

The relationships between the various market segments do not remain constant if volume of consumption is compared to value of shipments. This is due to the fact that average prices per gallons are not the same for these segments. Imports are generally priced highest, seltzers and domestic sparkling waters come next and non-sparkling waters come in at a fraction

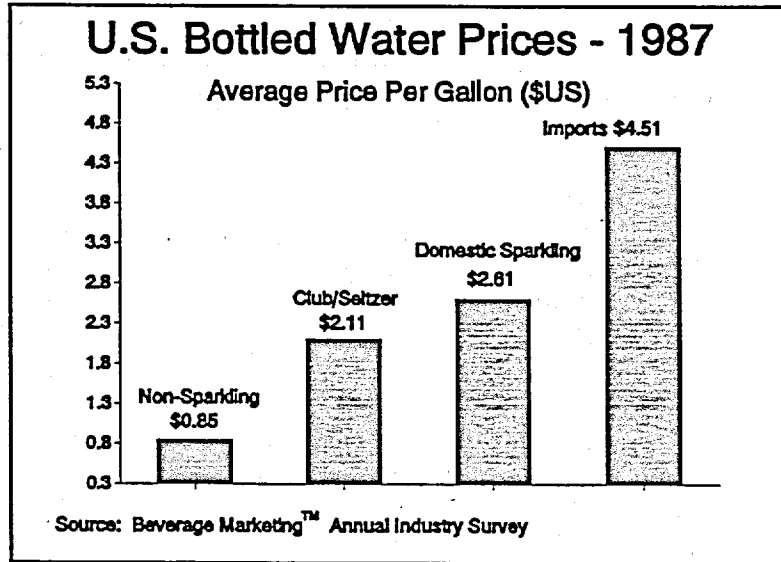


Figure 4

of the price of the other categories. These prices are shown for the four categories of product in figure 4. In 1987, the wholesale price of a gallon of imported water was estimated to be \$4.51, domestic sparkling \$2.61, club/seltzer \$2.11, and non-sparkling \$0.85.

In 1987, the U.S. bottled water market amounted to an estimated wholesale value of shipments of \$1,898 million. Figure 5 shows the total wholesale value of shipments of bottled water by market segment for 1982 and 1987. The much higher value of imports, more than double the unit price of comparable domestic products, means that imports have a higher

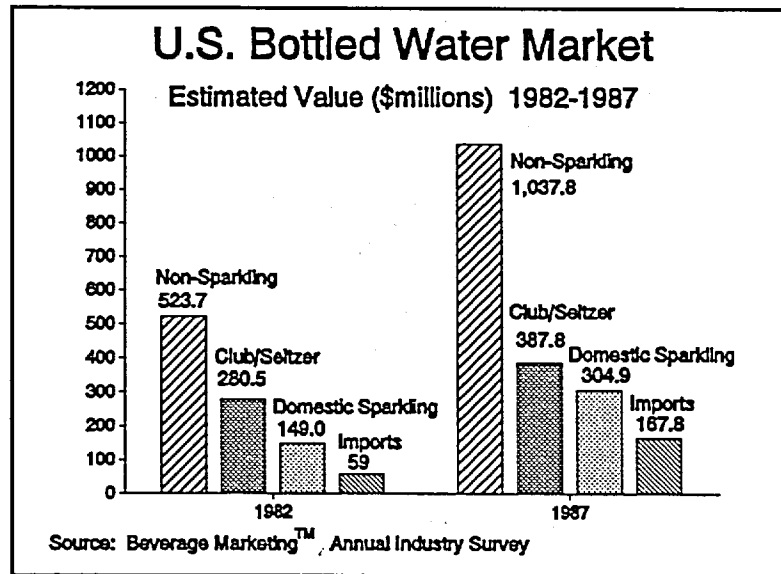


Figure 5

percentage market share on a dollar basis than when volume is taken into account. While there will always be an upscale market, one can only wonder whether the price difference shown here for 1987 can go on for very long. At the time this report was prepared, Perrier had just recalled all their inventory because of the presence of benzene in some of their product. While the behaviour of Perrier was