



ECONOMIC APPRAISAL OF PACKED WATER MARKET IN INDIA

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Abstract

Water is the most important necessity of life, it is essential for the very survival and health of human beings. Interestingly, this bottled water industry started as a luxury but a non-essential item of desire to flaunt the socio-economic status of a person, but as of now it has grown as a cottage industry of Indian economy. India is the tenth largest bottled water consumer in the world. The bottled water industry has literally created its own necessity and is becoming the symbol of standard of living. Water shortage and pollution has opened new doors for bottled water industry in India. Since last one decade, the bottled water industry of India is growing with very high pace. The major strength of India as a market is of course its population which is 17.6% of the global population. An attempt has been made in this paper to study economically the water market, constants and potential of the booming market of packed water market in India.

Key words: Water, packed water bottle, health

1. Introduction

Market has changed everything into commodity & despite being one of the essentials of life, water is no exception. We are leaving our water resources at the mercy of free enterprise. Now, our water system caught itself during this packaged water business trap. Two decades ago, only few people knew about mineral or spring water but now the drinking water is sold and consumed everywhere in India. In the name of clean drinking water, a large number of Indians are spending a lot of money to buy it. At present, this drinking water industry is estimated to be a whopping Rs.1600 crore business and over the past few years it's growing at the speed of 38-40% annually.

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In fact the fastest growth within the consumption of drinking water within the world has been recorded in India. According to Bureau of Indian standards (BIS), there are 1200 bottling plants and 200 Brands of packed beverage across the country (nearly 80% of which is local).

Water is the ultimate requisite of life. It is essential for the very survival and health of human beings. It is a key to social equity, to environmental stability and to cultural diversity. If one goes back to the culture of past, with all the good religions of the planet, it'll be seen that water is far quite an economic issue. Water is directly linked with spiritual values. Water is also firmly linked with health. According to the estimates of World Health Organisation (WHO), 80% of all diseases are water borne disease and approximately 25 million deaths per year in the developing countries are caused by contaminated water.

Pure and safe drinking water has always been a requisite for human life. It is therefore desirable that each individual has access to safe, affordable and sufficient quantity of water for drinking, other personal use and sanitation. The beverage needs for people vary counting on the climate, physical activity and therefore the structure. For an average consumer, it is estimated to be about two to four litres per day.

Interestingly this bottled water industry started as a luxury but a non-essential item of desire to flaunt the socio-economic status of a person in the economically-rich western countries. The companies sold water that wasn't sourced from mountain springs but from public water: municipal water sources. Once the snob habit was formed and therefore the market created, the businesses simply packaged water in most cases into plastic bottles and sold it from supermarkets. The fact that the utilization of drinking water makes a culture statement, the brand an individual drink says tons about his/her status and has become the maximum amount a part of our society.

Drinking water is becoming one of the major issues in India; hence bottled water industry has been growing like never before in the last few decades. The concept of bottled water came into existence in the early 1900s in Western countries and mid of 1970s in India.



Initially bottled water was felt to be a rich person's choice later on due to increasing health concerns, unavailability of clean drinking water led to increase in the demand for bottled water. Bottled water is sold in different quantities such as 200-250 ml in pouches, 500 ml, 1L, 2L in bottles, 20-50 litre in barrels and so on.

At present, people spend large part of their time outside homes and do not prefer to drink the outside water due to safety issue. So either they prefer to carry water bottle or purchase bottled water as it is available everywhere at affordable price. Customers prefer to purchase 20L bulk packages of water for home use, functions, small hotels and restaurants rather than installing water purifiers.

2. The Indian Bottled Water Market

The history of drinking water industry dates back to 1965 when the brand 'Bisleri' was introduced in Mumbai by Bisleri Ltd., a corporation of Italian origin. Then drinking water was sold as drinking water in India. In 1969, Parle India bought over Bisleri (India) Ltd and began bottling drinking water in glass bottles under the name 'Bisleri'. Earlier, drinking water were packed in glass bottle but within the early- to mid-1980s with the expansion of PVC packaging companies started selling their packaged water in PET bottles. Till 1990 only a few brands were marketing their product in Indian Market. But after 1990, several industrial groups like Coca Cola , Pepsi, Nestle and noticeable presence of national players like Everest , Manikchand, Kingfisher, etc. has started operating within the market and since then this industry has been multiplied manifold. With over thousand drinking water producers, the India is that the tenth largest drinking water consumer within the world.

Before 1980s, drinking water barely existed as a business in India and really few people heard of it. Now, most of the Indians are using plastic water bottles. it's going to be possible that a lot of of them could be reusing the empty, non-recyclable plastic for carrying water instead of consuming drinking water on a daily basis. The drinking water industry has literally created its own necessity and is becoming the symbol of ordinary of living. The country like India where



the facilities of potable water publicly place is probably going to be found very rare, therefore the demand for bottle water is sure to grow. For instance, when one enters a railroad station, bus stand or the other public place he/she faces lack of safe beverage and therein situation businesses and corporations are sure to exploit this basic necessity of mankind. Most the main international and national brands water bottles penetrated within the Indian market.

It is not that India has water insufficiency. Actually our country is blessed adequate natural resources of water. But alongside that it's also true that we are the second most populous country of the planet, our population is increasing at alarming rate which resulted within the increased rate of water consumption but on the opposite side we still haven't established adequate and improved management of the water system systems. Aside from that the rapid pace of industrialization and urbanization, use of fertilizers and chemicals in agriculture sector and alongside that our capacity to recycle our waste water is minimal, of these collectively are deteriorating the standard of our water resources. This water shortage and pollution has opened new doors for drinking water industry in India.

Table 1: Demand of Mineral Water

Year	Demand (million cases)	Percentage Growth
1990-01	2	-
1994-95	6.5	225.00
1999-00	26	300.00
2004-05	82	215.38
2009-10	164.45	100.55
2014-15	265	61.14
2019-20	402.0	51.0

Source: Ministry of Finance, Govt. of India

The above table depicts that the percentage growth of demand for mineral water has grown firstly at an increasing rate and later at a decreasing rate. According to the estimates of



Ministry of Finance, Government of India, there has been phenomenal increase in demand for bottled water in India. In 1990-91, the demand for bottled water was only 2 million cases but it increased up to 164.45 million cases in 2009-10. It means, in last 10 years, the demand for bottled water in India has been increased by more than 80 times. In 2019-20, the demand for bottled water is expected to reach up to 402 million cases (table 1). Despite that, per capita consumption of bottled water in India is very less, approximately half a litre per year, therefore there is a huge potential for industries in this sector. Today it is one of India's fastest growing industrial sectors. Between 1999 and 2010, the Indian bottled water market grew at a compound annual growth rate (CAGR) of 25 percent - the highest in the world.

3. Market Characteristics of Bottled Water Industry in India

Now days, consumers in India are being bombarded with advertisements and headlines warning about the potential risks of tap water in India. These industries are telling the consumers that the water which is supplied through taps may be contaminated with the different organic and inorganic particles. This belief is encouraged by regularly reported problems with tap water contamination. Simultaneously bottling companies are also aggressively advertising the problems through different publicity forum. They are modifying their strategy according to the market as well as regional requirements. Therefore Indian Bottling industry is much diversified in their size and nature. Apart from that the diversity in India in terms of region and economy also shapes the size and class of this industry.

Flavored bottled drinking water has become popular in India. Different kinds of flavored water containing fruit essence and artificial sweeteners like soda, cola, juice, and other sweetened beverages often act as a substitute to plain bottled water. At times consumers prefer flavored bottled water to normal bottled water. This shift is developing an opportunity to expand the product line of bottled water manufacturers in India.

Apart from individual sales, market players in India have recently inclined towards institutional sales through partnership with airlines, movie theatres, and hotels. Such partnerships



are eventually increasing the penetration of the product in the market, followed by rise in the overall sales volume in India.

(i) Composition of Bottled Water Industry

In terms of cost three types of bottled water is being sold in India. They are premium natural mineral water, natural mineral water and packaged drinking water. In fact the origin and processing of different types of bottled water makes them quite different in content and taste. Premium natural mineral water includes brands such as Evian, San Pelligrino and Perrier, which are imported and priced between Rs.80 and Rs.110 a litre. Natural mineral water, with brands such as Himalayan and Catch, is priced around Rs.20 a litre. Packaged drinking water, which is nothing but treated water, is the biggest segment and includes brands such as Parle Bisleri, Coca-Cola's Kinley and PepsiCo's Aquafina. They are priced in the range of Rs.10-12 a litre.

Bureau of Indian standards (BIS) defines the bottled water in India in two categories i.e. (i) natural mineral water and (ii) packaged drinking water. The natural mineral water must be obtained directly from natural or drilled sources like spring artesian well, drilled well or from an underground water-bearing strata for which all possible precautions should be taken with in the protected perimeters to avoid any pollution of, or external influence on, the chemical and physical qualities. On the other hand, the bottled water which gets water from any source and treated as per listed processes and confirming to Standards of BIS is termed as packaged drinking water. Most of the bottled water brands come in the category of packaged drinking water.

One of the main reasons is that India's bottled water segment is largely unregulated and nearly 60% of packaged water brands are local. Bottled water is sold in a variety of packages right from 200 ml pouches and glasses, to 330 ml bottles, 500 ml bottles, to one-litre bottles and even 20- to 50-litre bulk water packs. On the basis of packaging size Indian bottled market can be divided into two categories:



(ii) Retail water market:

Those packaged water which contain less than 5 litres water in a bottles can be classified into retail water market. Interestingly many companies are selling their product in 200 ml pouches and plastic glasses. Other packages that come in this segment are 330 ml. bottles, 500 ml bottles, one litre, two litre and five litre bottles. These kinds of products are being sold especially in rural or urban markets. Unfortunately, most of them are unregulated and unchecked and they do not follow the safety standards set by BIS.

(iii) Bulk water market:

Bulk water market includes those packaged water which contain more than five litre water in the bottle. In India, companies are vending three sizes of bottled water i.e. 10 litre, 20 litre and 25 litre bottle.

There are more than 200 brands of packed drinking water being sold in the Indian markets and nearly three fourths of them are local. Most of them are packaged by the small-scale producers and sell non-branded products and particularly in small markets across the country. In fact packaged water industry has grown up as a cottage industry in Indian economy. That is why the share of pouches is very high (almost 49 %) in total bottled water industries. Presently the market is skewed towards regional players and has more than 250 players in the fray. Total bottled market has a size of Rs. 11-12bn of this around Rs. 7 bn is in the hands of organized sector and rest is with unorganized sector.

(iv) Market Drivers

India accounts for ~18% of the global population. In addition, the per-capita income of Indians witnessed a growth of ~8.6% in 2017. Moreover, increased awareness among the growing population about the importance of safe drinking water for maintaining good health, along with a sharp rise in per capita income is creating a demand for bottled water in India.



Tourists prefer bottled water to normal tap water. The rate of foreign tourists in India is expected to increase at a rate of ~6.7% during 2015-2025. This, in turn, is anticipated to boost the sale of bottled water in India. Due to the worldwide pandemic COVID-19 there is a major impact on the foreign tourists coming to India.

Market Challenges

In recent years, a number of companies selling fake branded bottled water have cropped up in the market. These players do not maintain quality & hygiene standards which in turn leads to health issues among consumers and this leads to consumers losing faith in bottled water, thus affecting the overall sales. Nearly 67% of the population resides in rural areas. However, the rate of penetration of bottled water is significantly low in these regions. This, as a result, hinders the growth of the market in India.

The bottled water market appeared in India in the mid-1980s. At that time only the upper classes and tourists could afford to buy them. In the 1990s, the purchasing power of the middle class grew and the bottled water market exploded in the cities. Consumers are growing, prices have dropped, various types of packaging have developed, such as bottles of 200 ml for example. Each year the market increases by 40%. Many international companies have come to India: Coca-Cola with water Kinley, Pepsi with Aquafina, and Nestle with Pure Life.

Bottled water in India is a real lucrative business. However, like any business that can have an impact on the environment and consumer health, it is necessary to make stringent laws and enforce them. For lack of resources, the Indian government cannot exercise controls. As a result, companies, which must be competitive, tend to abandon quality and commit abuses in relation to the quantities of water they are allowed to collect.

The cost of the bottled water is not at all cheap as 1 litre of bottled water costs around Rs. 20/-, whereas the tap water supplied by the Government agencies is about Rs. 15 to Rs. 20/- for 1000 litres. Even with this high cost, people prefer bottled water. The companies have totally



used this attitude of the people to their benefit and they have also over publicized the pollution of rivers.

Travel to any part of the country today and the one consistent factor is the packaged water sold at bus stops, railway stations, road side stores and even airports. No seminar, event or compendium is complete without these packaged bottles dotting the table of the dignitaries and speakers.

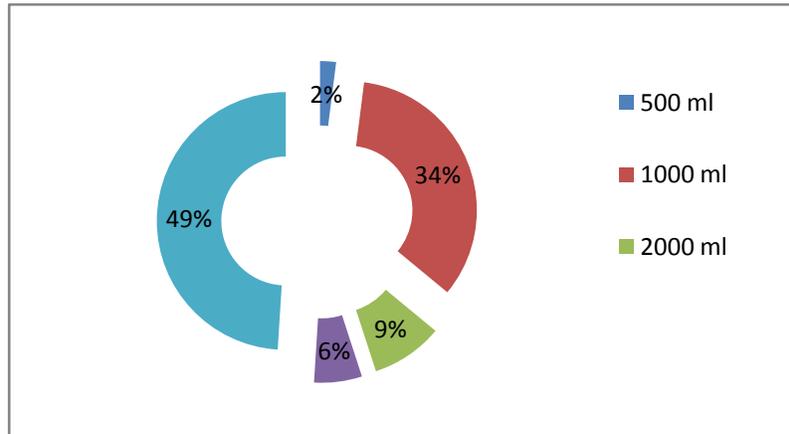
Packaged drinking water is water from any source, which has been treated and disinfected, a process that could involve filtration, UV or ozone treatment or reverse osmosis (RO) and then packaged in bottles or pouches, either plastic or glass, for our consumption. For a product to be considered as “bottled water”, it cannot contain sweeteners or chemical additives (other than flavors, extracts or essences) and must be calorie-free and sugar-free. India’s packaged bottle water industry has been valued at Rs.60 billion in 2013, and this market has reached Rs.160 billion in 2018. There are around 150 domestic Indian Bottled Water Brands in the market today.

The packaged water industry in the country is regulated and all bottling units have to obtain a license before they can operate. However illegal manufacturing units do thrive across the country, putting at great risk the health of the people. People can file a complaint to the regulatory authority against unauthorised water drinking plants. India’s vast and rapidly growing population is putting a severe strain on all the country’s natural resources. Most water sources are contaminated by sewage and agriculture run off. India has made progress in the supply of safe water to its people but still gross disparity exists in coverage across the country. Due to health awareness among the communities, the need for the use of purified drinking water is keenly felt.

Bottled water is one of the reliable healthy drinking water in India having undergone a series of treatments. Therefore, bottled water is widely accepted as potable and thereby free from physical, chemical and microbiological contaminants that could cause adverse

health effects in human beings when consumed.

Composition of Package Market in India

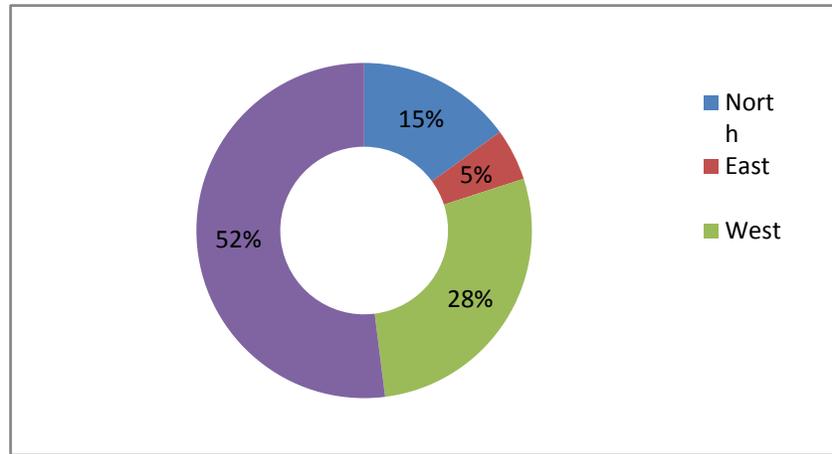


Source: A.C. Nielsen

Figure 1

Other important aspect of bottled water industry of Indian is its regional concentration. It is currently heavily biased towards south. Right now approximately 1200 bottling plants set up in India and out of that 52 percent plants are concentrated in Southern States, particularly in Tamil Nadu. Western region has 28 percent of bottling plants of India. Actually both these regions are economically developed and the level of urbanization is comparatively higher than any parts of India. Therefore it is obvious for the bottled water manufacturer to establish their plant in these urbanized states where purchasing power of common man is higher than other states. Since the eastern region of India is economically underdeveloped the percentage of bottling plant in this region is very low (5 %). In Southern States, in many of the villages located near by the towns and even in some of the medium and small villages, the local brand manufactures of bottled water are functioning with the help of ground water. This is a major problem because southern India, especially Tamil Nadu is water starved.

Regional pattern of Bottle Industry in India



Source: A.C. Nielsen

Figure 2

4. Negative Aspects of Bottled Water Industry

In this era of mass consumption companies and traders are desperate to maximize their profits and for that they are projecting each and every resource of the earth as a marketable commodity. Consumers are being bombarded with advertisements that necessitates of bottled water. Consumers have been warned regularly about the potential risks of tap water, particularly water that may be contaminated with the harmful chemicals or biotic organism. On the consumer side, some people also are more cautious about the quality and taste of tap water, therefore they choose bottled water. It may be that bottled water is convenient and potable and many people may perceive that bottled water is fashionable and therefore desirable but actually buying bottled water is disadvantageous for several reasons. Apart from the higher cost of bottled water, the production of bottled water creates environmental problems. The emptied water bottles add to the environmental degradation and pose a great threat to the ecosystem. Importantly, bottled water is neither safer nor healthier as advertised by the bottling companies.



5. Economics behind Bottle Water Industry

Since the last decade, the bottled water industry of India has grown rapidly. The reason of this high growth lies with huge profit which is being made by the companies operating in this field. In fact, the lackadaisical policies of state and central government are also providing a good opportunity for the market players to exploit the water resources with minimum investment.

The profit margins in the business are really pretty good in this industry. If we compare the production cost and the selling price of one litre water bottle, the actual cost of the bottled water would be only fraction to the selling cost. Typically 90 percent or more of the cost paid by bottled water consumers goes to things other than the water itself -- bottling, packaging, shipping, marketing, retailing, other expenses, and profit. It is amazing to see that people are prepared to pay Rs. 15 for a litre of water-in India especially when the production cost of one litre of bottled water is not more than Rs. 4.5. In Chennai, the drinking water industries have seen tremendous growth in the last four years, with hundreds of small-scale suppliers entering the water market. Around 220 water units operate near Chennai. Every day, companies rake in revenues of Rs 80,00,000 to Rs 1 crore from the city, according to industry estimates.

Subrata Ray and Indranil Chatterjee (2012), the greatest beverage for India in the new age seems to be water. In recent times, the packaged drinking water market has been undergoing extensive levels of activity, with a host of new competitors swelling into the business. More than 200 players thrusting to be the thirst satiating favourite of the Indian consumers, the current business is mounting at a rate of over 50 per cent annually. India's packaged drinking water business is expected to be around Rs. 1,100 crore, of which the branded market accounts for Rs. 700 crore and about 700 million litres in volume.

6. Stress on Water Resources

Data indicates that the share of packaged drinking water to the Indian bottling water industry is more than 85 percent and they depend mostly on local water resources. They



manufacture bottled water by the filtration of local water resources at large scale. During filtration, it is estimated that two gallons of water are wasted for every single gallon that is purified. Adding to the problem, much of the waste water is not recycled by them. It is a major concern about the wasteful reality of this bottling water industry of such a precious resource. As we know that ground water is the chief source of drinking water in India and this is only 0.61 % of the total available water on the Earth. In 2005, Indian bottling industries were using 1625.5 million hectolitres of water and it is being projected that they will consume several times more water than now. So one can imagine how much water is going to be wasted in India.

More than two third of Indian population is still depending on agricultural & allied activities and about 70 percent of farmers using groundwater to irrigate their land. And about 80 percent of domestic water supply catered through ground water. In that scenario the commercial use of ground water along with the huge wastage of ground water during filtration will led to water scarcity in India. Higher rates of groundwater extraction in coastal areas have also led to salinity intrusion into coastal aquifers, especially in Tamil Nadu and Gujarat. Unplanned and uncontrolled groundwater extraction has disturbed the country's hydrological balance.

The states like Tamil Nadu and Gujarat are also utilizing 90 percent of their recharged ground water. Over-extraction has led to the rapid depletion of water tables as well as deterioration of water quality in these states.

Other stressful fact for Indian water resources is the absence of an effective nationwide policy and norms for groundwater use. We have several examples that the bottling water industry has acquired the right to exploit our water resources for few thousands of rupees and making huge profits. And in that process they are also destroying the environment and the resource that rightfully belongs to all citizens. At present our existing law says that "the person who owns the land owns the groundwater beneath". This means if a person buys one square meter of land he can use all the groundwater of the surrounding areas and the law of land cannot object to it. This law is the core of the conflict between the community and the companies and the major reason



for making the business of bottled water in the country highly lucrative. (Laxmi Murthy, 2005)

For safe and hygienic drinking water, people use bottled water. People go for bottled water depending on their background and experience. Customers may have various reasons for purchasing bottled-water such as taste, convenience or fashion, but for many consumers, safety and potential health benefits are important considerations because they believe packaged drinking water is safer than tap water.

Packaged drinking water becomes one of the most essential things in this world as there is a scarcity of pure water.

Packed Water Market

- From 2014 to 2018 due to rising concern regarding various health problems, which may arise by drinking of contaminated water, the global bottled market grew to over US\$ 200 billion following 9% yearly growth.
- The bottled water market is expected to surge at a CAGR of 9% from 2019 to 2024. The market studied is well established, and is growing at a decent pace. As per the volume, the market escalated by 100 billion litres in the last four years.
- The market is going to touch around US\$ 350 billion by 2021, following 10% year-on-year growth.
- The Indian market is expected to reach US\$ 60.06 billion by the end of 2023, from its current value of US\$ 24.1 billion, expanding at a compound annual growth rate (CAGR) of 20.75% from 2018.

Market Analysis

This growing demand can be attributed to consumer propensity for specifically demanding high-quality drinking water, the fear of diseases as an aftermath of drinking polluted tap water,



and the ease of portability and convenience provided by bottled water. In cognisance of this trend, the introduction of eco-friendly packaging and flavoured water with regulated ingredients can provide an opportunity & prospect for global market growth.

Bottled water manufacturers are capitalizing on innovative packaging strategies of bottled water to reinforce their brand image and to create distinction in the bottled water market. These innovative packaging options include transparent sophisticated bottles, recyclable and resealable package material and coatings applied on a can to enhance the customer experience through unique visual effects along with increasing self-appeal.

Bottled water companies are involved in purifying and bottling water, and then marketing and distributing it for commercial and personal use. End users for bottled water group constitute both on-trade and off-trade consumption that includes institutional and retail customers. Retail customers can purchase bottled water from different retail or food service formats. Institutional customers such as restaurants, offices and hotels purchase bottled water from wholesalers or distributors.

Indian scenario

The market is expected to reach US\$ 60.06 billion by the end of 2023, from its current value of US\$ 24.1 billion, expanding at a compound annual growth rate (CAGR) of 20.75% from 2018. Based on volume, the market is likely to reach 35.53 billion litres by 2023, expanding at a CAGR of 18.25% from 2018 to 2023.

The major strength of India as a market is of course its population which is 17.6% of the global population. In addition to this, the per-capita income of Indians witnessed a growth of 8.1% in 2018. Moreover, increased awareness among the growing population about the importance of safe drinking water for maintaining good health, along with a sharp rise in per capita income is creating a demand for bottled water in India. However, penetration of packaged drinking water is low in rural India.



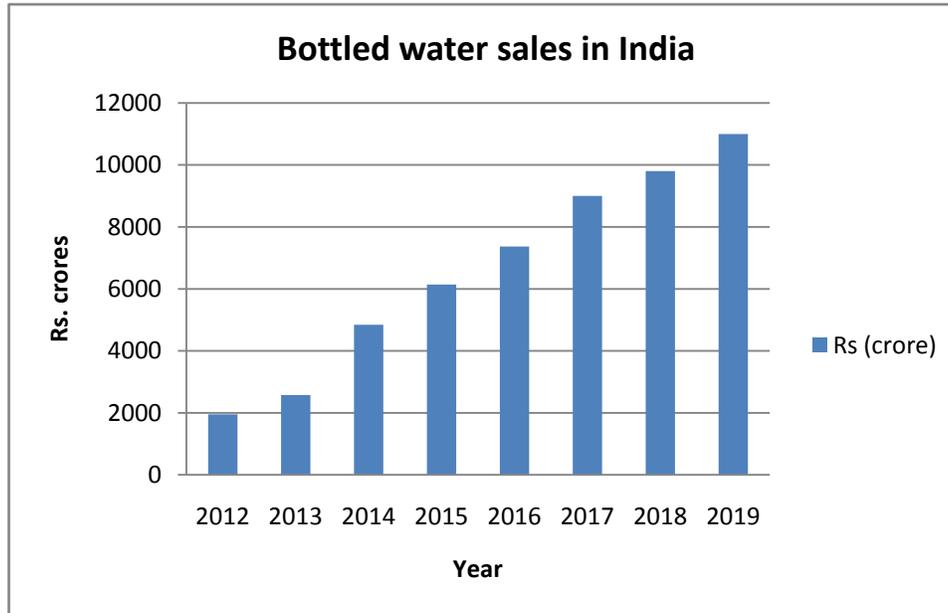
Tourists prefer bottled water to normal tap water. The rate of foreign tourists in India is expected to increase at a rate of 6.7% during 2020-2025. This, in turn, is anticipated to further boost the sale of bottled water in India. Although due to present pandemic COVID-19 condition there will be minor deviation due to foreigners coming in the country and restriction of to and fro within the country due to prevailing frequent lockdowns as of now.

The bottled water market in India is estimated at about Rs. 1500 cr and it has been growing at a very fast pace. This also includes the drinking water being supplied in large sized (20 litres) bottles which have become very popular in large cities. The formal bottled water business in India can be divided broadly into three segments in terms of price and consumer segments: (i) premium natural mineral water, (ii) natural mineral water, and (iii) packaged drinking water

In India, the per capita consumption of bottled water is still quite low, little over five litres a year as compared to the global average of 24 litres. However, the total annual bottled water consumption has risen rapidly in recent times and it has tripled between 1999 and 2004 i.e. from about 1.5 billion litres to five billion litres./ These are boom times for the Indian bottled water industry, more so because the economy is on sound footing, the bottom line is fat and the concerned agencies have economy is on sound footing, except for last 3 years whereas the economy is keeping low.

In India, the demand for bottled water is majorly due to unavailability of safe drinking water because of enormous increase in the population, inflow of foreign students and tourists, poor quality of tap water and ease of availability of bottled water and rise of health awareness. As the government has failed to provide clean drinking water at all places, private players have not just filled the gap but also created a robust business. The best mineral water companies in India are focussing on augmenting their market shares by implementing effective marketing strategies and attractive packaging. The market has reached Rs. 160 billion in 2018 and it is expected to grow annually by CAGR of 20.75% and reach Rs. 403.06 billion by 2023. The bottle

of 1L captured 42% of market share in 2018 followed by 500 ml bottles and 250 ml bottles. Based on volume, the market is likely to reach ~35.53 billion litre by 2023, expanding at a CAGR of ~18.25% from 2018 to 2023.



Source : Euromonitor

From the above figure 3, it can be seen that between 2012 and 2017, Rs. 9,010 crore (\$ 1.38 billion) worth of bottled water was sold in the country, growing at 184%, according to data from research firm Euromonitor. For comparison, fizzy drinks sales grew 56% from Rs. 9,100 crore (\$1.4 billion) to Rs. 14,200 crore (\$2.1 billion) during the same period.

Challenges for companies and regulators

The biggest challenge faced by the bottled water companies in India is the duplicacy especially in case of 1L bottle. It is very easy to create a fake bottled water compared to any other product. Indian consumers tend to believe that any bottled water is safe but this may not be true in case of fake product. Even such type of fake products were produced by filling water in



the used pet water bottle and are sold only in few places where public travels most like railway stations, bus stations and metro stations. The bottle used to fill such type of products are collected from dustbins, roadsides and dumpyards.

The other major challenges are from the unorganised sector which is leading in the production of bottled water in rural, semi-urban and few urban areas. As the production does not require big machinery it made counterfeiters to produce bottled water in different regions with single licence and without licence. Quality and safety are the biggest challenges in this unorganised sector. Food safety departments lifted 1,123 samples across the country in 2017-18. Of these, 496 samples failed to meet the quality standards prescribed by the country's apex food regulator FSSAI (FnBNews.com).

Economic Analysis of Top Five Bottled Water Brands in India

There are more than 6,000 licensed water bottling setups under BIS (Bureau of India Standards) and uncountable unorganised mineral water companies in India. There are around 150 domestic Indian bottled water brands in the market today. The key brands in India are Bisleri, Kindley, Bailey, Aquafina, Himalayan, Rail Neer, Oxyrich, Vedica and Tata Water Plus. Consumption of bottled water in India is linked to the level of prosperity in the different regions. The western region accounts for 40 per cent of the market and the eastern region just 10. However, the bottling plants are concentrated in the southern part of the country. More than 55% of the total bottling plants are in four southern states.

The top five bottled mineral water brands in India constitute more than half the market share of the mineral water industry in India. The mineral water companies in India have witnessed a massive surge in demand for the past five years owing to high demand for clean drinking water and growing awareness about the ill-effects of water-borne diseases across the country. The growth of the full list of mineral water companies in India is also fueled by the stringent regulations laid down for clean drinking water, growing level of disposable income, and improved transportation infrastructure in the country. The best mineral water companies in



India are focusing on augmenting their market shares by implementing effective marketing strategies and attractive packaging. Also, the top 5 bottled mineral water brands in India are attracting more traction in the mineral water industry in India by creating brand awareness through famous celebrities featuring in their advertisements.

The per capita consumption of drinking water in India is estimated to be around 15-20 litres in a day which reflects a huge window of growth opportunity for water brands in India. The mineral water industry in India was valued at more than \$2 billion at the end of 2017 and is projected to grow at a robust double digit CAGR for the next five years to triple in market size by the end of 2022. The complete list of mineral companies in India has more than 3,000 organized mineral water companies in India and it is estimated that there are around 12,000 unorganized mineral water companies in India. The top 5 mineral water companies in India have negligible differentiation on pricing and they provide each other a healthy competition in terms of quality and branding. They constantly focus on innovative technology and attractive packaging to consolidate their position in the mineral water industry in India.

Conclusion:

Increase in per capita spending, rapid urbanization growing, awareness regarding benefits of drinking water and hygiene including increasing preference for active lifestyle is driving India's drinking water market. Bottled water market varies with season, it's greater in summer. Installed purifier in homes restrains India's drinking water market.

The total market was valued at Rs. 60 billion in 2013, of which the highest five players accounted for 67 per cent of the market share. This market grew a CAGR of twenty-two percent and reached Rs. 160 billion in 2018. The beverage industry in India witnessed a boom within the late 1990s soon after Bisleri launched its packaged drinking water within the country.

Nowadays, with an increase in health awareness, poor quality of water, and therefore the simple availability of drinking water, the per capita consumption of drinking water in India is on the rise.



India's packaged drinking water industry is currently dominated by the highest five players, including Bisleri, PepsiCo, Coca Cola, Dhariwal and Parle. These companies struggle to penetrate the tiny non-tier cities and towns thanks to poor infrastructure, thus providing a chance for little regional players to create a presence in regional markets.

It is an incontrovertible fact that drinking water is an upscale and unnecessary cost in any economic climate, despite that drinking water has become a multi-billion dollar business. This high growth within the consumption and production is probably going to continue in future because the demand for safe beverage will increase. Moreover with the increase in income, urbanisation and health consciousness people won't hesitate to spend extra money on beverage. Of these factors are providing great opportunity to the market players to take advantage of this multi-billion dollar sector. We even have to know that buying drinking water could also be good for health perspective for a few people but at large it contributes to the high consumption of fossil fuels which ultimately creates severe environmental problems. Within the end of the day, the health impact of environmental pollution would be much greater on all being. Finally, our failure to satisfy basic human needs for water shouldn't open the door to replacing a public good with a personal commodity, but rather should motivate us to spend equivalent resources to supply a more widely available, and much less expensive, public product.

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