



## Health Concerns of Consumers Increase Demand for Bottled Drinking Water, Says TBRC

**T**he global bottled water market did not end the year 2017 without surprises. After years of strong growth in the USA, bottled water sales surpassed carbonated soft drinks to become the largest beverage category by volume in 2016, and the numbers do not stay idle. According to a report on the bottled water market published by The Business Research Company (TBRC), from 2014 to 2017, the global bottled market grew to over \$200 billion following a 9% yearly growth. This was due to the increase in health concerns caused by consumption of contaminated water. In addition to the health concerns, rising disposable income also let people in the Asia Pacific region influence the growth of the market significantly.

By volume, the market grew by above 100 billion liters. The predictions for the bottled water market are above expectations. By value, the market is going to reach around \$350 billion by 2021 following a double digit year on year growth. The growth rate of volume will be a bit lower, but not by a significant number, at over 9%. Global per capita average bottled water expenditure will also raise from \$32.3 per head in 2017 to \$45.3 by 2021.

### Per Capita Consumption and Expenditure of Bottled Water

The bottled water consumption market grew in 2017 at a compound annual growth rate (CAGR) of more than 7% to over 400 billion liters. The bottled water consumption market is expected to further grow to over 600 billion liters in 2021 at a CAGR of above 9%.

Analysts from The Business Research Company have also forecasted the global per capita average bottled water expenditure to grow to over \$45 by 2021.

### Regional Analysis

The consumption of bottled water in 2017 was the highest in the Asia Pacific region, accounting for more than two-fifths of the global consumption. Asia Pacific region is a host for two most populated countries where poor public infrastructure is quite common and access to clean drinking water is limited, which drove the market to such numbers. These conditions, in particular, raise consumers' hygiene standards towards drinking water to maintain a healthy life. Following the health awareness trend, bottled water consumers in the Asia Pacific region are also increasingly adopting new products

with health benefits, such as functional water, which has added functional value in the form of minerals, oxygen and vitamins. Since consumers prefer to try new tastes and follow the best of them, the availability of a range of flavors and options in functional water will boost the market growth.

The second largest region in terms of volume was the American continent. High average prices per liter on drinking water made the region rank first in terms of value.

### Competitor Landscape

The global bottled water market is highly fragmented with a large number of local players present in most countries, with very few major players having more than 5% market share. It is a highly competitive market and has many manufacturers operating across multiple product segments and geographies. The leading players in the global market that have a multi-country presence are DANONE, Nestle, Coca-Cola, and Pepsi-Co.

To stand out among the numerous competitors, companies have started changing the look and feel of packaging to get more traction in the market. The aim of the producers has become to establish differentiation and a brand image in the bottled water market. Innovative packaging comes in hand, which includes re-sealable and recyclable can packaging material, transparent sophisticated bottles, and inks and coatings applied on a can to enhance customer experience through unique visual effects along with increasing shelf appeal.

### Market Trends

The Business Research Company's report on the global bottled water market highlights the following major trends shaping the market-

#### Shift from Carbonated Soft Drinks To Water

Consumers, particularly in North America, are gradually shifting from soda to bottled water. This shift is driven by a shift in consumers' preferences from unnatural and high-sugar drinks towards healthier alternatives. For example, in 2017 the bottled water consumption in the US reached 39.3

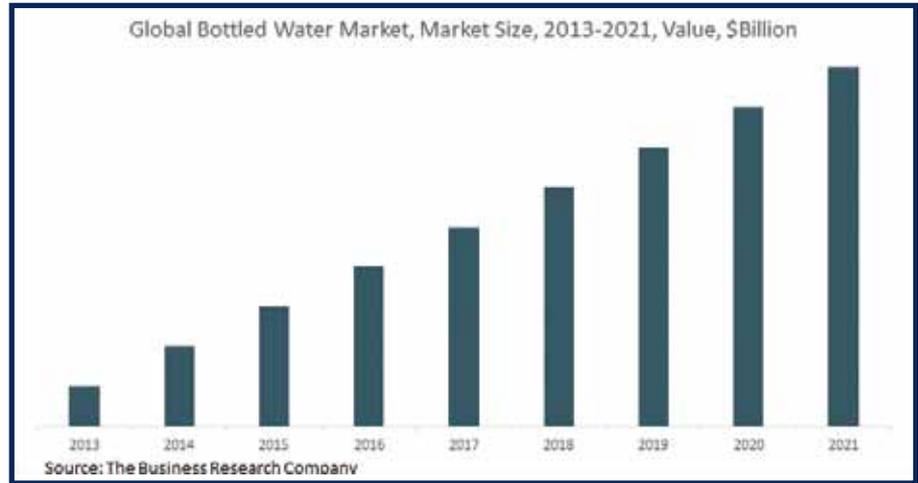
gallons per capita, while the carbonated soft drinks consumption fell to 38.5 gallons per capita.

### Growing Acceptance of Premium Bottled Water

The acceptance of premium bottled water is gradually increasing in emerging economies such as Brazil. Premium bottled water has less sodium content, high mineral content and special glass or plastic packaging, and is priced higher than normal bottled water. The prices established for premium bottled water brands are not as high as imported brands, thus enabling consumers to opt for premium bottled water. The consumption of premium bottled water is also highly incentivized by restaurants in countries such as Brazil since it is not common to serve tap water. This is expected to drive the demand for premium bottled water in the forecast period.

### Innovations in Bottled Water Products

Bottled water manufacturing companies are increasingly introducing new products to offer functional benefits, better taste and convenience to consumers. These innovative products have several health benefits and are also priced higher than regular bottled water products.



### Increasing Obesity Rate Boosts Demand for Flavored and Functional Water

Bottled water companies are increasingly offering flavored and functional water, which is in high demand due to the growing concerns about rising obesity levels. Carbonated water can lead to problems such as digestive issues, weight gain, heart burn, etc. This is making consumers shift towards low-calorie flavored water and functional water. Companies are launching products in this segment in response to rising opportunities in this product type. For instance, Pepsi has launched new sparkling Aquafina flavored waters to cater to rising consumer demand in the flavored

and functional water segments.

### About The Business Research Company

The Business Research Company is a market research and intelligence company which excels in company, market and consumer research. It has research professionals at its office in the U.K., India, and the U.S. as well as a network of trained researchers globally. It has specialist consultants in a wide range of industries including manufacturing, healthcare, financial services and technology. The Business Research Company's management have more than 20 years of varied business research experience. They have delivered hundreds of research projects to the senior management of some of the world's largest organizations. The Business Research Company's Consultants have master's qualifications from top institutes and include MBAs, MSCs, CFAs and CAs. The Business Research Company's Consultants gain training and qualifications from the Market Research Society and are trained in advanced research practices, techniques, and ethics.

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