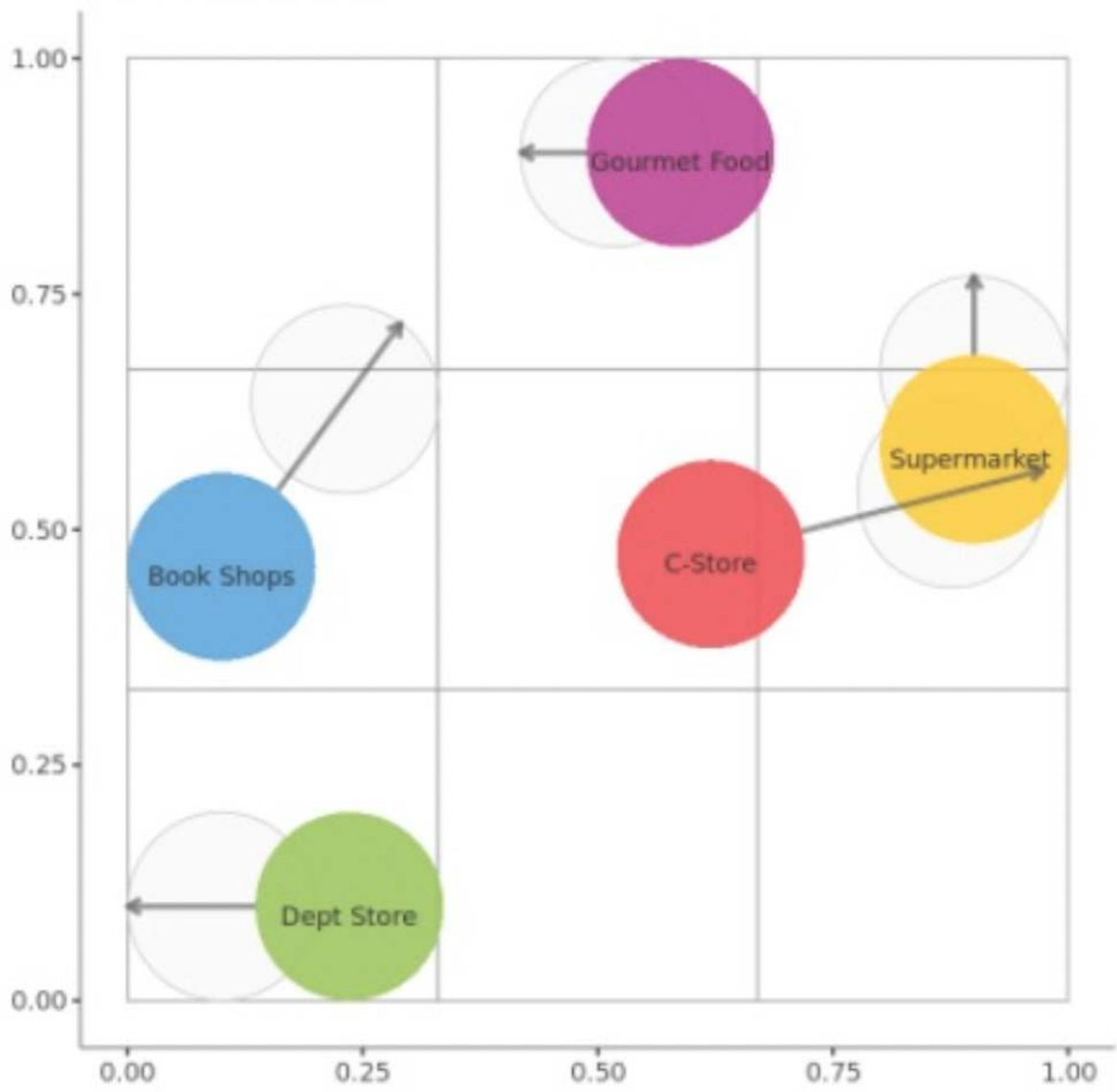
Vertical Dynamic rating data (Market Attractiveness) (2025)	Dept Store	Supermarket	C-Store	Gourmet Food	Book Shops
Market size	3	10	8	4	6
Profit margins	3	6	7	10	6
Market growth rate	1	6	3	10	6
Competitive rivalry	2	4	3	7	5
Threat of competition	2	3	4	4	5
Threat of disruption	1	5	4	4	5

	Vertical weights
Market size	15
Profit margins	25
Market growth rate	20
Competitive rivalry	20
Threat of competition	10
Threat of disruption	10

Based on the data above answer the following questions 1-5:

1. Which market has the highest and lowest market attractiveness in 2020?
2. Which market has the highest and lowest market attractiveness in 2025?
3. In which market is the business strength highest and lowest in the year 2020?
4. In which market is the business strength highest and lowest in the year 2025?
5. Based on the GE/Mckinsey Matrix given below what would you suggest XYZ should do? Which target markets would be the most appropriate to target and why? Briefly Explain

GE/McKinsey matrix



■ Book Shops ■ C-Store ■ Dept Store ■ Gourmet Food ■ Supermarket