







MARKET

PRODUCT

		Existing	New
MARKET	Existing	<p>Penetration</p> <p>Sell more of your product to existing customers of that product. Attract customers from your competitors with new and improved features, a lower price, or increase in service.</p> <div>  <p>iPhone Apple releases a new and upgraded version of the iPhone nearly every 12 months. Better camera, bigger and sharper screen, faster processor, faster internet connections, etc.</p> </div> <p>How can you update or upgrade your existing products to increase your market share?</p>	<p>Product Development</p> <p>Develop a new product for customers already loyal to your brand. This entails additional product development costs, but eliminates the cost of acquiring new customers.</p> <div>  <p>iPod Shuffle Apple released the iPod Shuffle for itsexisting iPod customers as an option for a device that will "go anywhere." Small, wearable, and rugged for the times when you don't want your larger, more fragile iPod or iPhone.</p> </div> <p>What new product can you offer your customers who are already loyal to your brand?</p>
	New	<p>Market Development</p> <p>Introduce your existing product or service to a completely new market or segment. This could include a new region, country, or demographic group.</p> <div>  <p>iPod Touch Apple's iPod Touch is a replica of the iPhone except that it can't make calls, making it an ideal product for international markets that do not have the cell phone carriers that control the iPhone.</p> </div> <p>What markets could benefit from your products if given the chance to purchase them?</p>	<p>Diversification</p> <p>Enter a new market with a completely new offering. Doing this entails significant costs and risk, but can be extremely rewarding.</p> <div>  <p>iTunes When Apple first launched iTunes & the iPod, it targeted a very large, very different group of customers from their existing customer base of computer enthusiasts. It entered the music industry in a risky, and ultimately very profitable, move.</p> </div> <p>Is there a market with a need your company or brand can satisfy with the right new product or service?</p>

This diagram is adapted from, H.I. Ansoff, New Corporate Strategy (New York: Wiley, 1988), p. 109.

