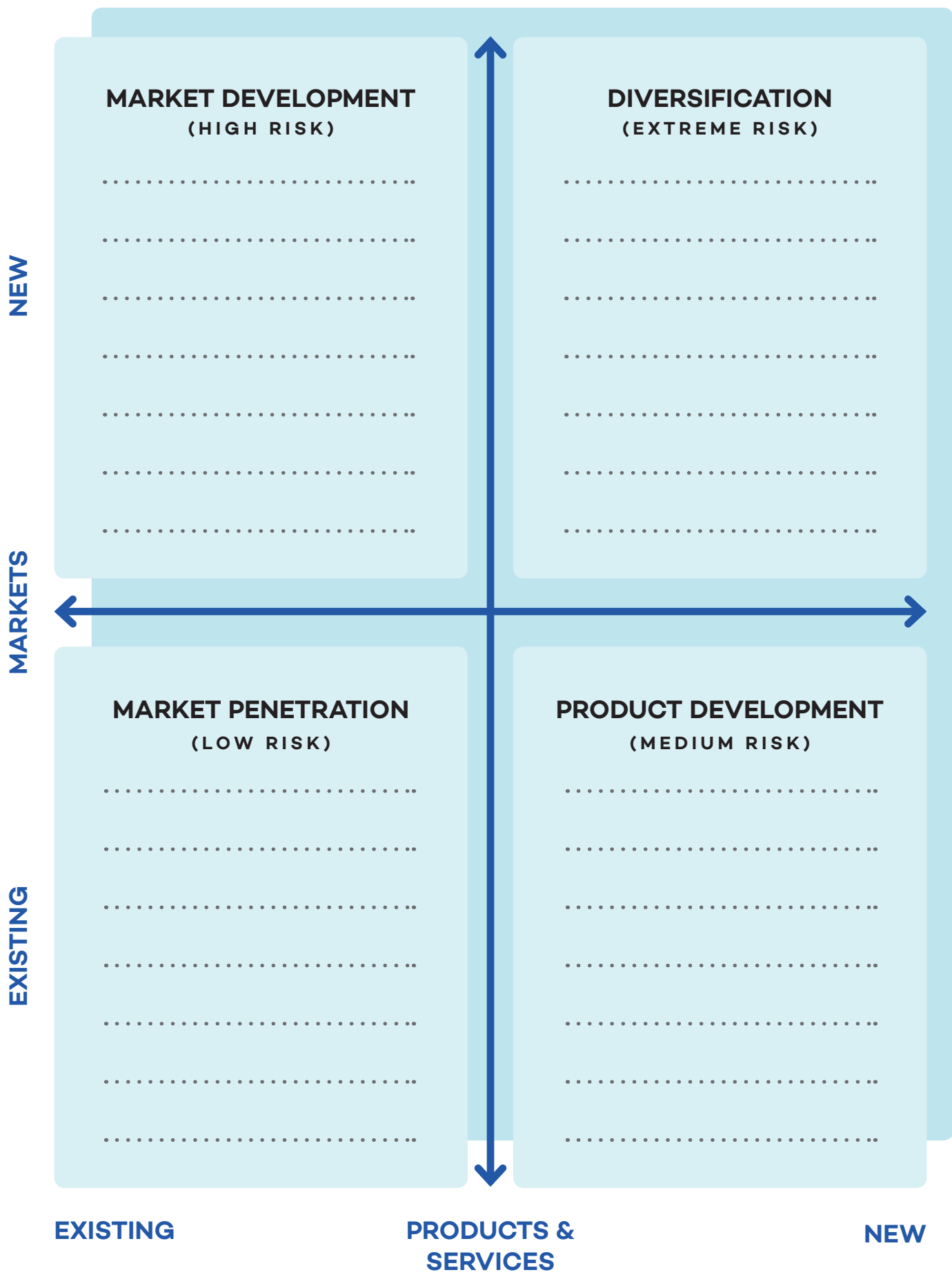


Ansoff Growth Matrix

WORKSHEET





MARKET PENETRATION

(LOW RISK)

Market penetration sells more of your product to the same market segments. Four metrics to consider for optimizing market penetration are: getting more prospects, converting more prospects into customers, getting more money per transaction and increasing purchase frequency.

STRATEGY EXAMPLES

- » Improve existing products for word of mouth growth
- » Use new marketing channels: e.g., YouTube, Facebook, Affiliate Marketing, Content Marketing, SEO
- » Partner with companies in your market with complimentary offers
- » Improving conversion: e.g., A/B test headlines, the call to action, offers and adding testimonials
- » Email follow-up campaigns
- » Retargeting
- » New offers and new packages of existing products or services
- » Influencer marketing in your target market
- » In-person meetups
- » Tiered pricing
- » Creating more storefronts in similar regions
- » Loyalty programs

PRODUCT DEVELOPMENT (MEDIUM RISK)

Product development introduces new products into your existing market. This area of growth can leverage existing market knowledge. Dyson is a company that continues to create new products for their target market.

STRATEGY EXAMPLES

- » Listen to existing customers and invent new products on their behalf
- » Introduce new complimentary products to a core offering based on data and usage patterns
- » Acquire and integrate complementary companies, products or services to extend an existing portfolio



MARKET DEVELOPMENT (HIGH RISK)

Market development sells your existing products to new market segments. Starbucks successfully expanded into China where Google failed.

STRATEGY EXAMPLES

- » Target different geographies
- » New distribution channels. Offline to online and online to offline.
- » New pricing for different market segments e.g., enterprise software pricing vs. consumer pricing
- » Target different demographics: age, gender, income
- » Target different industry verticals
- » White label or private label products
- » Internationalization

DIVERSIFICATION (EXTREME RISK)

This is the riskiest area of growth that creates new products in new market segments. The upside is if a company has multiple successful products in different segments the company's overall risk exposure is reduced. Amazon is an example of a company that continues to grow by introducing new products to new segments.

Jon Kragh

The Ansoff Growth Matrix is one of my favorite tools for growth strategy. If this matrix helps you, please give it a share.

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