successful focus not enjoyed by rivals in the niche market.

- Whether the strategy can be maintained over a long period of time, so that there will be sufficient time in which the business can reap its reward.
- Whether the strategy appeals to sufficient numbers of customers to allow the business to reach its targets.

Ansoff's matrix

- The model can be used to assess the degree of risk involved in a particular marketing strategy. In general terms, market penetration or consolidation is the least risky option when considering the four quadrants of Ansoff's matrix.
- Product development and market development to increase the level of risk facing a business and diversification is considered to be the most risky strategy of all.
- However, Ansoff's matrix can oversimplify the level of risk.
    - Diversification into a new market with similar features to an existing market, and selling a new product that is slightly modified from the original, may not present a huge risk for a business.
- Ansoff's matrix is a useful tool for deciding on strategic direction, but it does not take account of what competitors are doing or what they are planning for the future; nor does it take account of how many competitors will react to the selected strategy, and in what timescale.

The methods, benefits and risks involved in international markets

- With increased globalisation and communications through improved transport links and the development of the internet, more and more businesses are seeking market development outside their country of origin.
- This can be implemented in a number of different ways. The choice of method/s will depend on the circumstances of the individual business.

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Methods of expanding into international markets

Exporting

- For many businesses, this is the least risky strategy as it incurs relatively few additional costs.
    - If a business is unable to sell its products in international markets, it can always consolidate by selling the same products in its country of origin.
- The vast majority of UK exports are services rather than goods. With technological advancement many of these services can be provided through the internet at similar costs to their provision for the domestic market.
    - This has allowed many UK businesses to move into export markets at very little cost.
- A major disadvantage of exporting is that control of the marketing often passes out of the hands of the company making the product.
    - Businesses may wish to avoid this difficulty by setting up a base overseas.

Setting up a base overseas

- Overseas bases can be formed in one of two ways:
    - **Organic growth by funding the establishment of an overseas factory or outlet.**
    - **The takeover of a foreign business.**
- For many businesses, setting up a base overseas not only saves transport costs, but also avoids tariff barriers imposed by free-trade areas like EU, because the goods are manufactured in the country in which they are sold.

Joint ventures

- Occur when two or more companies agree to act as one organisation in launching a product or service.
- Joint ventures are becoming particularly popular with businesses trying to enter emerging markets