

Bisleri: Thirst for premium drive

Ratna Bhushan, ET Bureau Dec 29, 2009

NEW DELHI: Ramesh Chauhan is poised to extend his Bisleri packaged water business to the premium segment with the imminent launch of Vedica, the first water brand in four decades from the pioneer of the packaged water industry.

Being positioned as 'natural mountain water sourced from the Himalayas,' Vedica will be available from January 1. The water is being sourced from a spring in Uttaranchal, and will be bottled and packaged at Bisleri International's plant, also in the same state, said Ramesh Chauhan, Bisleri International chairman.

"People are willing to pay a higher price for products such as these, and we feel there's a reasonably good demand for such 'natural' products," Mr Chauhan told ET.

While Bisleri will continue to operate in the mass segment, Vedica will be retailed at select outlets, including malls, fine dining restaurants and hotels, and grocery stores in big cities. "There will be no cannibalisation whatsoever, since both brands address completely different consumer segments," he added.

Vedica will be available in two packs—500 ml and 1 litre priced at Rs 20 and Rs 30, respectively. The mass-distributed Bisleri, on the other hand, is priced at Rs 10 for a 500 ml pack and Rs 13 for a 1 litre pack.

Simultaneously, a new look is being given to Bisleri's 250-ml and 500 ml packs in the New Year. These are being called 'celebration packs'.

While Bisleri competes with Coca-Cola's Kinley and PepsiCo's Aquafina, Vedica will compete against Himalayan, the Tata group's natural mineral water brand. Coca-Cola's premium water brand, Bonaqua, is so far restricted only to a handful of retail stores in and around Delhi.

The about Rs 1,500-crore retail packaged water market operates on wafer-thin margins and is highly fragmented. Smaller players account for almost three-fourths of the category and the rest is dominated by Bisleri, Kinley and Aquafina. The category relies heavily on distribution channels, efficiently aligned supply chains, retail visibility and multiple packs. It is estimated to be growing at anywhere between 12-15%. Natural mineral water accounts for 2-3% of the total packaged water category, according to industry estimates.

Bisleri is also a dominant player in the bulk segment, which follows the direct-to-home and direct-to-institution delivery model.

Mr Chauhan acquired Bisleri India from its Italian founder in 1969, when he was chairman of Parle Exports. In 1993, he sold Parle's beverages Thums Up, Limca, Gold Spot and Maaza to American soft drink maker Coca-Cola India. Since then, he has focussed on the packaged drinking water business.

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