



# Ansoff's Matrix

- Igor Ansoff, in his book “Corporate Strategy” stated that

➤ *“...the main factor that businesses need to identify a competitive advantage.*

*To do this the business will need to analyse whether they need to continue with an existing product or whether to develop a new product.”*

- Ansoff developed these ideas into a matrix. It is used heavily as a marketing tool, but also has implications for the long-term strategies of a business.



# The Matrix

| <b>ANSOFF'S MATRIX</b>  |                           |                            |
|-------------------------|---------------------------|----------------------------|
|                         | <b>EXISTING PRODUCTS</b>  | <b>NEW PRODUCTS</b>        |
| <b>EXISTING MARKETS</b> | <b>Market Penetration</b> | <b>Product Development</b> |
| <b>NEW MARKETS</b>      | <b>Market Development</b> | <b>Diversification</b>     |





# Ansoff's Matrix Explained

## ● Market Penetration

- A strategy to increase sales of an existing product in an existing market
- e.g. Kellogg's promoting cornflakes as an "anytime" meal



## ● Product Development

- Developing a new product to existing consumers
- e.g. Vauxhall introduced the new Astra



## ● Market Development

- Involves selling existing products to new customers
- e.g. Brylcreem is now designed to appeal to younger users



## ● Diversification

- Developing a new product to be sold to new consumers
- e.g. Quaker launching the "Snack-a-Jack" Range

