water supplies. Anti-drunk driving lobbies further encourage the public to switch to non-alcoholic refreshments in social gatherings.

Demographically, the aging of baby-boomers has a profound influence on the sale of bottled water. They are the group most concerned with their health, they enjoy lucrative careers that give them disposable income to spend on non-essential items, and they have been exposed to bottled water in their overseas travels, particularly in Europe, or through their friends.

The industry is also undergoing a shift from a supplier, production-orientation to one driven more by demand factors. The number of sizes of bottles has increased along with the type of market targeting to make bottled water available everywhere and in all circumstances from the ball park to the diplomatic reception. In addition, some consolidation continues to occur through mergers and acquisitions bringing into the market stronger companies with the marketing expertise and financial muscle to push products successfully. This consolidation is a sign that the industry may be in the process of maturing.

Up to now, overall consumption increased every year and, while the market may be showing signs of maturing, it is still growing much faster than population. In 1988, Beverage Marketing™ estimated that the market would grow to 2,428 million gallons by 1992 and reach 3,396 million gallons in 1997. This is based on a forecast that the rate of growth would slow down to 9.2% for the period 1987-1992 and 7% for 1992-1997.

Indeed, the data seems to confirm that the explosive growth of the last decade may be slowing down. As the chart on the right indicates, per capita consumption has increased every year during the decade, but the rate of growth of consumption overall has been slowly declining. The explosive growth of the seventies never recovered from the drastic braking that occurred in 1979.

Figure 3

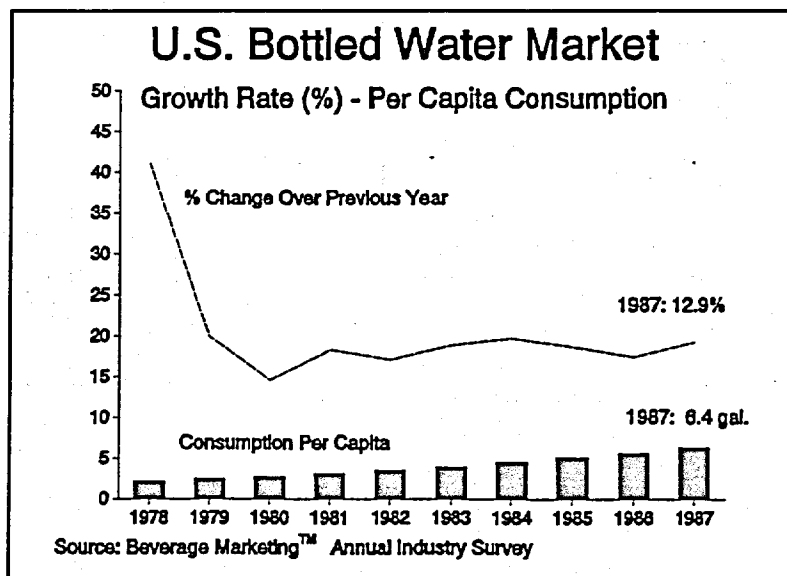Since then, growth has continued at a reduced pace, albeit one that still far exceeds that of the beverage industry as a whole.