**Dr. Pepper Case**

Dr. Pepper Snapple Group, Inc. (DPS) made the decision to rely on its competitors for 40% of its sales is distributed from distributers owned by PepsiCo or Coca-Cola. This is a good plan for DPS because PepsiCo and Coca-Cola make up 63% of the beverage industry. In order to control so much of the market, PepsiCo and Coca-Cola have to have great distribution. Also, since Coca-Cola and Pepsi are already in every gas station, restaurant and mall in America, it is easier to let Coca-Cola and PepsiCo do DPS’s distribution for them. In 2009, DPS decided to sell Dr. Pepper in every McDonald’s restaurant. Coca-Cola has a contract with McDonald’s and since DPS now sells Dr. Pepper in every McDonald’s, Coca-Cola would be able to distribute Dr. Pepper for DPS. This allows DPS to focus less on distribution and more on other things such as marketing.

DPS decided to intensify their marketing because sales have been down ever since economic downturn in the earlier 2000’s. This was because less people were drinking soft drinks, so DPS decided to increase marketing on other drinks such as teas, fruit drinks as well as waters. This was a success in some brands such as Snapple, whose sales went from being down 10% in 2000 and up 12% in 2010By increasing distribution and marketing, DPS was “closing the distribution voids, placing cold drink equipment” in front of the consumer. Instead of having to go to specific stores to buy a DPS product, DPS has made it more convenient for the consumer to find their product. By increasing awareness and distribution of their products, consumers are more likely to try their product. Increasing marketing and distribution has worked since DPS’s sales have increased 2% in 2010.