

Ansoff Matrix

The Ansoff Matrix helps business developers understand the risks of growing their companies:

The four strategies of the Ansoff Matrix are:

1. **Market Penetration:** It focuses on increasing sales of existing products to an existing market.
How? Loyalty programs, increase investments in communications, new offers, new sales channels.
2. **Product Development:** It focuses on introducing new products to an existing market.
How? Open Innovation actions, goods and services mix.
3. **Market Development:** Its strategy focuses on entering a new market using existing products.
How? Opening of new markets, new distribution channels, different prices/packaging, generate new alliances.
4. **Diversification:** It focuses on entering a new market with the introduction of new products.
How? Fusions, new key alliances, competition monitoring.

Of the four strategies, market penetration is the least risky while diversification is the riskiest.

