**Constructing a PPM: Guidance**

1. The variables are contrasting dimensions, such has high or low nutrition or high or low calories. Variables 1a (expensive) and 1b (inexpensive) are on the vertical or y-axis. Variables 2a (High MPG) and 2b (Low MPG) are on the horizontal or x-axis.

2. First, identify the contrasting variables: y-axis expensive vs inexpensive and x-axis low or high miles per gallon (MPG).

3. Second, Construct the rating scales: Expensive (9) to Inexpensive (1) & High MPG (9) to Low MPG (1). Ensure that the ratings are consistent with the variables.

4. Third, Rate the car models using the rating scale.

5. Fourth, construct the data table (Table 1).

6. Plot the y-axis and x-axis co-ordinates. Quadrants are the same as the BCG. The number in parenthesis is the quadrant number. Interpretation is guided by perspective.

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| Table 1 *PPM Data Table* |
| Model  | Firm | Code | Price | MPG | y-axis | x-axis | Quadrant |
| Model A | Firm 1 | A1 | $62,000 | 26 | 9 | 4 | 1 |
| Model B | Firm 1 | A2 | $45,000 | 27 | 7 | 5 | 1 |
| Model C | Firm 1 | A3 | $39,000 | 31 | 5 | 7 | 3 |
| Model D | Firm 2 | B1 | $31,000 | 23 | 4 | 3 | 4 |
| Model E | Firm 2 | B2 | $42,000 | 35 | 6 | 8 | 2 |
| Model F | Firm 2 | B3 | $29,000 | 29 | 3 | 6 | 3 |
| Model G | Firm 3 | C1 | $56,000 | 18 | 8 | 2 | 1 |
| Model H | Firm 3 | C2 | $27,500 | 13 | 2 | 1 | 4 |
| Model I | Firm 3 | C3 | $21,000 | 43 | 1 | 9 | 3 |

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| 10987B26High MPG (2) | Expensive (1)A1C1A2 |
| 10 9 8 7 6 5A34B332C31 | 5 4 3 2 1 Low MPG (4)C2B1 |
| Inexpensive (3) |  |
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| *Figure1 PPM Example* |
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