Ansoff Matrix

BUSINESS DOCTORS ©
ACHIEVE YOUR VISION

Ansoff Matrix – What is it?

An Ansoff Matrix is a tool that helps businesses decide what the right growth strategy is for them. It looks at a business's products and the markets it operates in to help set the right direction for growth.

	Existing Products	New Products
Existing Markets	**'Market Penetration'** Selling existing products into existing markets to: • maintain or increase market share (e.g. competitive pricing, more sales activity) • dominate growing markets • drive out competitors (aggressive pricing e.g. loss leaders) • increase purchases by existing customers (e.g. loyalty schemes)	**'Product Development'** Introducing new products to existing markets. This could involve modifying existing products or developing new capabilities.
New Markets	**'Market Development'** Selling existing products into new markets by: • exporting to new markets • amending the product or packaging in some way • Adopting new distribution channels • Pricing differently in new markets	**'Diversification'** Selling new products into new markets. This is the riskiest strategy because it involves developing products of which the company has no experience and selling them in markets in which it is inexperienced.