

Molson coors brewing company

Business



It manufactures and markets beers and other beverage products through its subsidiaries across the world. Commercially, it markets its products under a line of owned and partner brands.

MASC.. Operates through four reportable segments, namely, Canada, the US, the UK, and Nelson Coors International (MIMIC). Some of its major brands include Coors Light, Nelson Canadian and Carline. The Nelson Coors Brewing Company is a North American brewing company, formed in 2005 by the merger of

Nelson of Canada, and Coors of the United States. Throughout most of its history, the Coors Brewing Company (Coors) has been a rationalized brewer within the United States, specializing in high-quality beer through by virtue of its source water selection, stringent production standards, and cold filtered brewing approach.

As the company expanded its distribution to new markets within the U. S. In an attempt to gain market share, it made a strategic decision to maintain a majority of its brewing operations at its primary production facility in Golden, Colorado.

This decision was eased upon the desire to preserve its core production strengths through close family control. However, as the company desires to expand its market presence beyond the U. S.

Boards with a goal of becoming the 5th largest brewer by 2008, its historic approach to management and operations provides a detriment to achieving this objective. As seen by the on-going consolidation of top brewers within

the beer industry, the competition is fierce as more brewers are competing within a global market with extended product lines and decreased profit margins.

While organic augmentation is the traditional mode of company expansion within Coors, the harsh reality is that the company must seek external-based Initiatives (e. G. , Joint ventures, acquisitions) to gain market share within the low market growth industry. However, several opportunities exist as three core markets are witnessing Increased volume consumption: Russia, China, and Latin America/South America.

Several of the top breweries have already implemented joint venture and/or acquisition strategies within these regions. Coors has not.

As a result of Coors encapsulated acquisition of Carling Brewery in 2002, the company has become cash-limited as a result of incurring debt. Therefore, immediate acquisition within developing markets is not readily attainable. Because Coors cannot afford to defer market penetration, it must enter these markets immediately through a Joint venture arrangement. In addition, the company must be willing to sacrifice its traditional, slow-moving family-based management style to effectively compete within the fast-moving beer market.

Through the leveraging of Its exceptional strategic sourcing program, savvy marketing approach, and dilutions logistics systems, Coors should employ these key fundamentals as part of Its International strategy to gain a competitive advantage. In parallel with Its Joint venture arrangements, Coors should continue to pay down debt and prepare for acquisition of an overseas
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brewer through the added cash infusion developing market. In addition, an established East Coast-based microbrewery may also be purchased, if feasible, for greater penetration within the U. S. And increased market share.

Although these actions may expand the company, it does not provide a guarantee that its goals can be met. Coors does not possess the financial strengths of the larger competitors, and it trying to Join an international expansion race in which it has been a slow-mover. Due to the added requirements of dramatic cultural changes within an embedded organization, the challenge remains great. Core Problem/lulus Adolph Coors founded the Coors Brewing Company in Golden, Colorado because of the high quality of water that could be found at that location – something he considered the most essential component of brewing a quality beer.

Since inception, Coors has continued to evolve and adapt to its environment.

During prohibition, Coors malted non-alcoholic beverages to keep the facility running and the employees working. At the end of prohibition, Coors continued to expand through technology progression to allow cold product delivery, which is essential to the enduring quality of its product. As Coors expanded, the company adapted to the changing environment by establishing itself as a national competitor. During that time Coors also pioneered the aluminum can – a standard in the beverage industry today.

Much of what has been accomplished by Coors over the past century has been at the management hands of the Coors family. In the 21st century, the beer industry landscape changed dramatically.

It has evolved into a competitive industry that competes internationally at multiple levels. Coors is looking to continue to grow and become the 5th largest brewer by volume worldwide. Many questions arise, however, and many challenges must be met to accomplish this goal. Will Coors be able to maintain its family culture business structure on an international stage or will it have to give up family control to achieve its growth goal?

Will Coors attempt, at least on some level, to grow its core product organically? And if so, how will the company address its distribution logistics issues of product delivery from Golden, Colorado? Can Coors maintain the quality level on an international stage that has become synonymous with its domestic reputation? In essence, does the “ Rocky Mountain King” have the necessary competencies within the current management, and within its business strategy/approach to become an international company? The beer industry is comprised of companies that manufacture beer and malt beverages.

There are many different types of commercial beer that are produced regionally and lovingly, including pilsener, lager, ale, stout, light, malt liquor, dry, ice-brewed, bottled draft, and non-alcoholic.

Within the United States, the industry has been consistently dominated by three major breweries: Anheuser-Busch (A-B), Miller, and Coors. Accordingly, these three “ heavyweights” retain 80 percent of the total U. S. Market share. Craft beer, or microbreweries, account for approximately 10 percent of the total U.

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Beer market. While market growth has been relatively stagnant and consumption is primarily comprised of mature product brands, the continued evolution of microbrewery was able to facilitate additional U. S. Industry growth as the number of breweries increased from 43 in 1983 to over 1, 500 in 2003. However, microbreweries are currently experiencing declines due to rapid over-expansion.

Growth (approximately one percent per year), China, Russia, and Latin America continue to show the highest growth rates.

Facing low prospects for volume growth in mature, developed markets and increased competition, brewers continue to seek growth through acquisitions of other brewers or by aggressive participation in developing markets. The effect of consolidation through mergers and acquisitions entities to reshape the global beer industry, as seen by the increasing market shares of the industry leaders. Accordingly, the top 10 brewers worldwide now account for more than half (50. 4 percent) of the entire world's beer production, marking an industry first.

As a result of Interbreed recent acquisition of Amber, Coors is now positioned as the eighth largest brewery with a global market share of approximately 2. 6 percent (A-B is the largest at 9. 0 percent). As a result of heavy investment in developing markets, China is now the largest beer producer and consumer in the world. China and the U.

S. The second largest producer) now constitute one-third of the world's total beer production. Of the available growth in the United States, most is

attributed to a rising taste for super-premium products and products that adhere to lifestyle considerations (e. . , low-carbohydrate beers).

The mint-baby boomers, or the 21 to 25 year old age segment, are anticipated to increase by 11 percent over the next 10 years. Thus, in attempts to gain market share, manufacturers are focusing product preference and advertising within this age demographic. On a global basis, considerable market growth is being experienced thin the developing markets as a result of increased buying power and consumer demand. The beer industry continuum has shifted from “ perfect competition” to “ oligopolies supply. Despite efforts of world microbreweries and smaller brewers to meet consumer demands for an increasing variety of product, the top beer producers have either purchased or swallowed market share from once-formidable competitors. Given this global trend toward consolidation and somewhat stagnant sales in many of the major markets, strategic group mapping becomes ever more meaningful for the industry leaders.

Attempting to boost incremental sales within developed markets, beer manufacturers continue to introduce new products – often creating entirely new segments (I. E. , higher quality, specialty beers, etc. – while increasing the perceived quality and customer value. Product freshness is now a large component to consumer preference and package designs are being developed to better appeal to target markets. New products and higher levels of product quality are also being driven by a surge in imports as world brewers pursue growth outside of domestic markets.

The surge in imports to the U. S. As been attributed to the American consumer's desire for high quality, full-bodied brews; lower total alcohol consumption; and familiarization to higher prices for both domestic craft brews and imported brands.

The result of the increased level of both domestic and global competition within slow-growth markets is that profit margins continue to erode and price competition continues to increase; therefore, cost reduction plays an ever-increasing role in operations. Given the relatively low margins within the beer industry and past optimization of production costs and company overhead, the agree of profits is now being dictated by external cost control (I. E.

, supply, distribution) rather than internal cost control I. E. , production. Therefore, much optimization, and distribution channel logistics.

Increasingly, beer producers are creating higher quality products through supplier selection and control methods.

In addition to cost reduction methodologies, the industry is advertising-heavy and commits significant resources to appeal its product to the consumer. While the industry uses large media mechanisms (print media, billboards, television, radio, etc. , it also uses distributors and personal selling for retail marketing campaigns and in selling/promoting its products at points-of-consumption. Therefore, promotional sales programs are prevalent.

In addition, to help promote volume growth through the promotion channels, manufacturers are instituting discounts, lucrative credit terms, and allowances with distributors.

The beer industry also struggles against global trends (e. G. , health, fitness). Coupled with heavy governmental intervention, which includes distribution laws, taxation, advertising restrictions, production and lath standards, anti-trust laws, and indirect laws and ordinances, beer producers have found an increasing competitive environment due to regulatory forces. 2. IDENTIFY THE COMPANY'S INTERNAL STRENGTHS AND WEAKNESSES strengths.

Coors has a highly-integrated divisional structure between finance, human resources, procurement, and technology departments. These support activities are the backbone of the company and support all aspects of the business. Within the information technology arena, Coors is deploying SAP to integrate their company. Procurement has adapted the VIPER program. This program is designed to insolate vendors that represent approximately \$1 billion in annual expenditures. By consolidating these vendors Coors will have more leverage to control, and even reduce, cost.

Coors retains a key strength within its primary supply and production activities. Competitive advantage primarily exists within its inbound logistics and operations. Within inbound logistics, Coors strengths include long- term supplier relationships, supplier training, strategic sourcing, and the VIPER program. Within operations, strengths lie within waste minimization, cold filtering process and quality intros, Joint venture relationships and close logistics to packaging facilities, and high economies of scale through the

largest single site brewery in the world. Coors has a long, well-established history of brewing beer.

It is suffice to say that Coors knows beer and how to produce a high quality product.

Its cold filtering process is a key strength and advantage when compared to the heat bastardization process of primary competitors. Additionally, Coors excels in cold distribution of their product and supply chain management.

Within the sales and marketing arena, Coors has succeeded in securing primetimes advertising campaigns with the National Football League and has had successful and creative television spot promotions. Additionally, Coors ranks very highly with the appearance and appeal of their packaging profile.

Coors also retains core strength within employee loyalty and commitment. Coors has a very close relationship between the guiding beliefs and the daily beliefs within the company.

This value system includes producing a strong quality brand, controlling costs, having a passion for what they do, and rewarding good performance. Coors employees also enjoy a very favorable benefits program. In regards to its financial position when compared to four other larger brewers, Coors appears to be strong in filtering process and the importance of keeping beer fresh, it is important that Coors turn its inventory quickly.

Because Coors guarantee freshness within a specific time period after packaging, Coors must continue to lead the industry in this category. Coors operates one primary production facility with only a few remote, satellite

brewing and bottling facilities in North America; the company is able to achieve high economies of scale for fixed asset utilization. Weaknesses.

Coors has utilized a lower strategy and is very cautious to come to market with new product lines. This is primarily driven by a tenured internal style, skill set, and staff within Coors management.

It would be fair to conclude that Coors knows beer better than they know the business. A once powerful regional player in the market, Coors has recently stepped up to the national stage and the current strategy is to compete in the international arena. However, the top-down style of management, which is driven by Coors family members that hold the voting stock in the company, has not allowed the company to innovate and move forward. Although the Coors family has brought in external management to run the company, they must still answer to the family before making any major changes to the identity of Coors.

Because the company adheres to a strong value of rewarding employee tenure, Coors may not have the right people in key positions to take the company to the international stage. Succession management also appears to be an area where Coors needs to improve dramatically. The company is localized geographically, and most of the staff has never had to work anywhere but in the Golden facility. To make the change to an international company may be a ultra shock for the Coors management team. Coors has also recently tried to extend its SAP systems to the supply chain through the Cornerstone Deployment Program.

This deployment did not proceed well and cost the company in excess of \$8 million in losses during 2003. Having strong systems in place that can integrate a company across continents will be the key to its strategy to grow domestically and internationally. From a financial analysis perspective, Coors does not perform well against the four other companies analyzed. In fact, of the thirteen ratio analyses Coors is lagging in eleven of them. Although Coors appears to be among many comparable companies with an unfavorable current and quick ratio, it is a key weakness to growth - Coors cannot service its current liabilities with current assets.

Coors is lagging major competitors significantly in collection period with an average time of converting sales to cash collection of 55 days, which is double that of the primary competition. This measure increases the risk that receivables may ultimately become unconvertible. With the exception of one small competitor, all companies analyzed maintained an asset utilization of less than 1.0 in 2003. Although Coors does not appear to be out-of-line with the industry, this is clearly a weakness that needs to be addressed to generate better returns for investments in capital assets.

As Coors relates to capital structure and debt management, the company appears to be in the middle of the pack for debt to equity and last in times interest earned.

Prior to the Carling acquisition, Coors carried higher equity than debt. The fact that the company is highly leveraged is not necessarily a weakness, but in combination with a long cycle for cash collection the company cannot

retire debt as quickly. This comes a driver for the increased interest expense, which is driving down the times Opportunities. The industry is consolidating.

As part of the process, companies are transitioning from regional brewers to national brewers to international conglomerates.

In this expansion environment, Coors has an opportunity to organically grow its current product abroad while acquiring/merging other companies as part of the growth initiative. Developing countries are leading the way to new markets. Consumption growth is highest in Russia, China, and Latin America (growth rates range from 7 to 11 percent per year). As far as new entrants, almost all are microbreweries and tend to be mostly localized, regional at best.

Although imports are increasing in the U.

S. , international brewers are not establishing U. S. Operations as the cost of entering the market is high barrier. With the proliferation of global microbreweries, consumers are becoming more apt to try different beers than the staunch brand buyers of the past. Because of this, an opportunity exists to expand lighter beers within traditional heavy beer markets (e.

G. , Europe) as well as introduce new products in the United States. The alteration in social behaviors lows expanded consumer acceptance of bringing new products to market, although rivalry remains very high.

From a technology and production standpoint, opportunity nearly always exists to drive out inefficiencies and to service the customer more effectively. Suppliers have little power in this industry. As it relates to Coors, <https://assignbuster.com/molson-coors-brewing-company/>

the company has established joint ventures with metal and glass container manufacturers to control cost for the most expensive component of delivering product to the consumer.

Additionally, the company owns long-term water rights and has contracts with 1,500 farmers to grow its primary raw materials.

Coors also has opportunities to provide more environmental-friendly packaging, increase pollution prevention goals, and continue to drive production through by-product use objectives. Threats. Although great opportunity exists for Coors to expand into other markets, competitors are enjoying the same advantage within Coors home/core domestic market. Rivalry is very high within this industry. Not only are Coors major competitors consolidating, but the number of microbreweries in the United States has grown to over 1,500 establishments.

The top ten brewers in the world hold about 50 percent of the world market share.

In the United States, Coors, SAAB Miller, and Enhances-Busch hold about 80 percent of the market share combined. It will be extremely difficult for Coors to maintain market share in the United States, let alone take market share away from its competitors. In addition to the threat of reduced market share, there is a potential erosion of profitability. Buyers maintain a lot of power within the market.

Due to the incredible variety of beers from a massive number of producers, brewers do not have the power to dictate pricing. Thus, profit margins continue to decline.

A number of substitute products exist in this industry. Spirits, wine, other alcoholic and non-alcoholic beverages (soda, water, near-beers, sport drinks etc) are only a few substitutes. Since beer consumption can also be linked to certain forms of entertainment, threats of substitutes could also exist from activities that do not involve alcohol consumption. From a social responsibility perspective the and socially unacceptable behaviors such as underage drinking and drunk driving are damaging the industry.

Additionally, the industry is under constant pressure from political and legal fronts.

These pressures include heightened government intervention, increased taxation burdens, regulations, and legal challenges. 3. ANALYZE THE EXTERNAL ENVIRONMENT Porter's 5 Forces 1. Rivalry Among Present Competitors The rivalry level among the beer manufacturers is high.

There are more than 1, 800 brewers and beer importers that operate in the United States. Among large competitors substantial market increases result more from attracting consumers from competitors, than from attracting new industry consumers. Three major companies hold nearly 80 percent of the market share in the United States (Enhances-Busch, Miller, and Coors). Beginning in 1995, the industry experienced significant consolidation to reduce operating expenses. Large companies such as Enhances-Busch (A-B),

Miller, Coors, Heineken, etc. Have all used consolidation to maintain or grow market share.

The beer industry is constantly introducing new products in an attempt to boost incremental sales and expand the beer market - often creating new segments such as light beer, nonalcoholic beer, ice beer, bottled draft beer, and clear malt liquor drinks. Examples include A-B unveiling Tequila, which is beer with a touch of tequila, or Devotes Original Shanty, a combination of beer and lemonade.

Another example is the introduction of Zamia by Coors. The import sector of the beer industry has experienced its tenth straight year of growth in 2002, having more than doubled in size during the past. Thus, competition is increasing from international producers. The consumption rate of microbrewery or specialty beers continues to grow in popularity.

Although small in market share, home brewing laws allows adults to produce 100 gallons of beer per year for personal or family use (but not for sale) without payment of federal tax. 2.

Threat of New Entrants The threat of new entrants is high. A majority of new entrants can be attributed through the introduction of new microbreweries. However, this threat tends to be localized rather on a nationalized, or internationalization, basis. Since the industry-leader Boston Beer Company was founded in 1984, the microbrewery business has grown into a \$1 billion industry by 2000.

And while the market was flat from 1997 to 1998, the segment did grow 1.2 percent in 2001 to secure a 3.1 percent share of the total domestic US beer market, with Boston Beer controlling 0. Percent. When the Boston Beer Company was founded in 1984, fewer than 40 microbreweries existed.

Since then, an estimated 500 small breweries and brew pubs have opened with an additional 50 added each year from 1985 to the present. Because of globalization of the market and the increased accessibility, the U. S. Imported beer market continues to increase. 3.

Bargaining Power of Suppliers The threat of bargaining power of suppliers is low. Because of the magnitude of raw material suppliers, beer manufacturers have negotiating conditions.

This is the same case with manufacturers and packaging material suppliers.

4. Bargaining Power of Buyers As a result of the high number of product choices, the retail buyer has a high level of bargaining power. There are many different types of commercial beer, including pipelines, lager, ale, stout, light, malt liquor, dry, ice-brewed, bottled draft, and nonalcoholic.

The market is further segmented by price and quality, with beers being categorized as super-premium, premium, and popular-priced. The manufacturers do not have the ability to dictate price due to the large magnitude of competition.

Margins are lower for large-scale producers compared to premium beers (microbreweries). Therefore, A-B, Coors, and Miller (large-scale producers) are more susceptible to price inflexibility. 5.

Threat of Substitute Products The threat of substitute products is high. There are three major segments that constitute the global alcoholic beverage trade: beer manufacturers; wineries, which produce wines and brandies; and distilleries, which output various liquors and blended alcoholic drinks. Wines and liquors are alcoholic substitute products. Nonalcoholic beverages provide consumers substitute options, such as soft drinks and bottled water. Bottled water consumption accounts for 6.

7% of total U. S. Beverage consumption, up from 2% just a decade ago. 4. ANALYZE COOPERATE-LEVEL STRATEGY Using its “ Rocky Mountain water” to produce “ cold-filtered, never-pastured” premium beers, Coors has set out to differentiate its product from those of its two larger American competitors, while simultaneously targeting drinkers of A-BI’S and SAAB Miller’s arguably lower quality brews.

Having ventured east of the Mississippi River only in the past quarter century, Coors and Coors Light have impressively established themselves as nationally formidable opponents to Budweiser, Bud Light, Miller, and Miller Elite. With now well-established name recognition and, to a varied extent, quality preference, Coors has begun to achieve some price differentiation and plans to continue improving on comparatively thin profit margins. Once strictly a U. S. player, Coors realized that expansion was necessary just to keep from falling further behind Budweiser and Miller.

Its 2002 acquisition of Carling Brewing enabled the manufacturer to gain a foothold in the European market with an eastward eye toward further growth. As Scrabbles and Heinlein buy into Eastern European and Russian

rewires and while A-B and SAAB Miller form partnerships with large Chinese beer-makers, Coors must continue to shift emphasis from a stagnant American market to its overseas opportunities.

Typically content to follow, Coors will likely not venture into wine and spirits unless the American leaders do so first, but two factors may force the company to take the initiative: (1) as Coors grows internationally, it will soon find itself competing against companies with several types of alcoholic beverages in their portfolios (Adagio and Karri, for example, sell wine and spirits); (2) Coors' U. S. Market has lately trended toward a variety of malt and non-malt alcoholic beverages. Such efforts to charter into unknown markets should likely be funded by ongoing strong sales of Coors' core product – Coors Light.

Though Coors Original has lost ground as Americans become more health conscious, Coors Light – accounting for 51 and reigns as Coors' American cash cow. Resources for introduction of products like Aspen Edge, reformatted Zamia, and Mexican will be available as long as Coors Light maintains its position. Keystone, Kiln's, and Nelson will continue to fill certain aches, but will likely never provide the profitability that Coors Light has generated. Coors goal is to become the fifth largest brewer in the world by volume.

With the exception of the Nelson/Coors Joint venture, all of Coors business segments are currently positioned for growth on an international stage.

Two key segments need to move into the high industry attractiveness/high business strengths quadrant. 5. ANALYZE BUSINESS-LEVEL STRATEGY The <https://assignbuster.com/molson-coors-brewing-company/>

first is the Coors Brewers Limited (Carling) business segment. It will be difficult to move Carling into this quadrant as the market is highly competitive. Just to maintain position, Coors must selectively invest heavily in current market segments and seek attractive, new segments to leverage strengths.

To move into the desired quadrant Coors must be able to diversify the Carling line worldwide and accept medium near- term profits.

This activity will require a premium investment for growth. Bringing the Carling premium brand to the United States, for example, would fill a void in the Coors premium beer product line. Given the high competitiveness, low growth rate, and saturation of the U. S. Market, this is a very difficult strategy.

The second is Coors Brewing Company business segment.

The challenge to maintain position within the current quadrant is to minimize weaknesses/vulnerabilities and to build selectively on strengths. Coors will need to define the implications of leadership challenges to maintain position and to move forward into the “ high industry attractiveness/high business strengths” quadrant. Although it will require a premium investment for growth, Coors must provide the maximum investment to diversify worldwide. Coors must be prepared to accept moderate, near term profits in hope of attaining overall, worldwide market share in the future.

This will require Coors to aggressively engage in Joint venture/acquisition/merger activity. Coors must engage in a number of

market/product positioning strategies while aggressively pursuing the international market. It would have the opportunity to expand the Coors brand - and if done through Joint venture/acquisition/merger, - could gain expanded distribution and product offerings quickly. Internally, Coors must have a queue of new products ready to enter the market. Although most of the product line is currently considered cash cows, Coors develop the "cash cows of the future" to fund downstream growth.

By intuiting with a "follower" strategy and not being the first mover in the market(s), Coors will fall further behind its competition.

And last, Coors must continue to position its core products by expanding Carling into the U. S. And expanding Coors brand overseas - all while maintaining domestic market share. This strategy for the Coors Brewing Company business segment will be easier to achieve than the proposed strategy for Coors Brewers Limited business segment. It is easier to attain growth through Joint venture/acquisition/merger when compared to steal market share within the premium beer segment from other competitors.

These strategies must be achieved in concert with the marketing/positioning of its existing "Rocky Mountain water" and "cold-filtered, never-pastured" beers for continued 6. ANALYZE STRUCTURE AND CONTROL SYSTEMS Coors must follow a variety of strategies for growth within domestic and global markets. The chosen strategy is dependent upon the product at hand - Coors' existing product lines and/or potential new product lines (either through organic development, or Joint venture/acquisition) - and the target market.

If Coors desires the combination of existing and new product lines as part of the strategy to broaden TTS market and increase market share, the company must utilize a combination of strategies. In regards to its existing product lines, it will want to maintain the image and product quality that have differentiated Coors from its U.

S. Competitors. Accordingly, it would like to preserve or increase its domestic market share while expanding the overseas market, specifically within developing markets e. G. , China, Russia, and Latin America. .

RECOMMENDATION AND CONCLUSION Because Coors maintains a strong U. S. Market presence and position within its core product offerings, which includes Coors Original and Coors Light, it should uphold a status quo' strategy position; however it should implement a " growth" stage within new/overseas markets. Although Coors has seen moderate levels of success in Canada and Japan, revenues are still small compared to those of competitors and Coors' product development in these markets is still in its infancy stage.

Although the company desires to broaden the market and aggressively grow its position within the industry, it should be cognizant of its core strengths within the U.

S. , but may have to either sacrifice its perceived " Rocky Mountain" quality and image status or add rand's in an attempt to distribute product within the new markets as part of the " growth" strategy. Thus, a combination strategy should be used in regards to its core products. In regards to the development of new products, Coors may be in the beginning stages.

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If Coors introduces new products (either through organic development or acquisition/Joint venture) in an attempt to broaden the market and further penetrate overseas segments, it should implement a “ growth” strategy.

The exception would be if Coors acquires a mature product brand from an existing overseas competitor. In this case, Coors would want to maintain a “ status quad’ tragedy in the product’s existing market, as it includes the product’s market share within Coors overall market portfolio.

However, marketing of the mature brand to new markets would require a “ growth” strategy. As part of the stratagem for organic product development, if desired, Coors should develop a “ best strategy’ for product development, deployment, and minimization of market share. While it may be able to gain market share through in-house developed products, growth is generally slow through this approach, and acquisitions of existing brands and/or Joint ventures have been the preferred strategy for market share attainment.