

Bottled mineral water industry



**ASSIGN
BUSTER**

Drinking water is the most important need of life. The drinking-water needs for human beings vary according to the climatic conditions, body structure. For an average consumer, the body needs around 2 to 4 liters of water every day. The increasing number of cases of water borne diseases, water pollution, urbanization, shortage of pure and safe water etc. has added to the phenomenal growth of the industry. Unavailability or shortage of drinking water at public places has also added to the growth of the bottled mineral water industry.

<https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcQ-hMDAxvtyGgM9RYPtFwODPCj7vnFqzHgt-4ToWgRUursv0QPQ>

OVERVIEW OF THE INDUSTRY

In India, more than 100 companies manufacture and sell about 450 million liters of packaged drinking water worth Rs. 250 crores annually.

The tradition of packaged drinking water started decades back. In the West, the trend of packaged water started in 1950s. Thus the trend of mineral water consumption flourished in the market.

Depending on various factors like the temperature, the location, the altitude, and the climatic conditions, water can be used to cure various ailments. This started the trend of manufacturing mineral water for drinking purposes to utilize this property of the liquid.

The trend gained momentum in 1970s and since then large quantities of packaged water from mineral springs were used in the European nations.

<https://assignbuster.com/bottled-mineral-water-industry/>

Bottled mineral water has been prevalent in western countries due to presence of higher health conscious people and higher awareness of sanitation.

People preferred to drink boiled water or filtered purified water to prevent them from contracting any water borne diseases or ailments.

In India, exposure to western and European life styles and culture, poor levels and quality of drinking water, increasing number of cases of water borne diseases, increasing awareness about health and hygiene and other related factors led to consumption of mineral water.

The market has not looked back ever since then and has grown significantly to a great extent.

VARIOUS BRANDS IN THE INDUSTRY

BISLERI

COMPANY: Parle Bisleri Pvt. Ltd.

COMPANY BACKGROUND:

Parle Bisleri Pvt. Ltd is the biggest player in packaged drinking water business in India. The company sold off the Thumps Up and Gold Spot brands to Coca-Cola India in the early 1990s. Since then, the company has focused only on packaged bottled water in India. The company changed its slogan to “ Play Safe” from “ Pure and Safe”, since many small competitors tried to emulate the look of the company’s brands. Parle Bisleri Pvt. Ltd. is credited with building the use of bulk packaged mineral water in India through the <https://assignbuster.com/bottled-mineral-water-industry/>

introduction of 20-litre jar packaging. The company developed consumer-friendly packaging for the 20-litre jars by adding threaded fittings and valve caps, as opposed to other brands that feature snap-on fittings. These innovations facilitated easier flow of water from the jar pack.

HISTORY OF THE BRAND:

BISLERI originated in Italy and the brand owes its name to its founder MR. FELICE BISLERI. In 1967, BISLERI set up its plant in Bombay for bottling and marketing actual mineral water, which was not so fruitful initiative. By 1969, BISLERI wanted to shut down its business and to help Mr. Bisleri out, Mr. Chauhan bought the company, with an intention to turn it into a soda/soft drinks brand. Since then it has not looked back and has come a long way. Now, it owns a significantly high percentage of shares in the Indian market and also has spread widely on the International front.

SLOGAN: Play Safe. The sweet taste of Purity

DISTRIBUTION SYSTEM:

The company has been distributing its packaged drinking bottles through large fleet of trucks directly to retailers through a system called 'Route Selling'. It is a system in which the truck driver is trained as service personnel. This helps in ensuring the bottles supplied are in proper condition and in good shape without any deformity and fresh water is supplied.

BISLERI has more than 85, 000 outlets and distributors in the country.

PROMOTION:

BISLERI is promoted by an aggressive ad campaign, print & TV. TV is backed by hoardings, banners & point-of-sale material. Even the vehicles used for supply have been painted in light green; bears the BISLERI logo & sport attention seeking slogans and taglines like “ drink and drive”.

MARKETING:

Few years ago, the Bisleri brand was expanded and new product were launched like Bisleri Mountain Water. With this brand, the company is aiming to attract or target upper middle-class sections of the society. The company aims to move up the value chain, by pricing mineral water at a high premium to packaged distilled drinking water. In a bold step or move, Parle redesigned the packaging of Bisleri from blue color to aqua-green, to differentiate it from other brands in the market. The company also changed the shape of the Bisleri bottle to create a wider neck, which enables the company to use less plastic in the packaging and significantly improves profit margins. The label on the bottle also features mountains and glaciers in an attempt to give more focus and stress on the purity of Bisleri. The company also increased its advertising campaign in the media, especially television, and the growth of bulk bottled water sales to homes has also helped to increase sales volume. Bisleri plans to introduce vending machines for its packaged drinking water, a first of its kind initiative by any branded packaged drinking water company in India. To set up vending machines in commercial and public places like malls, offices, etc. Bisleri has tied up with vending machine company Grabbit.

BAILLEY

COMPANY: Parle agro private limited

COMPANY BACKGROUND:

Parle Agro is an Indian private limited company founded in the year 1929. It owns various famous brands like Hippo, Apsy, LMN, Frooti and Bailley.

There are also various Parle soda brands in the market like Citra Thumbs Up, Gold Spot, Limca and Mango Maaza that were later sold to Coca Cola in 1993 for an estimated \$40 million. At the time of this sale, the Parle brands together had a 60-65% market share in the industry. The brand was very strong in South India.

HISTORY OF THE BRAND:

Bailley kept itself active and in the competition by regularly making pioneering efforts. It is the first water brand to be issued an ISI certification. It was also the first brand to launch special four-sided 200ml bottles which it sold or cater to premium airlines like Jet Airways and British Airways.

SLOGAN: Fountain of Youth

DISTRIBUTION SYSTEM:

The Company directly approaches the retailer or the wholesaler for 1 litre or other smaller denomination bottles. They have a very dense network in various cities all around the country and they track through various routes and accordingly they provide the required services and products.

Bailey sells their product through their own network in various parts of a number of cities for 20 Liters Jar. They have appointed and managed packaged drinking water distributors in various parts of the cities.

PROMOTION:

Parle Agro has implemented the mobile van system to promote its mineral water brand Bailey.

MARKETING:

The Bailey packaged drinking water brand is very popular in the South India. Southern part of India accounts for 20% of the sales of the bottled drinking water market in India. The top domestic player in packaged mineral water market, Bisleri would have a tough competition from Bailey since the company plans to spread its presence in other cities in South India. Another point that makes the competition tough for the Bisleri is the price at which Bailey is offering the product. It gives the 1 lt. bottle at the same price as Bisleri's. Bailey has grown at a rapid rate by leaps and bounds using the route of franchising, which Bisleri has not adopted as yet.

KINLEY

COMPANY: Hindustan Coca cola Beverages Private Limited

COMPANY BACKGROUND:

The Hindustan Coca-Cola Company has enjoyed a brand status as the world's largest selling soft drinks company since 1886. After a gap of 16 years, the company returned to India in 1993, giving thumbs-up to the Indian Soft

<https://assignbuster.com/bottled-mineral-water-industry/>

Drinks Market. It progressed in the Indian market to such an extent that the Company overtook the ownership of the nation's top soft-drink brands and bottling network in the same year itself. It proved the fact that brands have assumed an very high and iconic status in the minds of Indian consumers or customers. Coca-Cola gives India some of the most popular brands across the world including names such as Coca-Cola, Sprite, Fanta, Diet Coke, Mango Maaza, Thumbs Up and Kinley (packaged drinking water).

HISTORY OF THE BRAND:

Kinley was launched in India in the year 2000. It was able to enjoy a market share of 20 % in the packaged mineral water segment in just more than a year after that. The company, tied up with existing plants instead of setting up manufacturing facilities for Kinley, and the route of contract manufacturing was taken for its expansion. By implementing this strategy, the company saved both time and resources in India. Thus CCI (Coca Cola India) scored on the distribution aspect by making its brand, Kinley available throughout the country in short period of time.

SLOGAN: Boond boond mein vishwas

DISTRIBUTION SYSTEM:

Coco-Cola India has a very broad and well managed or well developed network of salesmen. These salesmen are appointed to take up the responsibility of distributing various products to diverse parts of the cities and delivering the products in time. The distribution network channels are advanced and operate in such a way that the demands of clients or

customers or retailers or distributors are met as and when it is needed by them.

The Company directly approaches the retailer or the wholesaler for 1 litre or other smaller denomination bottles. They have a very dense network in various cities all around the country and they track through various routes and accordingly they provide the required services and products.

Kinley sells their product through their own network in various parts of a number of cities for 20 Liters Jar. They have appointed HDA (Home delivery Agent) in various parts of the cities to sell their product.

PROMOTION:

Kinley has used the following media for its promotion:

Effective TV ads campaign (Boond Boond mein vishwas). Their slogan is a major hit on screen.

Kinley is mainly making use of its Parent brand name for its promotion i. e. of COCA-COLA India.

They are also making use of the Mobile Van system like other brands with creative and innovative hoardings/banners.

MARKETING:

Consumers with 'Go lifestyle' i. e. those who are health conscious and highly aware of hygiene and always looking for trustworthy, potable drinking water while being on the move find Kinley as their own brand. Coca-Cola India has

also introduced its premium mineral enriched water product ‘Schweppes Water’ in various locations in different cities. It was the first company to launch ‘enhanced water’ brand in India. It was priced at Rs 30 for 250ml bottle. The fact that people are willing to buy it sets higher standards of the marketing that Kinley has followed.

AQUAFINA

COMPANY: PepsiCo India Limited

COMPANY BACKGROUND:

PepsiCo entered India in 1989 and in a very short period, has grown leaps and bounds into one of the largest and fastest growing food and beverage businesses in the country. PepsiCo India’s diverse portfolio includes popular brands like Pepsi, Tropicana, Kurkure, Gatorade, Lay’s, etc. Other popular brands in its portfolio include Nimbooz and Aliva. PepsiCo India has also become a powerful and consistent driver of PepsiCo’s global progress by establishing itself as one of the top brands in Indian food and beverages market.

HISTORY OF THE BRAND:

Aquafina was first launched in the United States of America in the year 1994. Aquafina soon became the bestselling brand in the country with its unique purification process and great taste.

In India, Aquafina was launched in Bombay in the year 1999 and it became a national brand by the end of 2000. On the strength of its brand appeal and

distribution, Aquafina has become one of India's leading brands of packaged drinking water in a relatively short span of time.

SLOGAN(S): Make your body happy. Drink more water.

Nothing but pure refreshment.

Aquafina bottled water. Purity Guaranteed

DISTRIBUTION SYSTEM:

The Company directly approaches the retailer or the wholesaler for 1 litre or other smaller denomination bottles. They have a very dense network in various cities all around the country and they track through various routes and accordingly they provide the required services and products.

Distribution Weakness:

The Company is not completely focusing their packaged water brand “Aquafina” and it is concentrating more on Beverages market.

Many a times, there is shortage of their products in the market.

Sometimes, Aquafina packaged bottles are given in a scheme to promote their Beverages brand.

PROMOTION:

Aquafina uses the following media for its promotion:

Aquafina is using its Parent brand i. e. Pepsico India for its promotion.

Hoardings/Banners/Advertisements on TV.

MARKETING:

The creative team of Aquafina came up with a campaign that did have people talking. First, a series of teasers, followed by a film that showed healthy bodies and youthful people and, of course, lots of water. In addition to the tamper proof seal, there is a reliable method of checking whether the bottle has been refilled. The date of manufacturing has been written on the cap as well as on the bottle. Thus a person who is refilling it would have to find a matching cap and bottle, the probability of which is very low. They also introduced flavored mineral water by adding different artificial fruit flavors like grapes, strawberry, apple, etc. to the mineral water making it an attractive asset to the company.

COMPARISON OF THE VARIOUS BRANDS

PRODUCT/PACKAGING:

Available in

Bisleri

Bailey

Kinley

Aquafina

200 ml

X

X

X

250 ml

X

X

X

300 ml

X

X

500 ml

1 ltr

1.5 ltr

X

X

X

X

2 ltr

5 ltr

X

X

15 ltr

X

X

X

18.5 ltr

X

X

X

X

20 ltr

X

25 ltr

X

PRICING:

BRAND

PACKAGINGS

PRICE (in Rs.) Per bottle

Bisleri

20 litre

80

15 litre

60

5 litre

35

2 litre

25

1 litre

15

500 ml

10

250 ml

6

Bailey

20 litre

60

1 litre

10

500ml

8

330ml

5

Kinley

20 litre

75

1 litre

15

500ml

9

Aquafina

1 litre

15

500 ml

10

MARKET SHARE:

While Bisleri continues as the top brand with a 36% share among national players, Coca-Cola's Kinley follows it with 25% share, followed by Aquafina at 15% and Parle Agro's Bailey at 10%. Other smaller brands include Kingfisher, Himalaya and McDowell's No. 1.