

# Global bottled market grew to \$200 bn at 9%

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**T**HE global bottled water market did not end the year 2017 without surprises. After years of strong growth in 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 litre. 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

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

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 resealable 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 –

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