



insights
to
grow

Media Feedback Report 2018

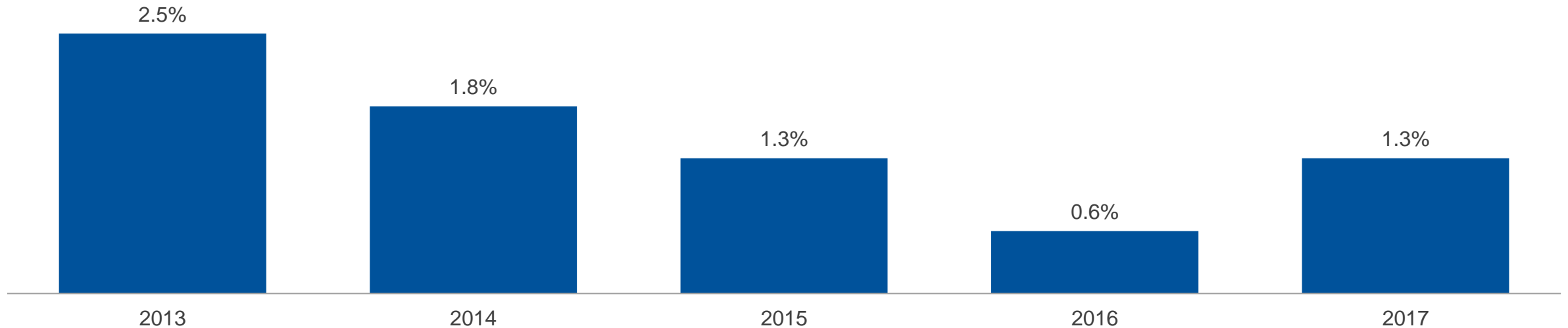
Bottled Water in South Africa

South African Economy

South Africa's GDP

GDP is the market value of all officially recognised final goods and services produced within a country in a given period of time.

Growth rates in industry value added and GDP (constant 2010 prices)

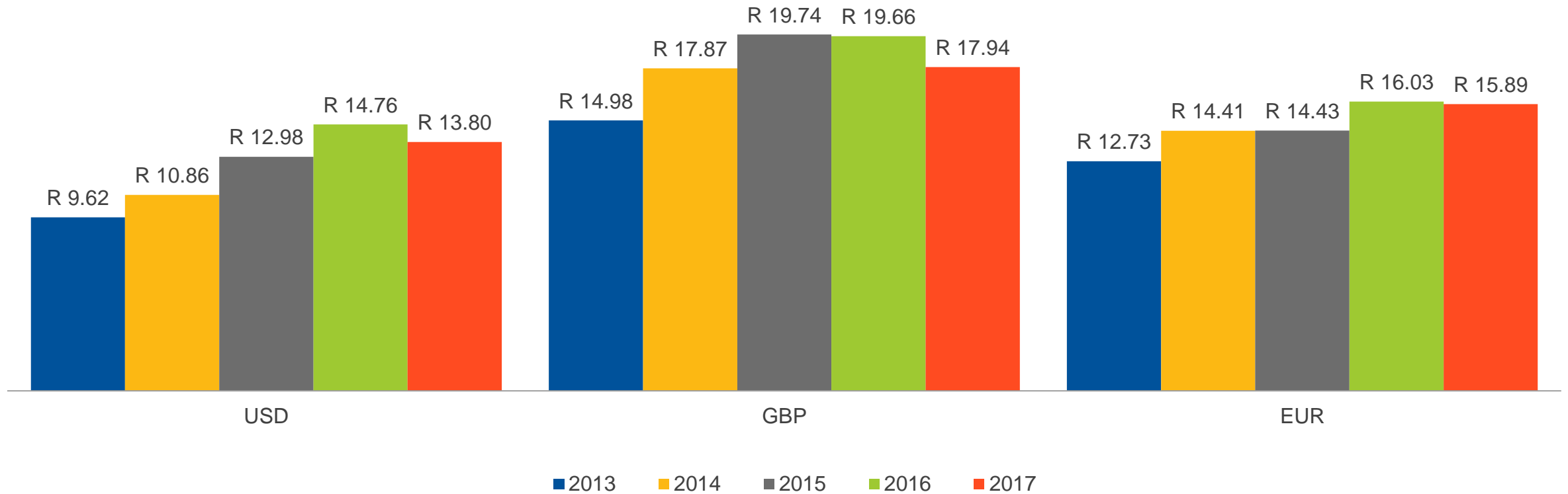


The South African economy grew by 1.3% in 2017, up by 0.7 percentage points compared to 2016. The bottled water category grew at a faster rate than this for the year under review.

Source: Statssa, IMF

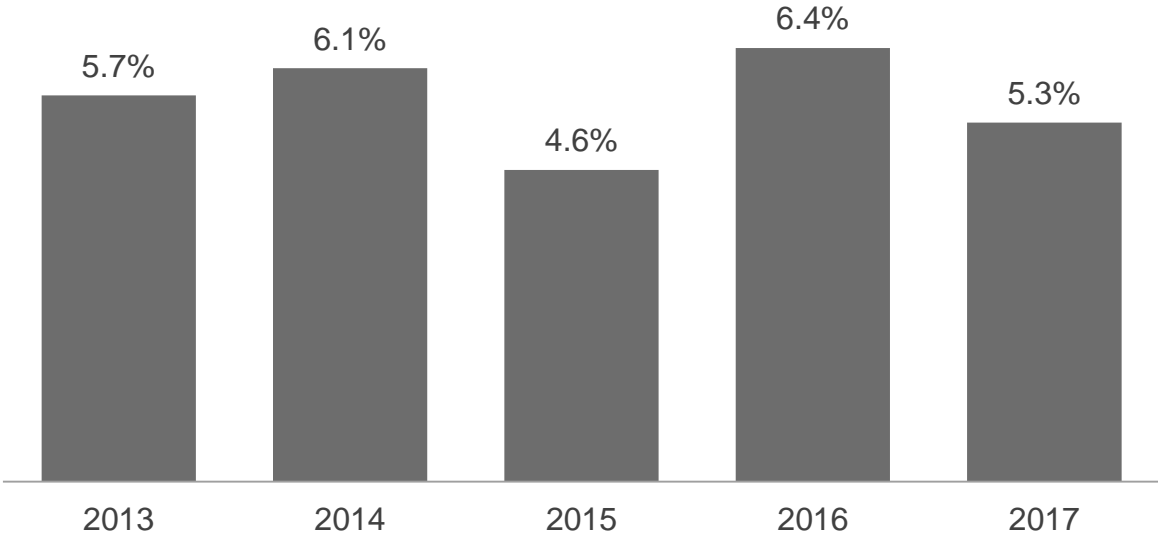
Currency

Performance of the South African Rand

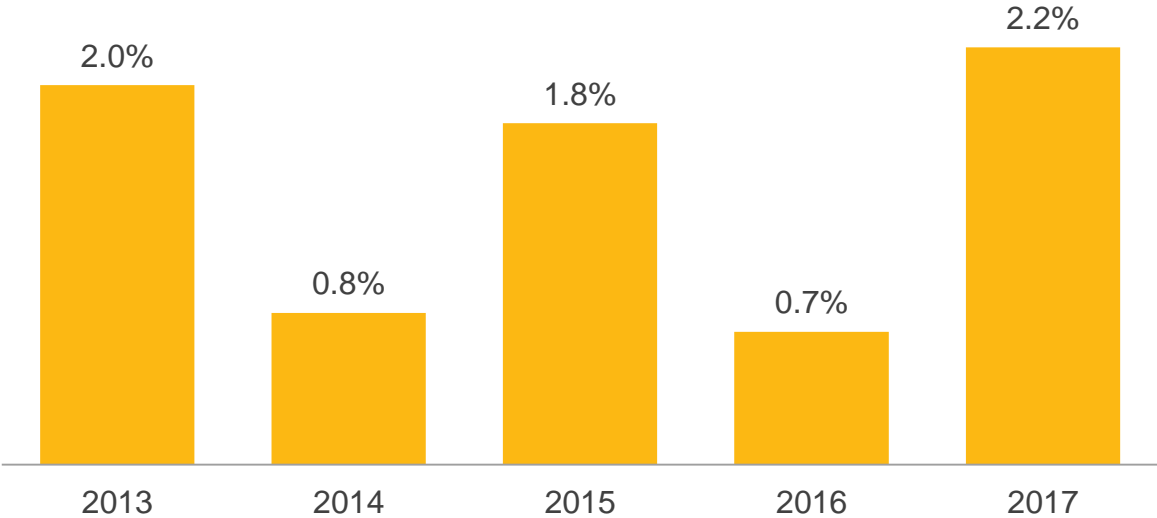


South African Economy

Consumer Price Index



Household Consumption Expenditure



Source: SARB, Statssa



Market Trends

The bottled water category in South Africa continued to grow in both volume and value for 2017.

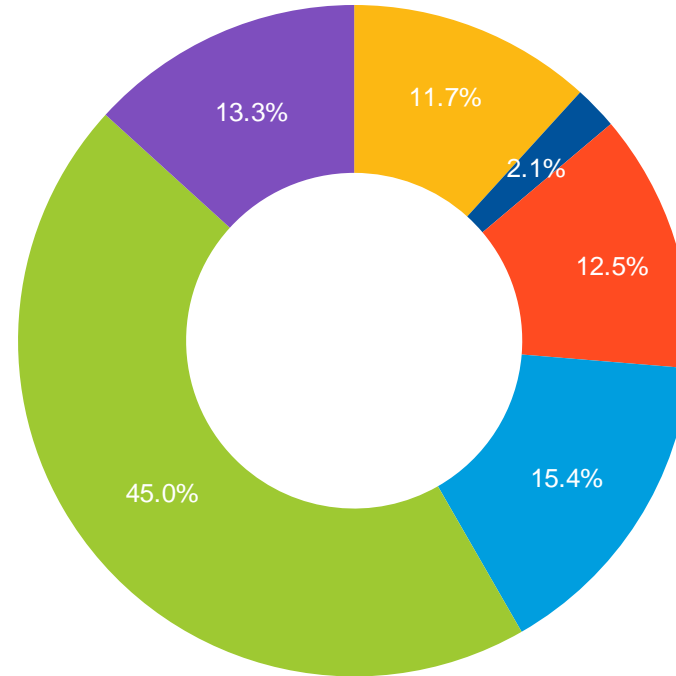
The category volume growth may be attributed to the following factors:

- Severe drought conditions led to shortages of water in some regions of the country. Consumers were forced to purchase more bottled water for drinking and household use.
- An increase in promotional and marketing activities. It is hypothesised that an increase in product awareness naturally leads to greater usage.
- An increase in health awareness through marketing following the recent publicity around the sugar tax. It is surmised that the bottled water category is taking volume share from alternative beverages that are perceived to be less healthy.
- Shifts from other non-alcoholic beverage categories that are higher priced compared to bottled water, particularly as consumer spending remains under pressure

While the Western Cape has received most of the focus during the water crisis, the Eastern Cape faced a similar issue. A primary economic driver for the Eastern Cape is agriculture, with citrus, vegetables, watermelons and maize being the main crops. Due to the drought in certain parts of the province, there have been job losses in the region and population movements to other regions. Given the pressure that this has placed on the economy, bottled water consumption may not have been as high as expected.

The bottled water market continues to be dominated by still unflavoured water and this is expected to continue in future. This water is also being utilised as a replacement for tap water, which thus underpins sales of these variants.

Channel Distribution



Bottom End Retail

Export

Forecourts

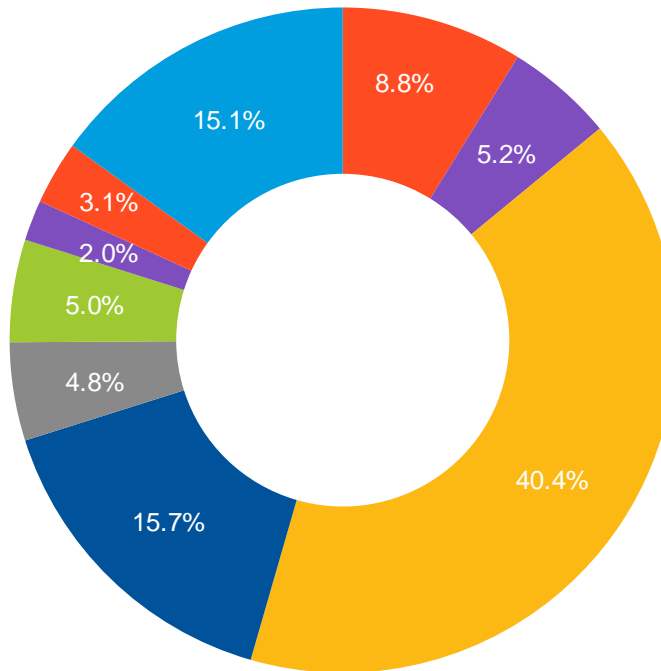
On-Consumption

Top End Retail

Wholesale

Exports has experienced a much higher percentage growth compared to alternative channels, as destination countries approved SANBWA's standards for water. This is followed by wholesale which also grew against the previous year. Wholesale is known for taking the product closer to the consumer by means of re-distribution to smaller outlets. This would have played a vital role in 2017 with water shortages and players not being structurally equipped to deliver the large volumes being demanded, with quick turnaround times.

Local Regional Distribution

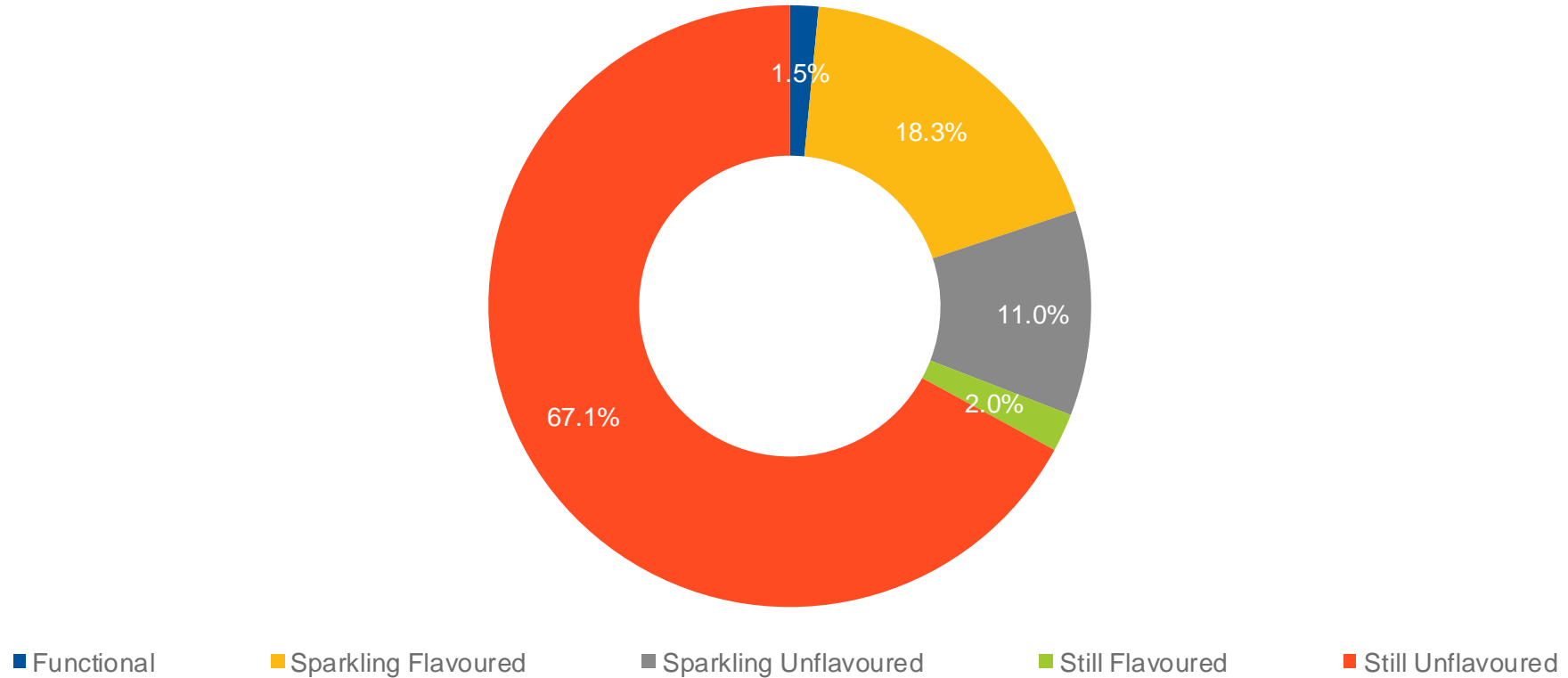


■ Eastern Cape ■ Free State ■ Gauteng ■ KwaZulu-Natal ■ Limpopo ■ Mpumalanga ■ Northern Cape ■ North West Prov. ■ Western Cape

The key metropolitan regions, which include Gauteng, KwaZulu-Natal and the Western Cape, collectively accounted for the majority of the category's regional volume share. It is noted that these regions combined contribute to the majority of South Africa's GDP. The Western Cape experienced the largest percentage growth year-on-year followed by the Northern Cape. The volume increases seen for both of these regions were driven by the larger pack format of bottled water.

Please note: Excludes exports

Market Breakdown



Still flavoured water has shown the largest percentage increase year on year. Potential contributing factors include the drought, unflavoured variants being out of stock, as well as the younger generation wanting a variety of tastes. The growth is also calculated off a small base. Unflavoured water was driven by its alternative uses as some regions suffered water shortages and stock piled water towards the latter part of 2017.



- Analytics Solution
- Dashboards

- Beverages
- Food
- Packaging



- Advertising & Campaign Testing
- Brand Competitive Advertising Tracking
- Omnichannel

Advertising

Category Quantification

Business Research B2B

- Business Insights
- Market Quantifications



Solutions

Print Ads

Consumer Research

- Consumer Insights
- Shopper Insights



- Print Promotional Pricing Tracker
- Number of Promotional Ads
- Adspend Value
- Print Ads Mobile App
- Promotional Effectiveness

Mystery Shopping

Instore

- Category Ranging
- Compliance Tracker
- Shelf & Promotional Price Surveys
- Shelf Health



- Brand Compliance
- Store Compliance
- Staff Compliance
- Promotional Compliance

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