

Bisleri eyes high-end biz

By M. G. Arun in Mumbai



AFTER undertaking a 50- year journey at Parle, mineral water pioneer Ramesh Chauhan, 77, is ready for more. Chauhan, also founder of popular brands Thums Up, Limca and Gold Spot, is now bolstering the market for Bisleri Vedica, a premium natural mountain water he introduced into the ` 8,000 crore Indian bottled water industry last year.

He is also stepping up R& D to launch a product in the enhanced water segment early next year, as more Indians turn to healthy beverages compared to colas.

The challenge

“We want to make the market grow for Vedica,” said Chauhan, who sold his soft drink brands to Coca Cola in 1993 and took up marketing mineral water Bisleri with gusto in 1995. “The challenge in this business is that people have to distinguish between natural processed water and spring water, and pay twice the price.” Re-launched in August 2012 with a new packaging, Vedica, a fledging brand and pitted against Himalayan from Tata Global Beverages, costs ` 40 for a litre, compared to ` 18 for the normal version of mineral water. Chauhan blames Indians’ slow acceptance of spring water on historical reasons, where unlike Europe, bottled water usage started with plain water rather than spring.

Chauhan, whose journey over five decades was captured by journalist Patricia J. Sethi in a recent biography *Thunder Unbottled*, said much innovation went into the design of the six- sided bottle for Vedica and the twin seal crown cap that prevents leakage and contamination.

The idea behind the launch is to create a new market, he says. “Going to another product should not be a fall back, but an extension of your strength,” he adds.

Bisleri, aiming to touch ` 1,000 crore in revenues in fiscal 2013- 14, is a leader in the bottled water segment, with a market share of 36 per cent, followed by Kinley (from Coca Cola) and Aquafina (a Pepsi brand) with 25 per cent and 15 per cent each, according to study by IKON, a market research firm, in 2012.

For Chauhan, rulebooks and master plans do not matter as much as passion, learning and inventing on the job. Equally vital are talented people, which Chauhan lost along with his soft drink brands, and had to rebuild. Although he plays down his entry into mineral water as something he did to keep himself ‘occupied’ after he had exited the cola business, the initial years were challenging.

Chauhan leveraged the large network of his erstwhile soft drinks business for water, but operational efficiencies were key in a business where the product cost ` 4 a kilo, much cheaper even than used newspapers'. Moreover, with low entry barriers, competition is rife. "Water business is a revolving door," he says, where entries and exits are easy. Apart from the MNCs, Parle Agro's Bailey has a 6 per cent share in bottled water segment, while other brands such as Kingfisher, Oxyrich and McDowells No 1 together have an 18 per cent share.

Chauhan compares the water business to a cricket test match, where players need to develop patience.

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