

# Bling h2o market segmentation



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BUSTER**

Targeted audience of Bling h2o if it were available in Australia would mainly be single Generation Y females who live in an urban or suburban area and from higher priced region such as North Shore of Sydney, Southern regions of Melbourne due to the fact that people with residency in such suburbs have a soaring average income upwards of \$90 000 (Saulwick 2009) and are more likely to forfeit money for a bottle of Bling h2o.

The Bureau of Statistics shows that 23% of residents of Sydney's Mosman residents were employed as managers and administrators, compared with the state average of 9 percent (Wade 2007) and so are more often around high income earners such that they may want to differentiate themselves from others with a bottle of Bling h2o. According to research conducted by the Australian Bottled Water Institute (ABWI), bottled water is popular amongst people of a large range of demographics, but consists largely of young singles and couples, particularly females aged between 14 and 35. (Bottled Water Regulations and Safety 2004) The bottled water industry is regulated as a packaged food product by Food Standards Australia New Zealand (FSANZ) with high standards and due to legal nature of the standards in place, it must be met by all water bottlers without exception to ensure consistent safety, quality and taste. As well as being under strict regulation by the FSANZ, bottled water is subject to food laws and labelling requirements of the Australian Consumer and Competition Commission (ACCC) and is subject to recalls like all other food products.

With much attention focused on the safety and security of the nation's food supply, the bottled water industry has elevated its efforts to provide consumers with a safe, high quality product. The numerous federal and state

regulations and standards already in place, coupled with the bottled water industry's use of enhanced learning systems help ensure the safety and security of our products. (Eardly 2004)

Demand for bottled water in Australia has slowed down extravagantly over the past few years with consumer demand for bottled water increasing by 20% in 2003 but dropping to a measly 2. % growth in 2009 possibly due to the global financial crisis. In 2003 Australians gulped 520 million litres of water, with Mount Franklin and Pump leading the market accounting for 17% of the total bottled water market. Wood attributes this growth to fashion, trends, health consciousness, convenience and improvements in packaging. “ Australians are now following world trends and drinking more water for a number of reasons. We're now more health conscious than ever before. ” (Ferre 2009)

Some ethical concerns regarding Bling h2o have been brought up concerning the damage to the environment in producing the glass bottled water (Owen 2006) and the recyclability of the Bling h2o bottle compared to other plastic bottled water such as Mount Franklins who's bottles are 100% recyclable, but the manufacturers assured the public that the bottle was recyclable but did not give a figure on how much of it is recyclable, not that it would be a concern because it is unlikely buyers of the Bling h2o bottle will recycle it, but instead, reuse it like normal water bottle. Environment n. d) Another issue is obviously the price of the bottle of water, to understand how expensive regular bottled water is, let's compare it with petrol. With the price of oil rising, we typically think of petrol as very expensive. On the other

hand, some of us will barely blink an eye at picking up a few bottles of water from the same petrol station. A gallon of petrol costs around \$3.

If we assume a one litre bottle of water from the store costs about \$2.50, a gallon of the same bottled water should cost about \$10. Water, life's most necessary substance, costs about three times more than petrol when it comes in a plastic bottle. If you wanted to fill up a car's 15-gallon tank with petrol, it would cost you about \$45. If you wanted to fill up that same 15-gallon tank with bottled water, it would cost you \$150.

And since Bling h2o is 20 times more expensive than normal bottled water, it would cost \$3000 to fill up that same tank using Bling h2o bottled water (Fuller 2008). Bling h2o is marketed as a premium product and towards buyers who would like to have themselves perceived as being "Bling" are expected to pay a premium price for such a super-luxury consumer item and in the end, the decision is up to the buyer. Bling h2o claims to be better tasting than other bottled waters because its water is sourced in Dandridge, Tennessee which has won a gold medal for best tasting at the Berkeley Springs International Water Tasting Festival, but in a blind taste test in New York City put Bling H2O up against regular bottled water and Manhattan tap water.

The reactions proved to be inconsistent and unpredictable — most people proclaimed Manhattan tap water as the best-tasting, while Bling H2O was believed to be simple tap water. Although, different people do have their own desired taste for water and taste is a subjective matter which is hard to argue for and against a preferred taste. (Pretty Face n. d)