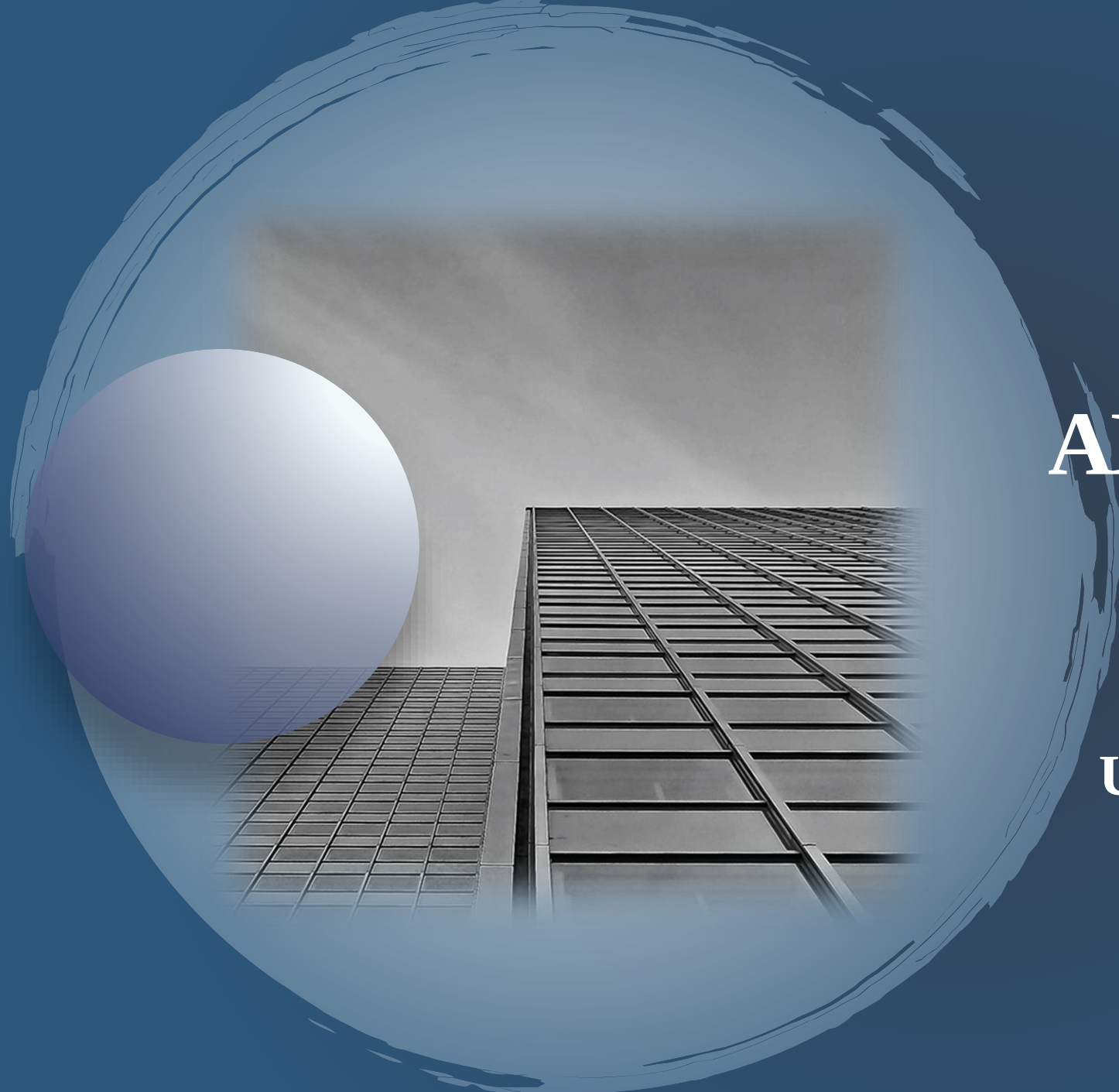




ANSOFF MATRIX IN STRATEGIC MANAGEMENT

**UNDERSTANDING GROWTH
STRATEGIES**

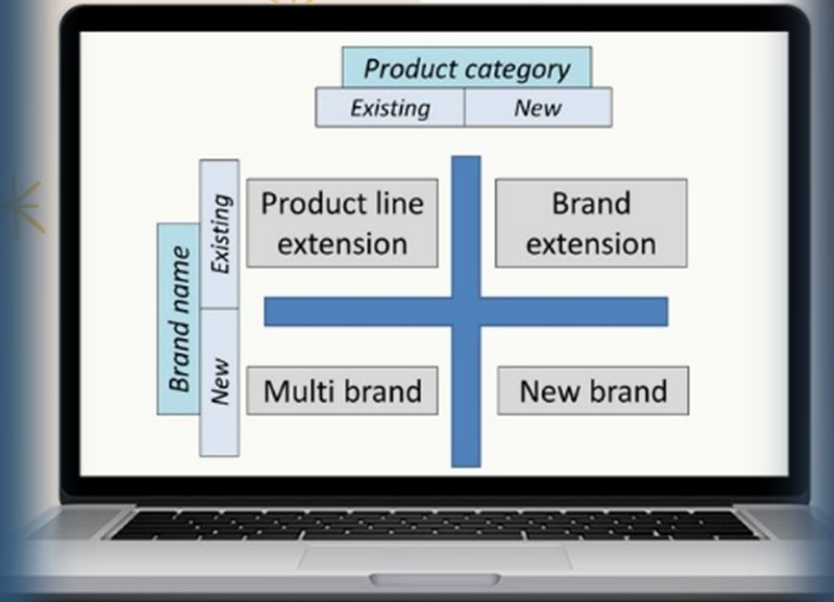
What is the Ansoff Matrix?

The Ansoff Matrix, also known as the Product/Market Expansion Grid, is a strategic planning tool used to identify and evaluate growth opportunities. Developed by H. Igor Ansoff in 1957.



Why Use the Ansoff Matrix?

- Helps businesses identify growth opportunities
- Provides a structured approach to strategy planning
- Balances risk and reward in decision-making
- Guides businesses in competitive markets





Product Development

Entering new markets with new products.



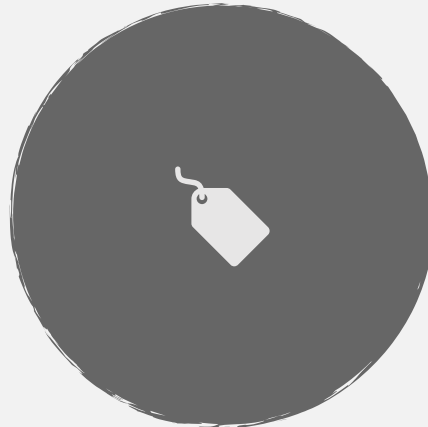
Diversification

Introducing new products to existing markets.



Market Development

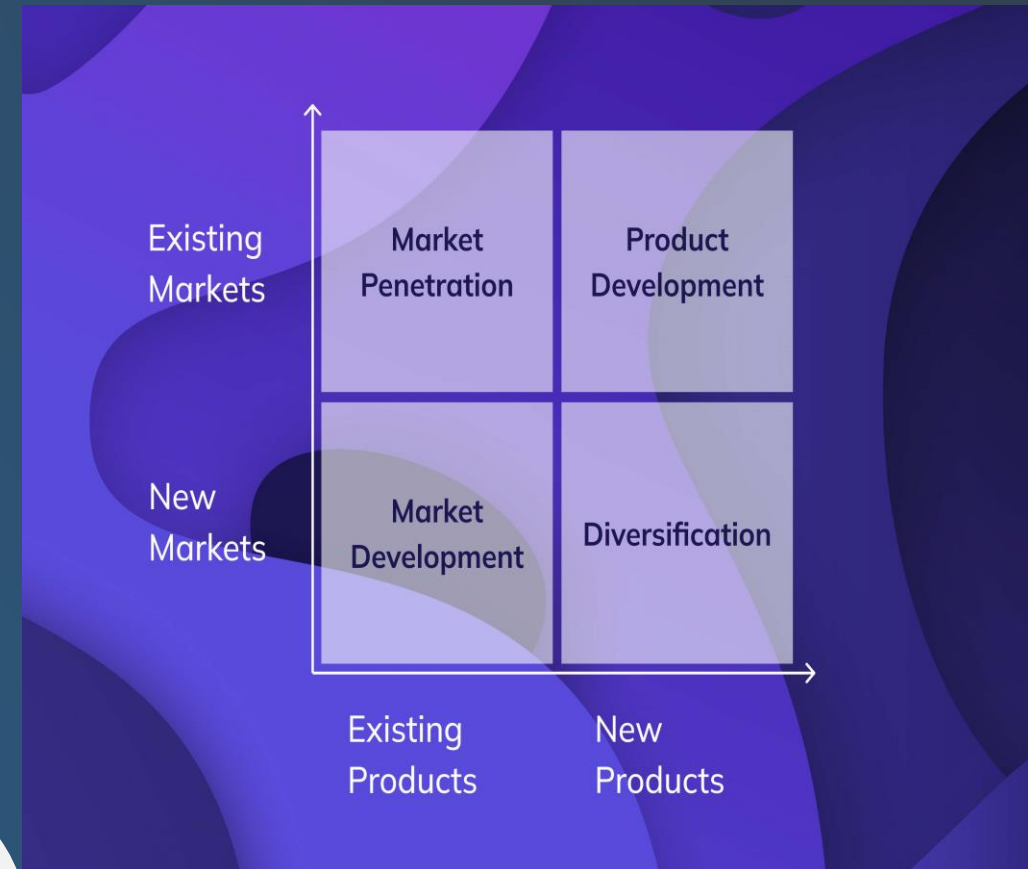
Increasing sales of existing products in existing markets.



Market Penetration

Selling existing products in new markets.

The Four Growth Strategies





Market Penetration

Focuses on increasing market share within existing markets.

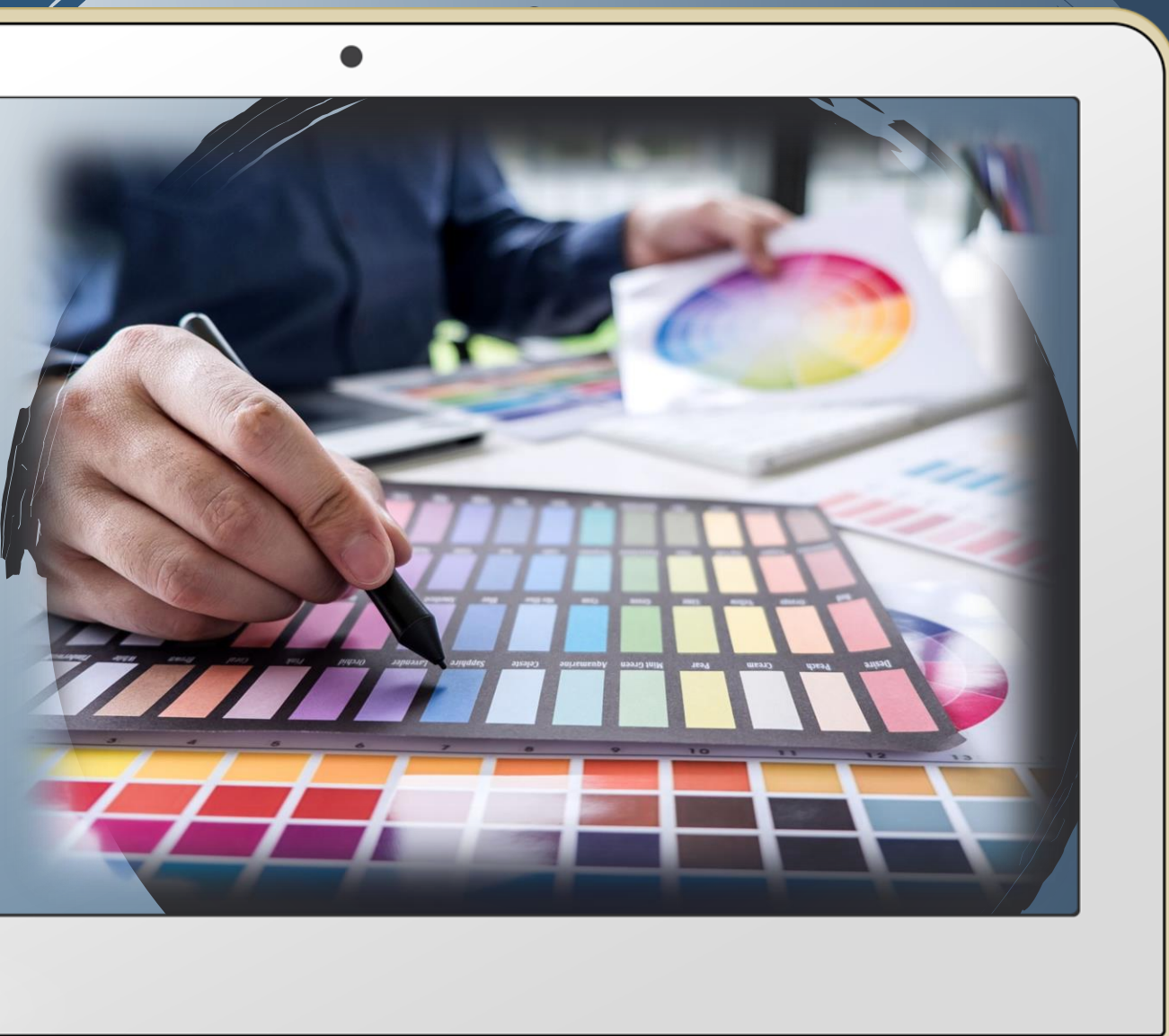
Examples: Enhanced marketing efforts, price adjustments, and acquisition of competitors.

MARKET DEVELOPMENT

EXPANDING INTO NEW MARKETS
WITH EXISTING PRODUCTS.

EXAMPLES: GEOGRAPHIC
EXPANSION, TARGETING NEW
CUSTOMER SEGMENTS.





Product Development

Developing new products for existing markets.

Examples: Innovation, product improvements, and extensions.



Diversification

Introducing new products into new markets.

Examples: High-risk strategy involving new business ventures.

BENEFITS OF THE ANSOFF MATRIX

STRATEGIC PLANNING: HELPS IN IDENTIFYING GROWTH OPPORTUNITIES AND ASSESSING RISKS.

DECISION MAKING: PROVIDES A CLEAR FRAMEWORK FOR EVALUATING STRATEGIC OPTIONS.

Real-World Examples

Market Penetration - Coca-Cola

Strategy: Enhanced marketing efforts, promotions, and expanded distribution channels.

Outcome: Increased sales and strengthened brand presence.

	Existing	Market	New
Existing	Market Penetration 	Market Development 	
Product	Product Development  	Related Diversification 	Unrelated Diversification 
New			



Market Development - Tesla

Strategy: Geographic expansion into Europe and Asia with existing electric vehicles.

Outcome: Broadened customer base and increased global market share.



Product Development - Apple

Strategy: Continuous innovation with new products like iPhone, iPad, and Apple Watch, AirPods.

Outcome: competitive edge, strengthens brand loyalty, and drives revenue growth through sustained product



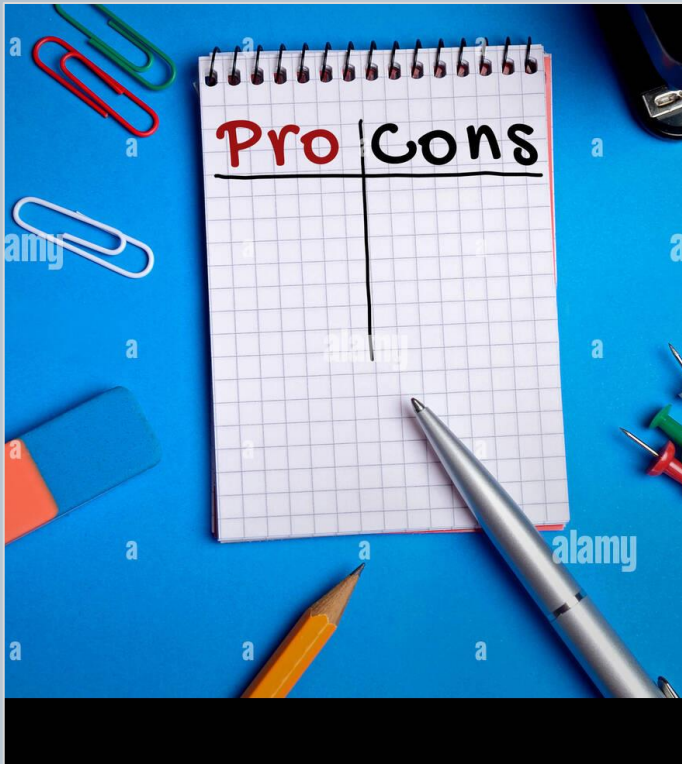
Pros and Cons of the Ansoff Matrix

Cons:

- Doesn't consider external risks
- Overlooks competition and market changes
- Requires additional analysis for implementation

Pros:

- Simple and easy to use
- Helps in identifying growth opportunities
- Guides strategic decision-making



Conclusion

The Ansoff Matrix is a valuable tool for businesses to strategize growth.

Each strategy has its risks and rewards, and companies must assess market conditions before implementation.



Conclusion

**Please join over on
Kahoot!**



Thank
You!