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Packaged Drinking Water - A Trivial Necessity, a Study in Kolkata, India

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Introduction

Water, the most essential element of life is free in nature along with air. About 70% of earth's surface is covered with water but only 3% of world's water is fresh. 2% is frozen in the polar ice caps and glaciers and 1% is ground water. Only 0.02% is freshwater lakes and rivers [1]. As the world population increased due to urbanization and industrialization, the demand for water kept rising but the quality kept deteriorating. Water scarcity afflicted many nations and access to clean drinking water and sanitation became difficult [2]. The contrast between tap water and bottled water reflects the contest for authority and public trust between governments and corporations. Packaged drinking water industry has grown in all the developed economics of the world. The product is targeted especially at touring and traveling market segments [3]. The growth of this industry can be due to contamination/shortage of water supply in the cities. The demand for consumption of packaged water in India is estimated at 500 million liters of pure water bottles and the market is expected to grow at a rate of 25-35% per annum [4].

Objectives

- To study about the different brands of packaged drinking water available in the market of Kolkata.
- To carry out competitive analysis of packaged drinking water.
- To find out the customer satisfaction level of these brands.
- To find out the market share of various companies in packaged drinking water.

Literature Review

Packaged drinking water refers to water derived from any source of potable water which may be subjected to treatments like decantation, filtration, combination of filtrations, aeration, filtration with membrane filter, depth filter, cartridge filter, activated carbon filtration, demineralization, remineralization, reverse osmosis or any other method to meet the prescribed standards and packed [3]. Due to the rise in health awareness among people, increase in tourism, a rise in per capita income, changes in lifestyle and easy availability of bottled water, the per capita consumption of bottled water in India has increased [5]. Marketers have made goods out of mundane and abundant things into exotic valuables that have nothing to do with 'need' for mankind [6]. Bottled water is an exceptionally clear example of the power of branding to make commodities a meaningful part of daily life [7]. The other side of thinking about how bottled water has come to represent nature and purity is the equally important question of how public water has come to be seen as dangerous and dirty [8].

Market analysis of packaged drinking water on environment

- 80% of the diseases in India are water-borne.
- 60% - 80% children suffer from water-borne diseases.
- 50,000 people die every day due to water contamination.
- India has 17 million cases of viral hepatitis, and
- 8 million cases of typhoid are recorded every year.

Concerns about packaged drinking water [9]:

- Poor regulations in manufacturing.
- Uncertainty of the shelf-life and possible health implications.
- Uncertainty of water quality status.

Reasons for higher trend of bottled water use are [10]:

- Consumer consciousness of increasing water pollution.
- Paucities in municipal water supplies in terms of chemical, aesthetic and microbiological water quality.
- Marketing strategies of bottled water by different companies.
- Availability and reasonable pricing.
- Bottled water is generally considered safe and is taken for granted by people without question.
- Mineral water is perceived as good for health and the mineral content gives it a taste.
- Minerals in the bottled water are easily absorbed by the body compared to minerals in the food.
- Mineral water benefits the body by helping it to fight against fungus and bacteria along with de-oxidizing the body [11].
- Regular water purifiers remove all kinds of mineral content from the water; mineral revitalization water purification systems artificially add minerals back into the water.

Re-sealability has added advantage to the quality of bottles. It has become re-usable and the consumers can refill the bottle with ordinary water or other fluids. It has been seen that truck drivers on highways form a major chunk of bottled water drinkers. Penetration in rural area is another significant factor that has played an important role in the development of the bottled water trade [12].

Research Methodology

The research approach adopted in the study was cross-sectional descriptive as well as analytical method. It included collection of information, opinions and attitude directly from the subject of the study through structured questionnaire and face to face interview schedule.

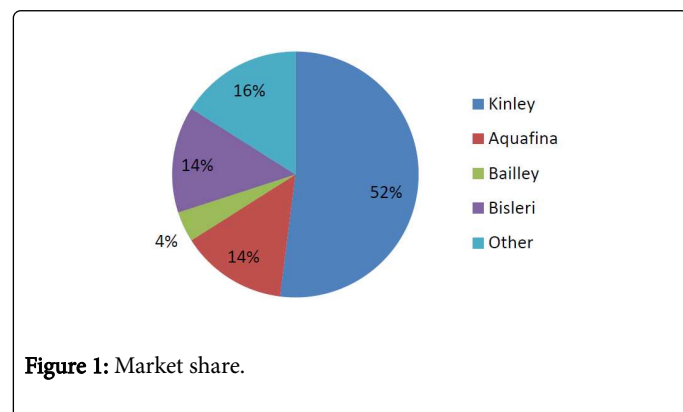
Sampling technique - simple random sampling of hotels and restaurants in Kolkata, West Bengal, India.

Sample size-50

Survey data analysis

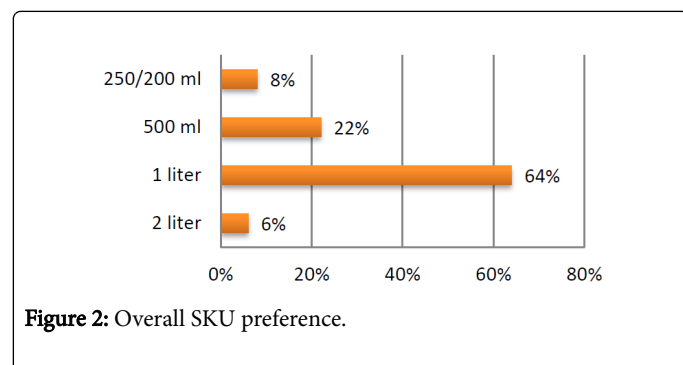
Market share

It was observed that Kinley had the maximum market share (52%) which was followed by Aquafina and Bisleri both 14% each, 5% by Bailley and the rest 16% was shared by other companies (Figure 1).



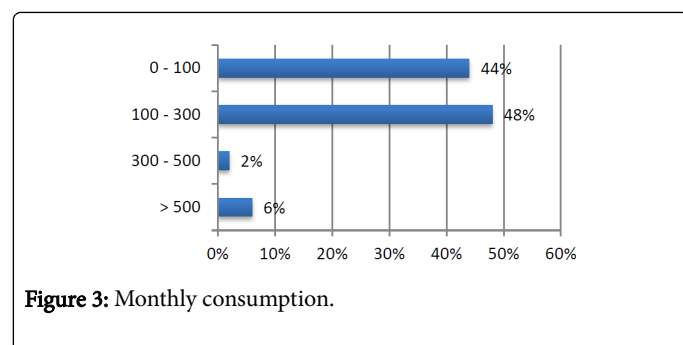
Overall SKU preference

It was observed that 1 liter bottle pack was the most preferred (64%) followed by 500 ml pack (22%), 250/200 ml (8%) and 2 liter (6%) (Figure 2).



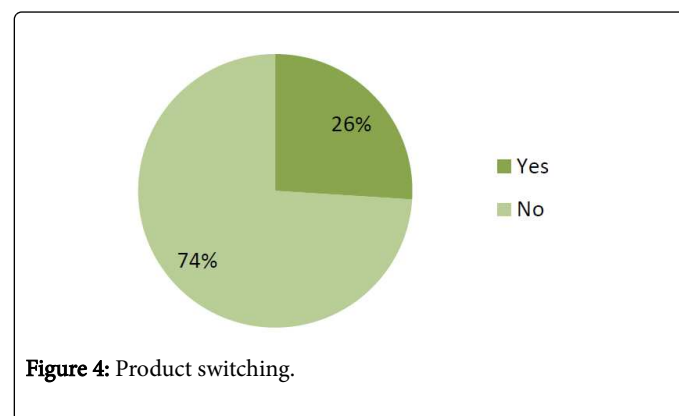
Monthly consumption

The survey revealed that maximum monthly consumption for hotels and restaurants was between 100 - 300 cases (48%). Some of the hotels and restaurants consumed 0-300 cases (44%). Very few of them consume 500 cases and above (6%) and only 2% consume cases between 300-500 (Figure 3).



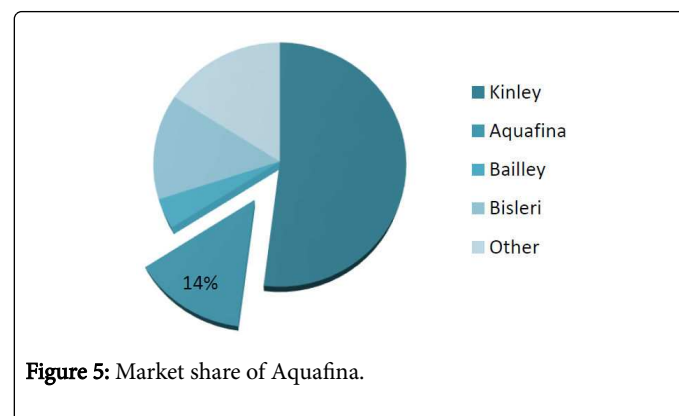
Product switching

26% of the users switched from one drinking water brand to the other while the rest 74% of the users maintained their brand loyalty (Figure 4).



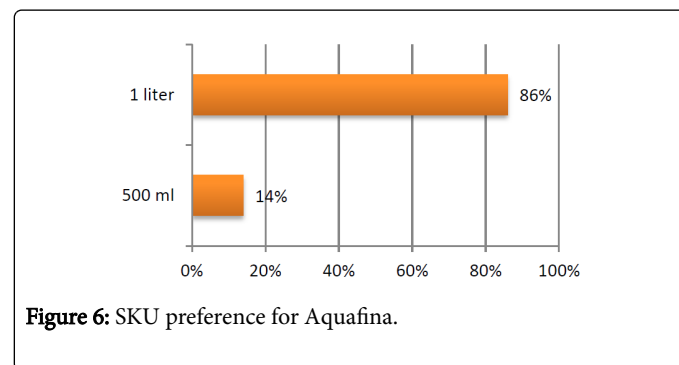
Aquafina, PEPSI CO.

PEPSI CO entered the bottled water business in September 1999 under the brand name Aquafina. It first launched 750-ml pack and target the youth. It now retails in conventional packs of 500-ml and 1-litre bottles. It has a strong distribution channel of 60,000 outlets (Figure 5).



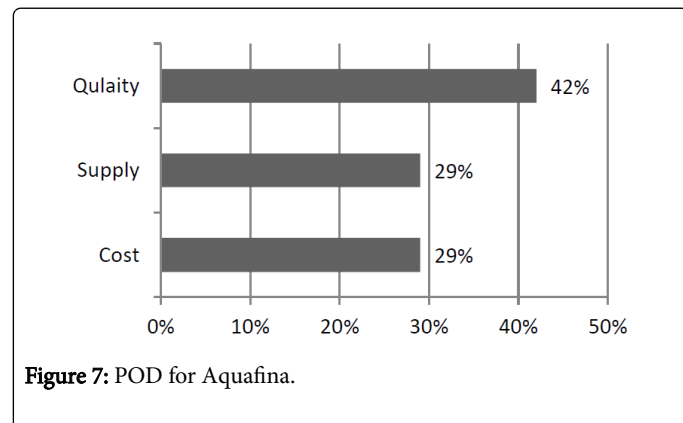
SKU preference

For Aquafina the 1 liter bottle is the most preferred (86%) followed by 500 ml bottle (14%) (Figure 6).



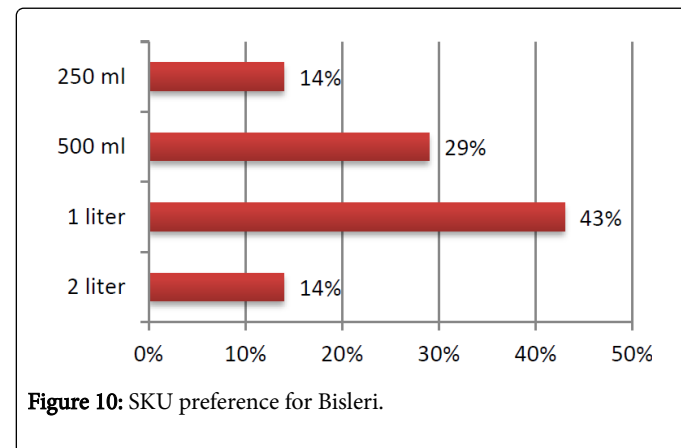
POD - Point of differentiation

It was found that people preferred Aquafina mainly because of quality (42%) followed by supply and cost (29% each) (Figure 7).



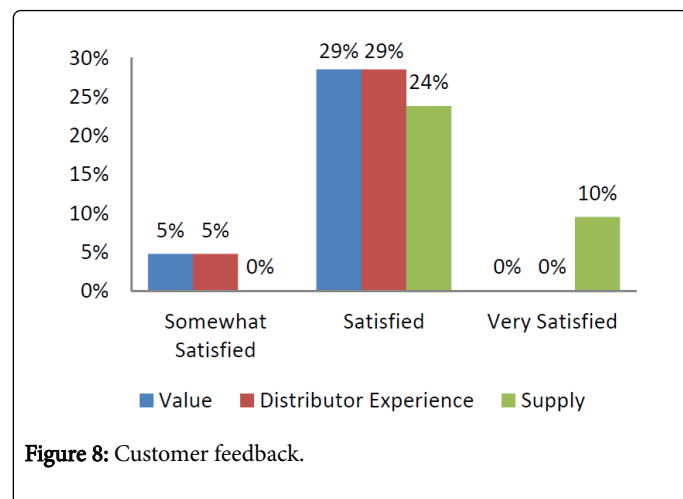
SKU preference

Even for Bisleri, it was found that 1 liter bottle was the most preferred SKU (43%) followed by 500 ml bottle (29%) (Figure 10).



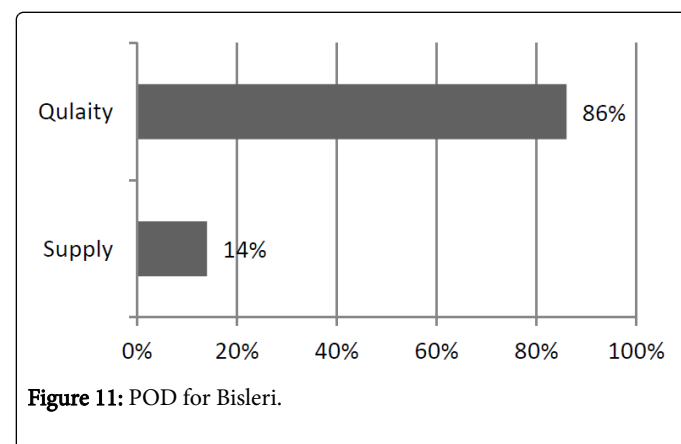
Customer feedback

From the survey it was seen that customers gave a satisfactory feedback for Aquafina (Figure 8).



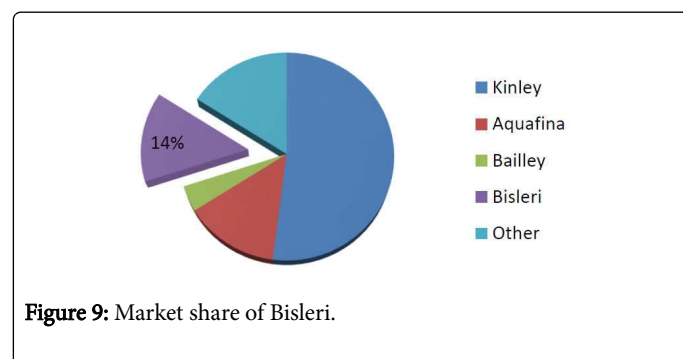
POD

For Bisleri the point of difference was mainly due to quality (85%) which was followed by supply (14%) (Figure 11).



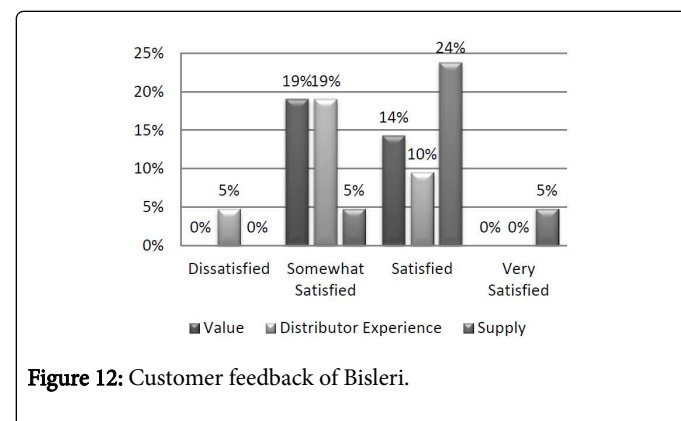
Bisleri

Bisleri Ltd, originally an Italian company launched mineral water under the brand name 'Bisleri' in Mumbai in 1965. It was later taken over by Parle 1969 (Figure 9).



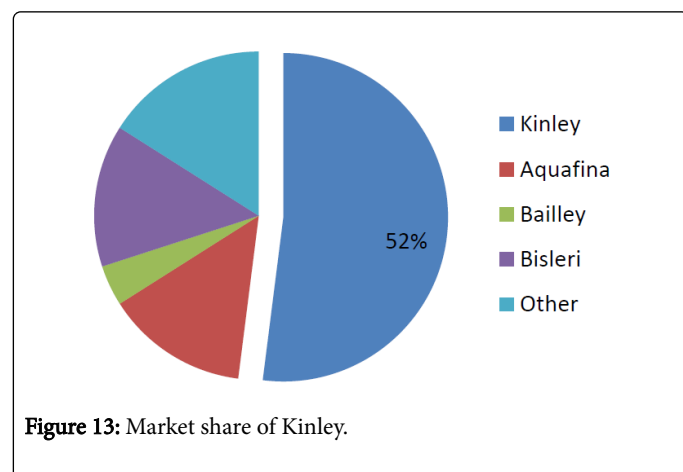
Customer feedback

From the survey it was seen that people were somewhat satisfied (43%) with the value, distributor experience and supply of Bisleri while the percentage of satisfied customers was 48% (Figure 12).



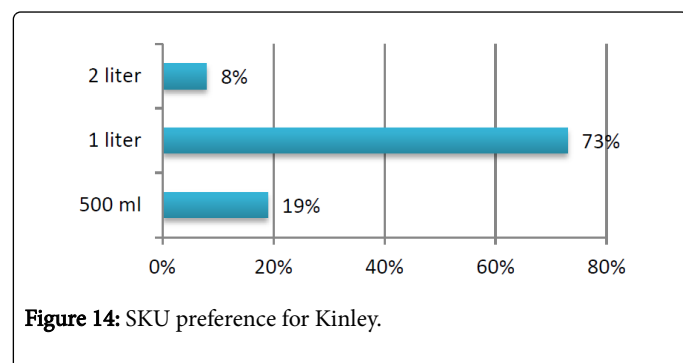
Kinley, Coca Cola

The company had entered the business in May 2000 through by extending its soda water brand, Kinley. The company has tied up with Kothari Beverages, of Yes brand of mineral water, for manufacturing Kinley bottled water at Yes' facilities (Figure 13).



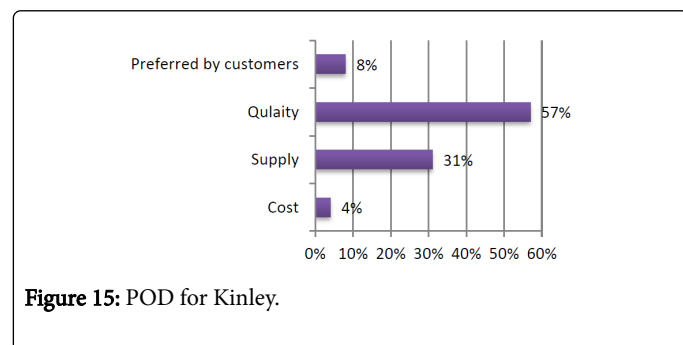
SKU preference:

Even in the case of Kinley the most preferred SKU was 1 liter bottle (73%) followed by 500 ml bottle (19%) and 2 liter bottle (8%) (Figure 14).



POD - Point of Differentiation:

For Kinley the Point of difference was quality (57%) followed by supply (31%), 8% direct preference by customers and the rest 4% was due to cost (Figure 15).



Customer feedback:

For Kinley, 27% of the customers were somewhat satisfied, 62% were satisfied and only 12% were very satisfied with the product (Figure 16).



Bailey

Bailey had only 4% market share. The monthly consumption was 2300 cases. The customers were satisfied with the supply and overall value. Bailey was preferred because of brand name and quality. The preferred SKU was 200 ml bottle pack.

Conclusion

- On the whole Kinley holds a good reputation in hotel restaurant and catering business in Kolkata.
- The respondents mainly purchased 1 liter and 500 ml bottles.
- Most of the packaged drinking water companies have their own distribution channels.
- There is a monthly demand of approximately 300 cases in restaurants.
- After the study it was felt that the company lacks in advertising and promotional activities.
- Customers like a brand when they get the product on time and when the quality is good.
- Most of the respondents preferred a reputed brand.
- People strongly believe in Kinley for the back support of Coca-Cola.

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