Case 1: Irn-Bru builds up A.G. Barr sales with fizz in Russia

A.G. Barr, the UK's leading independent branded carbonated soft drinks (CSD) manufacturer was founded in Falkirk, Scotland in 1875. It expanded to Glasgow in 1887 where it now has its headquarters (Barr and Jephcott, 2001). Currently, it has three UK production units with about 950 employees of whom 500 are based in Scotland. It makes the renowned Irn-Bru soft drink, introduced in 1901, which, in 2003 had about 5% of the UK CSD market. Despite tough domestic competition, Irn-Bru is Scotland's largest selling single flavoured CSD and is the third best selling soft drink in the UK, after Coca-Cola and Pepsi, outselling high-profile brands such as Tango, Lilt, Dr Pepper, Sprite and 7-Up. While A.G. Barr (henceforth Barr) markets its own brands, it also collaborates with leading Fast Moving Consumer Goods (FMCG) producers. For example, in the UK it has a partnership with Unilever Bestfoods to market Lipton Iced Tea and a manufacturing franchise with Pernod Ricard for the Orangina soft drink range which achieved sales growth of over 7% in 2002/2003 (White in A.G. Barr, 2003a, p. 5).

The UK soft drinks market grew in volume by 3% overall in the year to January 2003 despite the share of the carbonates sector falling from 49% to 48%. A.G. Barr carbonate business increased by over 4%, well above the overall soft drinks and carbonates industry growth. Its other businesses in both bottled water and fruit based drinks, through the Findlays Spring Natural Mineral Water and Simply Citrus brands, were even more successful with over 30% growth.

In the year to January 2003 Barr's turnover was £120 m. (US $206 m.: €172 m.) with £12.2 m. (US $21.0 m.: €17.5 m.) pre-profit. This was a 14% increase on the previous year (Table 1) but below the record annual level of £13.9 m. reported in January 2001 (A.G. Barr, 2003a). Robin Barr, Chairman and Chief Executive since 1978, noted in his March 2003 statement, that for that year there had been a 'positive start during what is a time of seasonally low demand'. The strong performance was tempered by the impact of extra costs related to the pension schemes, a rise in National Insurance contributions, and

the fall in the value of the pound against the euro which was expected to increase the cost of imported sugar cane used in soft drink production. However, some compensation was likely with higher transport costs related to the fall in the value of the pound making it uneconomic to import soft drinks into the UK. In the previous year, to January 2002, Barr had suffered a 23% fall in pre-tax profits to £10.7 m. (US $18.4: €15.3) due to the strong pound. It encouraged increased price competition and associated margin cutting from cheaper 'grey' imports of brands made by Coca-Cola and Pepsi, particularly in Ireland and Poland (Williamson, 2002). Earnings were also adversely affected by the 5% increase in the price of plastic bottles that are used for half of Barr's production.

Barr, like many other UK firms, has suffered from the cost of guaranteed pension schemes for employees since equity markets fell in 2001. In April 2003 the shortfall between the value of its pension scheme assets and obligations to members of a defined benefits scheme reached £20 m. (US $34.4 m.: €28.6 m.) although a £6 m. tax break can be taken to reduce the pension liability to £14 m. (Hope, 2003). In March 2002, its final salary pension fund was replaced by a money purchase scheme.

Marketing strategy

Barr's marketing strategy focuses on developing a limited range of brands including Irn-Bru and Tizer. With few, if any, good brands available at an attractive price, growth by acquisition is unlikely in the immediate future, consequently a strategy of organic growth through market and product development is being pursued. In the case of the Irn-Bru brand, it is building on its market strength as a Scottish 'national fizzy drink', working to increase its more limited share of the English market. In 2003, progress was made with a long-standing campaign in England and Wales, where volumes increased by 22%, against 3% for the total UK fizzy drinks market. Total UK literage grew by 9% with a 6% increase in Scotland (A.G. Barr, 2003a).

Promotion

The Irn-Bru brand is targeted at the younger consumer, portraying its personality as being humorous, irreverent, maverick, cheeky and even outrageous. It has moved a long way from the bland promotional ditty:

'I'm very thirsty
I'm thirsty too
Here's the drink that's made for you
Barr's Irn-Bru.'

It has moved from a cartoon-like association with the strength of iron girders to an almost risqué humour with campaigns targeted beyond Scotland to the UK and international markets. Indeed, in 1996, it provoked a complaint to the UK Advertising Standards Authority (ASA) for a poster campaign that showed a woman leaning over a man and kissing him with the claim that

"If I suck hard enough, maybe I can get my Irn-Bru back"!

ASA considered the claim related to nonsensical humour and did not support the complaint (www.asa.org.uk/statistics/1996). The Irn-Bru brand benefited from the publicity.

International expansion: strategic marketing in Russia

In the late 1980s, Barr actively began to look at expansion through international markets. It considered France, Germany and Benelux countries among others but found that Coca-Cola and Pepsi dominated these mature markets. Competition was fierce and margins tight. Consequently, it examined other emerging markets and was attracted to Russia. In the years following the break-up of the Soviet Union Russia showed much potential with a large population, growing prosperity and standard of living, and a rising demand for consumer goods. Moreover, the Russians, like the Scots, have a 'sweet tooth' leading to high soft drinks consumption. "The place has a fantastic buzz. There are lots of street cafés, clubs, restaurants and far more designer shops than you would see in many large cities. There are 144.5 million people, making it the seventh largest country in the world, so there is great potential for Scots to export in areas like construction, architecture, fashion design and so on" (A.G. Barr, 2003).

Exporting to Russia

As part of the international expansion strategy, in 1994, Barr began direct exports of its trademark Irn-Bru to Russia. A company spokesman commented, "We started to get enquiries from distributors who were interested and we held an exhibition back in February 1994. That immediately converted into about $500,000 in direct sales." However, the process of direct exporting had long lead times and occasional customs delays, which encouraged Barr to consider local manufacturing. By 1998, at the time of the Irn-Bru full market launch, various challenges had to be faced. While there was an immense untapped market in the Russian regions, it was difficult to access it with the limited infrastructure in place. The trade perceived a need for a wider product range and, due to the adverse economic climate, there was difficulty in charging premium prices for the product. Barr decided to address these issues in various ways.

Franchised production in Russia

In 1998, with venture capital support from the USA, Barr set up a manufacturing franchise with a Russian partner to produce two of its brands, Irn-Bru and Cream Soda 'Vysotka' in conjunction with a local distributor. Later a mineral water was added to the product range.

Barr eventually parted company with its initial franchisee but the Irn-Bru brand by that time was so well-established that, in 2002, Barr arranged a new manufacturing franchise contract with the Pepsi Bottling Group (PBG) of Russia to manufacture, distribute and sell Irn-Bru. PBG (Russia) has over 2,000 employees and distributes the Pepsico brands throughout Russia from St. Petersburg in the west to Vladivostok in the east – a distance that takes in several time zones. It is part of The Pepsi Bottling Group, Inc. of New York, the world's largest manufacturer, seller and distributor of Pepsi-Cola beverages with annual sales of nearly US $8 bn. (£4.7 bn.: €6.72 bn.). PBG operates in the US, Canada, Spain, Greece, Mexico, and Russia accounting for more than half of the Pepsi-Cola beverages sold in North America and about one-third of the Pepsi-Cola volume worldwide.

Channels of distribution

Distribution focussed initially on Western Russia, servicing primarily Moscow and St Petersburg with occasional exports to the Baltic States, Kazakhstan and the Ukraine.

As Irn-Bru was relatively expensive in Russia, especially in the economic crisis, an appealing 250 ml. small bottle version was introduced for the bar and club trade for consumers who wanted Irn-Bru at minimum cost. Cafés and bars were provided with mini-coolers and shops with larger coolers to encourage them to stock Irn-Bru. At the same time, major field marketing through street publicity was undertaken throughout spring and summer. A marketing office and warehouse was also opened in St Petersburg to provide a presence in the region.

Currently, hypermarkets and supermarkets have 15-18% of sales and kiosks, pavilions, foodstores, petrol stations and other traditional small outlets such as cafés and bars taking the remaining 82-85% (A.G. Barr, 2002a). Since February 2002, through the PBG arrangement, Irn-Bru has been produced in plastic bottles and cans at the PBG plants as well as in 250 ml. glass bottles for bars and cafés by a co-packer. The distribution network has been greatly enlarged especially by using the PBG coolers in the retail outlets improving brand availability to the trade, retailers, wholesalers and clubs. In March 2002, Irn-Bru began using a 4-pack format and matched prices to those of the core brands of its partner, PBG.

Promotion

Barr faced serious challenges to its promotion strategy in Russia. Early in 1998, prior to the launch of the Irn-Bru brand, an advertising campaign using television was undertaken to create interest and awareness at consumer and distributor level. However, in August 1998, soon after the advertising was introduced, the Russian economic crisis came to a head. The Russian rouble was devalued and together with high retail price inflation, severe problems associated with invoicing and payment occurred. Most competitors 'down sized' their operations and some even left Russia altogether. However, Barr and its first franchise partner reacted differently by modifying the promotional approach used

and increasing support for the trade. The sales force was increased and retailers were given favourable credit terms in return for volume orders which helped them to continue trading. In this way, while the dominant competitors were reducing their presence, the Irn-Bru profile was increased.

Nevertheless, the Irn-Bru brand name proved difficult to promote as Russians found it hard to pronounce. There was the added challenge of communicating the traditional humour associated with the brand, e.g. the strap-line ‘only for adults’ used as a joke to attract young customers was mis-interpreted and taken in its literal sense. A risqué advertising campaign based on the ‘Pregnant City’ theme was also misunderstood.

The reaction was to undertake extensive marketing research into consumer needs and trade expectations which was used to develop a new US $2 m. (£1.1 m.: €1.6 m.) advertising campaign. The brand was re-launched with a more substantial advertising budget. The campaign, using an amusing animated ostrich-like character, aimed to broaden the appeal of the Irn-Bru brand for all age groups. Throughout, telephone marketing staff was used to gauge consumer and trade feedback to enable appropriate adjustments to the campaign to be made.

Irn-Bru’s first major ‘above the line’ advertising campaign started in May 1999 with a six-week television campaign supported by commercials on the major radio stations such as Radio Maximum, outdoor posters and a ‘wacky’ fan club web-site. The commercials were designed to make people laugh, to provide a talking point and attract attention. Instead of spoken words their characters used a nonsensical but humorous catch phrase ‘Xaba-Xaba’ (pronounced Habba-Habba), which was to be associated with the Irn-Bru brand. Its success was evident by the advertising achieving a high 92% prompted brand awareness level in December 1999 and, indeed, the catch phrase became popular slang (A.G. Barr, 2003b). The promotional campaign won an industry creativity accolade.

The first commercial portrayed the bird character with a Russian persona by dressing it in the type of boots typically worn in a winter snow setting (see Fig. 1). Consumers were

drawn to the brand which was perceived more and more as a Russian drink, rather than an imported brand. Consumers were unaware of the link to the UK-based A.G. Barr p.l.c. They were attracted to Irn-Bru's new positioning as a truly alternative brand that did not take life too seriously and had 'fun' appeal and which related to Russian humour.

Fig. 1: Billboard used on the Moscow metro system

At the same time, a website developed and promoted on Irn-Bru back labels to provide corporate and brand information including cross-branding other Barr products such as Cream Soda and a mineral water. The website reminded customers, smaller shops and wholesalers where they could buy Irn-Bru in Moscow and the regions. It also gave information on field promotions and merchandising offers and provided a consumer hot-line together with details of the Irn-Bru fan club.

'Below the line' promotion was targeted at both the consumer and the trade. Increased trade awareness and support was achieved in various ways such as through trade exhibitions, including the Moscow Interdrinks exhibition. A corporate promotional video was made for the trade and the media which, through a humorous approach, conveyed a positive image of the Irn-Bru manufacturing franchise arrangement, the production facilities and the brand itself.

Consumers were targeted through field marketing undertaken in conjunction with the Moscow-based Radio Maximum. Between the Spring and the end of the Summer, a 'monster' truck was used as a base for promotional activities. These included product tastings with consumer feedback sessions, merchandising involving promotional goods, e.g. caps and T-shirts. A competition with the opportunity to win a 24-hour chauffeur driven ride on the Irn-Bru 'jeep' was also held.

A campaign using high profile 3m x 2m 'city format' and 48 sheet billboards together with posters in the Moscow and St. Petersburg metros was run (see Fig. 1). This was supported with Point of Sale (POS) material to reinforce the message. In-store

promotions together with branded pallet displays attracted attention while also addressing retailer space problems. The trade was also helped with promotional offers based on ‘Buy One get One Free’ (termed ‘BOGOF’ in the trade). Clubs, bars and restaurants were offered ‘menus’ with appealing graphics showing different ways in which Irn-Bru can be used as a mixer with Vodka and other spirits. Professional bartenders were employed at promotional events to demonstrate how to mix an Irn-Bru cocktail (A.G. Barr, 2002b).

Cultural assimilation

Throughout the move from introduction to the growth stages of international expansion in Russia, Barr pursued a culture of excellence by working closely with its first manufacturing franchise partner. Training programmes for personnel in the sales and marketing, production, finance and quality control functions were undertaken. UK staff collaborated in negotiations with suppliers aimed at reducing the cost of raw materials such as sugar and ensuring high quality standards were maintained Regular visits to Russia from senior management, including Barr’s managing director and board members, re-inforced the high level of commitment to the Russian operations.

Today, the UK Barr staff has been consistently, and closely, involved in the Russian marketing and production operations. The Group Export Manager responsible for Russian operations has achieved a high degree of proficiency in the Russian language. Visits to clients by the Group Export Manager, even in the Russian regions, are commonplace and seen as supporting sales efforts as well as developing appreciation of customer concerns.

Strategic approach

In the terms of the Ansoff product/market development model, Barr has pursued an international expansion strategy targeting emerging markets such as Russia through market development/penetration and product development. Barr’s initial market entry to Russia, using direct export, was a stepping stone towards involvement in a manufacturing franchise that enabled its soft drinks to be produced in Russia in close geographical proximity to the consumer. Following the introductory stage, Irn-Bru has been moving

along the product life cycle towards growth through market development/penetration. In terms of the marketing mix, the Irn-Bru brand, sold as a unique, flavoured soft drink in distinctive packaging with bright blue and orange labelling, has been positioned as a ‘fun’ product. It is targeted at younger consumers including children, teen-agers and young adults, who are encouraged to consume Irn-Bru in a number of ways, i.e. on its own or as a mixer drink with spirits. The brand has been differentiated from other colas by emphasising the ‘fun’ element of its charismatic persona within the context of Russian culture.

Porter’s low-cost leadership strategic approach has also been used. High investment in capital resources such as plant and machinery has been minimised through the manufacturing franchise arrangement whereby PBG Russia takes responsibility for production. Relatively low promotional expenditure has achieved high consumer awareness. ‘Above the line’ advertising campaigns have been undertaken using television and the radio media, supported by extensive lower cost, high profile ‘below the line’ promotion directed at the consumer and the trade. This approach has proved effective gaining high spontaneous and prompted awareness levels among potential consumers, so that by 2002, Irn-Bru had almost 1% of the substantial Russian market providing a strong base for future growth in Russia and other export markets (White in A.G. Barr, 2003a, p. 4).

Future opportunities

Irn-Bru is now perceived as a unique, tried and tested brand appreciated by both suppliers and consumers. Barr has proved itself to be a serious, loyal partner that will not readily leave the challenging market should conditions become less than attractive. The potential for good growth for Barr’s brands in Russia seems assured.

Alongside the operations in Russia, international expansion opportunities for Barr are being considered in other countries, especially those with emerging economies that show long term potential. The lessons learnt in taking Irn-Bru to Russia will be used in Barr’s international expansion. While in Russia there is much potential growth yet to be

accomplished, it is anticipated that, over time, expansion across borders to other Central Eastern European (CEE) countries will take place. Farther afield, the USA, with the largest CSD market at 56.9 billion litres looks to be an attractive market (Table 2). Other countries dominated by Coca-Cola such as Mexico, the second largest CSD market consuming 15 bn. litres, and Greece could pose considerable challenge to a newcomer brand such as Irn-Bru. Potentially more attractive markets are Spain and Turkey where Coca-Cola is less dominant. Spain is the seventh largest CSD market consuming 4 bn. litres per annum. At first sight, Turkey also shows potential although recent political uncertainty may well caution against rapid entry to this market.

The way forward is likely to be to consolidate within the international markets in which Barr already operates, while at the same time pursuing potentially attractive markets using manufacturing franchising wherever opportunities arise.

Table 1: **A.G. Barr p.l.c. consolidated profit and loss account for the year ended 25 January 2003**

Financial criteria	2003	2002
	£'000	£'000
Turnover	120,005	116,261
Cost of sales	63,404	63,032
Gross profit	56,601	53,229
Net operating expenses	44,728	42,742
Operating profit	11,873	10,487

Source: A.G. Barr p.l.c. (2003a)

Table 2: **Coca-Cola/Pepsi-Co market shares in selected markets (2002)**

Country market share	Carbonated soft drinks consumption	Coca-Cola share	PepsiCola share	Cadbury Schweppes share
	Billion litres	%	%	%
USA	57.3	44	31	15
Mexico	14.8	70	21	4
Spain	4.2	59	16	15
Turkey	n.a.	58	25	n.a.
Greece	n.a.	74	21	n.a.

Source: Adapted from Beverage Digest (2003).

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Abbreviations

AGB	A.G. Barr p.l.c.
ASA	Advertising Standards Authority
BOGOF	Buy One Get One Free
CSD	carbonated soft drink
CEE	Central and Eastern Europe
EU	European Union
FMCG	Fast Moving Consumer Good
MNC	Multi-National Corporation
PBG	Pepsi Bottling Group
POS	Point of Sale
SEM	Single European Market

Discussion topics and answer guide

1. Why do firms with limited financial resources such as A.G. Barr attempt to expand into high risk markets such as Russia?
2. What are the lessons to be learnt from A.G. Barr's experience in marketing in Russia?
3. What challenges do firms such as A.G. Barr face in expanding across borders within the European Union?
4. What strategic marketing approach would you advise A.G. Barr to follow to achieve growth in both sales and profits? Possibilities might include any of the following:
   - market penetration in the UK
   - market development in Russia and other Central East European countries
   - product differentiation in established markets such as the UK

Answer framework

1. Why do firms with limited international experience such as A.G. Barr attempt to expand into high risk markets such as Russia?

The answer should consider the ways in which the theory of international expansion is implemented in practice. Chapter 2: Theoretical frameworks for international marketing, discusses the theory of international expansion highlighting the theory of incremental growth for expansion across country borders. Typically, international expansion for a firm based in France might be expected to take place geographically by crossing the national borders into Belgium, Germany, Italy and/or Spain. Once the firm has become established in these countries it would be expected to extend its operations to adjoining countries such as Portugal, the Netherlands, and even the CEE countries and beyond. A firm may assess potential markets in terms of their Political, Economic, Social, Technological and Legal environment (PESTL model), match that with the individual firm's Strengths and Weaknesses and assess the Opportunities and Threats that it faces (SWOT analysis). In the light of these assessments, it may consider markets that show potential for development. Other models which can help in the assessment include

Porter's five forces of competitive advantage as well as Ansoff's 'boxes' indicating the use of market penetration, product development, diversification and differentiation strategies. The Boston Consulting Group (BCG) growth matrix can also be helpful in determining favoured product portfolios.

Under normal circumstances, favoured markets for international expansion for a firm such as A.G. Barr would be those with evidence of high consumption of Fast Moving Consumer Goods (FMCG) such as carbonated soft drinks. These would be markets with high populations with high spending power such as the densely populated areas of Continental Europe. However, these markets are already dominated by global multi-national corporations (MNCs) such as Coca-Cola and Pepsi-Cola which have large budgets to support their marketing. Barr, like other medium-sized firms, is not able to compete directly, head-to-head, with the marketing approaches of MNCs. Consequently, it is necessary to consider other less-obviously favoured 'niche' markets. Russia was such a market although it was associated with considerable risk. The case develops the experience of entering this market and identifies the benefits of considering such a challenging, emerging market. Higher profits can be made than in more mature markets such as Germany and France where competition from market leaders such as Coca-Cola is fierce and profit margins are tight.

2. What are the lessons to be learnt from A.G. Barr's experience in marketing in Russia?

In essence, entering a market such as Russia is high risk but it does have long term potential. The marketing approach used in one country cannot necessarily be transferred in its entirety to the new market. The brand image and character of Irn-Bru was not directly transferable to Russia where language, culture and humour associations differ. However, it has been possible to introduce the brand with a fun-loving associations, relating it to Russian culture and examples.

Other issues confirm the critical necessity for consistency in the portrayal throughout the marketing package for a FMCG brand. By showing support and loyalty to consumers as well as to intermediaries along the supply chain, such as wholesalers and retailers, Barr has re-inforced its promotional message that it is good to buy Irn-Bru. Barr has benefited from not having abandoned its customers and suppliers with the down-turn in economic climate as did its competitors. Furthermore, by listening to its customers and the influencers in the value chain, Barr was prepared and able to make major changes to its promotion to portray a fun-loving branded product within the context of Russian culture.

Another lesson to be learnt is that a relatively low promotional budget can go a long way in a country not used to high FMCG advertising. Barr does not have the financial resources to use advertising media at the level of the major MNCs such as Coca-Cola and Pepsi-Cola. However, lower levels of promotion supported by extensive, low-cost field promotion and merchandising has proved most effective in raising potential consumer awareness which, in turn, has resulted in achieving a sizeable and profitable market share in Russia. A cohesive approach to portraying the brand is necessary and beneficial to the successful marketing of the brand.

Nevertheless, entering the Russian market has proved challenging. Fluctuations in the economy as shown by the rouble exchange rate can have short-term adverse results but, taking a more long term view, there is substantive potential for growth. Adjustments to differences in cultural approaches to business have had to be made. Ethical issues regarding business practices have to be addressed, but with a positive approach, it is still possible to achieve profitable growth in such markets.

Cautionary note should be taken that Barr could be vulnerable to take-over activity from one of the MNCs should it become too successful in the soft drinks market.

3. What challenges do firms such as A.G. Barr face in expanding across borders within the European Union?

As discussed above, while theoretically the Single European Market (SEM) within the European Union (EU) offers firms access to a harmonised market of more than 380 m. people, there can still be severe competition for the small to medium-sized firm operating with in it. Barr faces strong competition from MNCs such as Coca-Cola and Pepsi-Cola. Barr does not have the financial resources to compete head-to-head with these dominant competitors. Consequently, it often targets emerging markets that can provide sufficient return to make them profitable to a smaller firm. A firm such as Barr has the ability to take a more targeted approach varying the marketing mix to the potential customers' culture. In this way it uses one promotional message for Scotland, another for England and Wales and a completely different message for Russia, although throughout it portrays the Irn-Bru brand to younger people as a fun-loving soft drink.

4. What strategic marketing approach would you advise A.G. Barr to follow to achieve growth in both sales and profits? Possibilities might include any of the following:

- **market penetration in the UK**
- **market development in Russia and other Central East European countries**
- **product differentiation in established markets such as the UK**

Barr has followed all of these strategic options in different markets. As shown in the case, market penetration is being effected across the UK. While currently Irn-Bru is market leader in the CSD market in Scotland, it does not have such success in England and Wales. While it continues to achieve growth in Scotland, it is working hard to achieve a higher market share in England and Wales by adapting the promotional message and increasing coverage within its channels of distribution, especially among retailers.

Market development is being undertaken in Russia and it can be envisaged that in due course success in Western Russia will encourage Barr and its partner to consider other CEE markets. Chapter 3: European Marketing, addresses the issues of the potential for development in the CEE and should be considered in this respect. Barr will have to consider the resource implications of extending its coverage beyond the current

involvement in Western Russia. Funding may be available from government sources to undertake marketing research through the Export Market Research Scheme (see Chapter 4: International Marketing Information Systems: Marketing Research).

Barr has addressed product differentiation at one level with the emphasis on the branding of Irn-Bru whether in Scotland, the rest of the UK or Russia. The promotional mix used portrays a brand that is witty and relates to national humour. It has a youthful image, to which age groups in most societies assume. The other elements of the marketing mix – product characteristics, pricing and channels of distribution reinforce this promotional mix. The product has a sweet taste favoured by the young. It is coloured orange and packaged with a loud orange and blue label. Pricing is relatively low making a product that is accessible to the younger consumer. Generally, an extensive range of channels of distribution are used including retailers, both the multiples and the smaller independant retailers as well as vending machines, clubs and bars etc. Again, by having the product readily available to potential consumers, especially the young, the image of a younger person's drink is re-inforced.

Barr has been marketing its Irn-Bru brand since the early 1900 and it continues to be successful in terms of growth in turnover and profitability. It has widened its product and market base since the early days of production in Falkirk, Scotland. It faces strong competition from the MNC market leaders, notably Coca-Cola and Pepsi-Cola and has to find ways to continue its growth and profitability in the face of these challengers. It is recommended that Barr should continue to follow a strategy of mixed approaches for different circumstances. Awareness of the benefits of market penetration, market development and product differentiation will help it to continue to be successful.

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