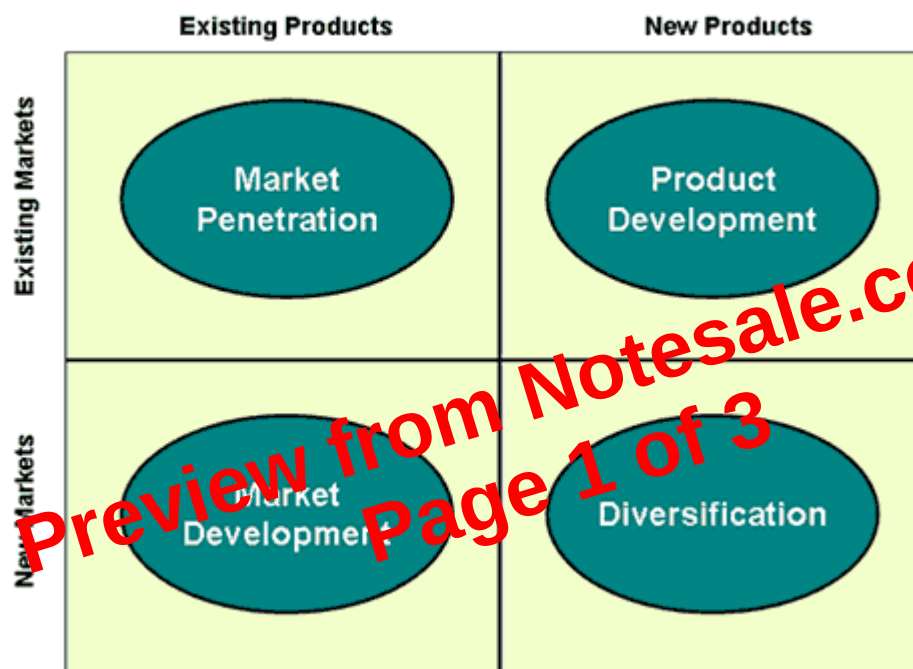


ANSOFF THEORIES OF MARKETING

The Ansoff Growth matrix is another marketing planning tool that helps a business determine its product and market growth strategy.

Ansoff's product/market growth matrix suggests that a business' attempts to grow depend on whether it markets new or existing products in new or existing markets. The output from the Ansoff product/market matrix is a series of **suggested growth strategies which** set the direction for the business strategy. **These are described below:**



Market penetration

Market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets.

Market penetration seeks to **achieve four main objectives:**

- 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