

Ansoff matrix analysis

Business



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Google has made numerous products available easily thus are able to reach to more customer.

Diversification

Google has diversified through alliance and acquisition

Fig 1. The Ansoff matrix (Stimpson, P. (2008)

Market penetration

Market penetration strategy is centered on the existing product in an already established market. It aims at stimulating growth and increase the market share. Market penetration uses minimum resources and thus provides a minimum risk of penetration. Initially, Google entered the US market with a search engine and it used the penetration strategy and has already captured a big market share. The company then launched AdWord; this was a new product for a new market. The products allowed businesses to put advertisements on Google search. Since then the company has introduced numerous other products thus creating a strong brand, with the aim of attracting more customers. By simply maintaining their market share, will lead to growth

Market development

To this end, Google has opened offices in other places. Google continues to use market development strategy by opening their offices in a different part of the world. Google understands that an increase in the number of internet users will in turn bring more users to them. The company has thus encouraged free internet access with citywide wifi. Also, it has developed many products to attract the uses to use Google, this, in turn, promote their advertisement space thus increase their revenue. Most of these products are offered for free. Their product is more about gathering information from their

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customer. This enables the company to give relevant searches and eventually it will be able to personalize its advertisement according to customer's hobbies and interests. A personalized advert is the dream of every advertising company. This will give them a competitive edge and increase their market share.

New product development.

New product development focuses on bringing a new product to the existing business market. Over the years, Google has improved its search engine technology. They have added more features that will make their engines more users friendly. Google has developed more products such as maps, Picasa, earth, docs, etc. by making such products available cheaply they meet a wide range of customers wants. This will make them dominate the world markets.

Product diversification

Another strategy put forward by Ansoff is diversification. The strategy evolves developing new products for a completely new and unfamiliar market. The company does this by diversification, alliance and acquisition. Through the acquisition, Google has diversified to other products such as docs, earth and YouTube. This product has expanded the company's brand and brought the previous user of such company to Google. Organizations such as open social aims to capitalize on the alliance. Open social allows developers to create applications that will work on all the member companies. By allowing all the developers to use common API, Google aims to compete with social networking sites such as Facebook.

Google understood the benefit of diversification. It is always ready to explore new opportunities that have invested in research.

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