

BCG Matrix: What You Should Know Before Buying Any Directory

The BCG Matrix is a quite famous marketing concept developed by Bruce Henderson of the Boston Consulting Group (hence the name - BCG Matrix) in the early 1970's? It's basically based on an idea that companies can be classified into four categories according to their market share and market growth. I've always used this marketing concept to buy long-term profitable web directories and thought that others might find it useful as well.

First off, to ensure long-term profitability, you, as a directory owner, should have a portfolio of directories that contains both high-growth websites in need of funds inputs and low-growth products that generally generate a lot of cash for you. Logically, the bigger the market share a directory has or the faster directory's niche grows the better it is for you.

Now let's actually classify all four different types of directories according to the BCG Matrix

- **Stars:** have high growth rate as well as high market share. So this types of directories receive high amount of traffic and submissions which increase month after month. Large amounts of investments should be made so the market could be completely dominated and thus making any directory a cash cow right away. (Examples: [Directory Journal](#), [ABC.md](#) and [36Towns](#))
- **Cash Cows:** although have low growth rate but definitely have very high market share. Due to the low growth, investments into these directories should be also low. The directories should be the foundation of your web directories portfolio! (Examples: [Aviva Directory](#), [Web World Index](#))
- **Dogs:** have very low growth and very low market share. I would say 90% of all general directories out there are dogs... You should avoid the number of dogs in your portfolio and try to liquidate them as soon as possible.
- **Question Marks:** have high growth but low market share. This type of directories have the worst money characteristics of them all because of the high demands and low returns due the to low market share. If nothing is changed, this directories will eat all of your investments and turn into a dog overtime. Be very careful with buying this types of directories!

This article is downloaded from [Directory Trends](#).