Out of curiosity, Alger started researching the ownership of the Pop Shoppe trademarks. He assumed that some soda company would have bought up the old trademarks simply to prevent anyone else from entering the market under that brand name. Surprisingly, the trademarks had lapsed in 1984, and the registration had expired in 1994. Alger thought it might be fun to register the trademarks himself and have bragging rights to friends the next time they shared a nostalgic conversation. It took 18 months and $1,000 to locate and secure the rights to the brand name. While waiting for the trademark registration process to be complete, Alger began to wonder whether the Pop Shoppe would be a more viable business opportunity than he had realized.

Despite his many years as an entrepreneur, Alger knew little about the beverage industry. He set out to learn as much as he could. One important effort was a trip to InterBev, a large American trade show and convention for the beverage industry. Alger walked the showroom floor for three days, talking to industry experts and suppliers. He even attended a speaking seminar given by Pater Van Stolk who headed Jones Soda. Alger's goal was to understand the dynamics of the industry, make some connections and then decide whether the Pop Shoppe could be brought back into the market.

THE CARBONATED SOFT DRINK INDUSTRY

The Canadian carbonated soft drink (CSD) industry included both beverage firms and bottling companies. Beverage firms, such as Coca-Cola and PepsiCo designed their own brands and formulated the flavor recipes. They were responsible for the strategic vision of the brand and set the advertising strategy. Bottling companies often had exclusivity contracts with a beverage firm to manufacture and distribute the CSDs within a specific geographic region. Bottling firms purchased flavored syrup from the beverage companies, manufactured the soda to the brand's specifications and were responsible for local distribution and trade promotions. Contemporary bottling operations were highly automated and capital-intensive, costing upwards of $100 million to establish. Although large beverage firms had historically licensed independent bottlers to produce their brands, many beverage firms were trying to acquire bottlers in order to streamline operations and cut costs.

New entrants into the market had a difficult time battling both national and private-label brands due to consumers' strong brand loyalty and larger firms' superior economies of scale and distribution networks. Large national beverage firms such as Coca-Cola and PepsiCo spent millions of dollars annually on consumer advertising and promotion in order to maintain top-of-mind awareness with consumers. Frequent tactics included celebrity endorsements, cultural and sporting event sponsorship, and give-away promotional items, such as T-shirts, beach towels and other imprinted items. The industry was notoriously cutthroat, with the two largest firms battling each other for market share through frequent price discounts. Upstarts needed to differentiate themselves on a non-price basis to gain consumer awareness and loyalty. Distribution could also be a challenge as new firms lacked the strong retailer relationships enjoyed by larger national firms. Retailers had limited shelf space and preferred to stock fewer items that moved quickly. Due to this limited space, beverage companies often paid retailers a listing fee to secure shelf space, with shelves at eye-level fetching a premium price. With listing fees as high as $100,000 per item for large grocers, some distribution channels were cost-prohibitive for smaller brands.

Most large retail chains in Canada offered their own discounted private-label brand soda pop alongside national brands. These products were manufactured by independent bottling companies, creating new business opportunities for bottlers who had excess manufacturing capacity. The flavor range was usually limited to the most popular flavors (i.e., cola, orange, ginger ale and root beer). These private-label brands were positioned as a price-conscious option because retailers were able to offer their own brand of soda