

The Grocer

Focus On: Bottled Water by Daniel Selwood (Daniel.selwood@wrbm.com)

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The Story

Say bye bye to boring bottled water. Today's consumers are looking for anything but bland. Both still and sparkling flavoured water hit double-digit growth last year and there could not be a better time for flavoured water to take centre stage. As the sugar levy hits, consumers are becoming ever more conscious of the sugar content of their favourite soft drinks and are looking for a healthier alternative. So could flavoured water become the new rival to the big branded carbonates?

Key Themes

Flavoured: The flavoured sparkling sub-category is in particular growth, up over 10%. Branded sparkling water could be a factor behind this, as it has shot up and is also attracting new shoppers to the category. So why is flavoured sparkling water such a hit – is it the closest thing to a sugary soft drink hit?

Plain: Flavoured may be the biggest growth story, but volumes are still up of plain drinking water. What is fuelling this? Are new shoppers coming into the category or are existing shoppers buying more?

Brands: Last year, there were fears plain bottled water could become a commodity as consumers looked for cheaper, own-label lines. But this year, brands have caught up with the growth in private label. Why is this?

Fortified water: Many of the brands offering added vitamins/health benefits are up although some have suffered a real hit. What is the story here?

Environment: The only thorn in the side of all this good news is the talk about plastic water bottles. A network of drinking fountains and bottle refill points is to be rolled out across London this year as part of a plan to reduce the amount of waste created by single-use plastic. So could fears over plastic dent sales? And will suppliers need to change their packaging?

New health claims: We've had alkaline ionised water and new electrolytes. What are the new health claims trending this year and what benefits can they offer?

Raw water: This is a bizarre trend on the other side of the Atlantic. What it is, why people are buying it and could it come over here.

Key questions the feature is likely to address:

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?