

Bottled Water - UK - October 2009

Report Price: £1500 / \$3000 / €2250



What is this report about?

After performing very strongly throughout the 1990s and into this decade, the bottled water market declined in 2007 and has yet to recover. Sales are influenced by the weather but also by consumer confidence and it is clear that usage and sales of bottled water have mirrored declining levels of consumer confidence. When people are squeezed for cash, reverting from bottled water to tap water is one of the easiest cost-saving strategies available.

What have we found out?

- Consumer confidence and bottled water penetration / sales are closely related. Both fell dramatically in 2007 but have shown signs of recovery in 2009. Economic caution led consumers to switch to tap water.
- Volume sales of bottled water fell by 11% between 2006 and 2008. However, the decline has slowed to 1% in 2009. The sector is now selling 2.3bn litres of water at a value of £1.9bn, with both volume and value sales forecast to grow steadily from 2011 onwards as the economy picks up.
- Even bottled water drinkers are sceptical about its value. Just over 2m of the UK population think of bottled water as value for money, compared to more than 8m who think it is as a "bit of a con".
- Bottled water has many benefits in the eyes of consumers. More than 5m people think that without buying bottled they would not drink enough water. And 4.5m people believe that bottled water is healthier for them as it stops them drinking sugary soft drinks and caffeine drinks.
- Price, more than brands currently drive the bottled water market: almost 12m bottled water drinkers are motivated to buy whichever brand is cheapest. Only 5.2m buy a brand they trust whereas 7m drinkers are influenced by "an easy-to-carry" bottle.
- Water that is fortified with vitamins is an emerging market. Glacéau Vitamin Water is expected to grow this segment, having seen its US sales rise by over 450% between 2005 and 2008.

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