

6. THE AMERICAN MARKET

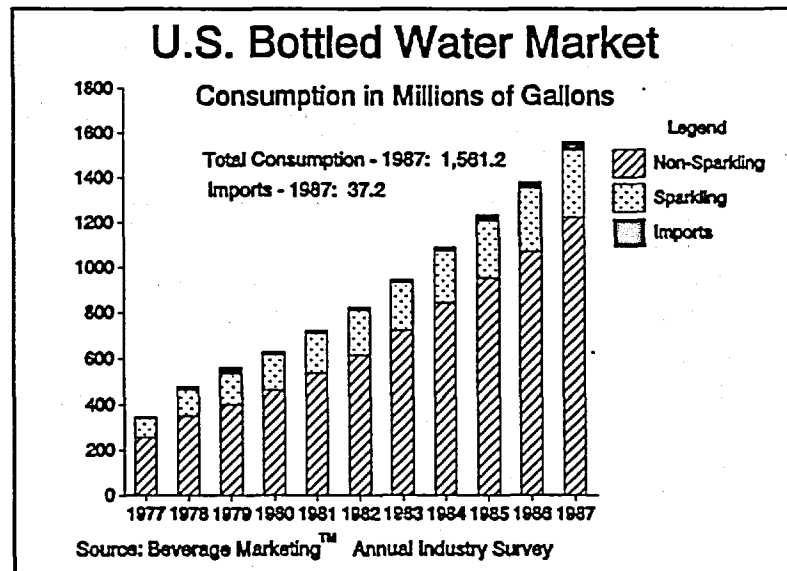
The data on consumption of bottled water in the United States was originally published in the Annual Industry Survey carried out by Beverage Marketing™. A distinction is made, in the presentation of the data, between non-sparkling, sparkling and imported waters.

Non-sparkling or still waters contain no carbonation and are consumed as an alternative to tap water. They are generally distributed to homes, offices, and retail outlets, typically on a regional basis. Distinctions are often made among them based on their content of mineral, their origin (well, spring, municipal water system) and purification method (distillation, deionization, reverse osmosis).

Sparkling waters contain either natural or artificial carbonation and are positioned to compete in the broad "refreshment beverage" field. Flavoured sparkling waters are becoming an important source of vitality in this market segment.

Imports, including both sparkling and non-sparkling waters, come from a variety of countries of origin. They tend to be more expensive than their domestic counterparts and are targeted to well-to-do image-conscious consumers.

The U.S. bottled water market is a large one and it is growing rapidly. In the decade from 1977 to 1987, consumption in the United States rose from 345 million gallons to 1,561 million gallons. The chart on the right shows bottled water consumption from 1977 to 1987 inclusive.



This phenomenal growth is attributed, in part, to the dual positioning of bottled water in the beverage market. Bottled waters are often enjoyed as an alternative to drinking water from the tap and as a refreshment beverage competing with soft drinks, beers, juices, and wines.

It is generally believed that the growth of this industry is related to three areas: the environment, demography, and marketing considerations. The fear by Americans that chemicals may be flowing from their faucets combined with a general concern for their health continues to grow and is encouraged by anti-smoking campaigns and environmentalists publicizing every occurrence of tainted