

Ansoff Matrix

Determine direction of growth strategy

	Existing Products	New Products
Existing Markets	<p>Market Penetration</p> <ul style="list-style-type: none"> • Maintain or increase the market share of current products – this can be achieved by a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling • Secure dominance of growth markets • Restructure a mature market by driving out competitors; this would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors • Increase usage by existing customers – for example by introducing loyalty schemes 	<p>Product Development</p> <ul style="list-style-type: none"> • Research & development and innovation • Detailed insights into customer needs (and how they change) • Being first to market
New Markets	<p>Market Development</p> <ul style="list-style-type: none"> • New geographical markets; for example exporting the product to a new country • New product dimensions or packaging: for example • New distribution channels (e.g. moving from selling via retail to selling using e-commerce and mail order) • Different pricing policies to attract different customers or create new market segments 	<p>Diversification</p> <ul style="list-style-type: none"> • Diversification is the name given to the growth strategy where a business markets new products in new markets. • This is an inherently more risk strategy because the business is moving into markets in which it has little or no experience.