

Using the Product/Market Growth Matrix

Your task in this activity is to classify the examples listed below into one of the four categories on the product/market growth matrix (also sometimes referred to as Ansoff's model).

You will need to consider whether it is a new or existing product and market for the firm. A diagram of the product/market growth matrix has also been provided below to assist you.

Potential Approaches to Growth

1. A wholesaler plans to double their retail sales team and sell more to their existing customers
2. A shoe manufacturer is considering developing other products that may be of interest to their existing retail customers (such as socks, belts, shoe polish, hats, caps, etc.)
3. A specialist health food firm (that now only sells directly to end-consumers) is looking to introduce a new product range in order to gain access to chemists shops
4. Kmart stores are planning to use more frequent discounts to attract more new customers and to sell more products to their existing customers
5. McDonald's are planning to further broaden their product range to appeal to a wider market
6. A successful accounting firm is just about to open their first international office
7. A local plumber is thinking about buying a hardware store that is currently for sale
8. A large real-estate chain has just set-up an internet site that helps people, who are buying/selling property, to find qualified service providers in their area (such as, lawyers, accountants, movers, cleaners, and so on)
9. A small winery (who just makes and sells wine) is considering opening up a small restaurant on their property
10. A local Chinese restaurant has expanded its menu to also include Vietnamese and Thai food
11. A major law firm has doubled the number of seminars and conferences that it holds each year, in an attempt to win more business
12. A university/college has started running online courses for the first time

Student Discussion Questions

1. How would you classify each of the examples into the product-market growth matrix?
2. Which of the four options would most firms tend to rely upon most frequently for their growth? Which option would be least used? Why?
3. How helpful would this matrix be for firms in planning their growth options and related strategy?

Product/Market Matrix	<i>EXISTING Market</i>	<i>NEW Market</i>
<i>NEW Product Line</i>	Product Development	Diversification
<i>EXISTING Product Line</i>	Market Penetration	Market Development