Over the past two decades the growth in the market share in Australia of diet drinks, bottled waters, sports drinks, energy and lifestyle drinks and other sugar-free, non-alcoholic drinks has been steadily increasing. In particular sales of bottled water have increased markedly over the last ten years while the proportionate share of carbonated sugared drinks has been falling.

In Australia in 2006, Coca-Cola enjoyed a 56 percent market share of carbonated beverages through its key brands, Sprite, Fanta and Sprite. A 27 percent market share is in the water category via Mount Franklin and Pump and a 57 percent market share in the Sports category, primarily through Powerade.

Feeling thirsty?

So what do you reach for when you are thirsty? Increasingly consumers are opting for fewer carbonated and sugared drinks and are instead choosing water, sports drinks and enhanced waters. An increased marketing focus has positioned healthier beverage options as much more suitable for hydration; the preferred industry term used to translate thirst and wellbeing into a purchase.

We hear a lot in the media about needing eight glasses of water a day and the beverage industry has developed products to help consumers, especially women, reach this goal. This has seen the rise of a new product category, fortified or enhanced waters. Enhanced waters may contain added vitamins and/or minerals as well as gentle fruit flavours to enhance consumption.

A growing market

As little as 20 years ago the market share of bottled water in Australia was almost zero. Save for a few imported high-end European brands and some sales of sparkling mineral water, Australian consumers purchased very little bottled water. This was in stark contrast to the high-consuming Europeans and even US consumers.

However a fundamental lifestyle shift has occurred over this time which has seen this product category grow tremendously. The main reasons for this change can be summarised as:

1. A shift towards a healthier lifestyle including a move away from carbonated, sugared drinks
2. A growing demand for kilojoule-free beverage options, especially when accompanying lighter meals such as bought lunches
3. The willingness of consumers to pay for the convenience of cleaner, more natural and ready-to-drink chilled water
4. The convenience offered by innovative packaging options such as spout and pump-tops and bottle designs.

There is a general feeling within the community that drinking water can accompany lighter meals such as bought lunches. Females dominated the sugar-free or diet categories while males favoured carbonated, sugared drinks and flavoured milks. According to the Australasian Bottled Water Institute, bottled water is consumed by people as gentle fruit flavours to enhance wellbeing; the preferred industry term used to translate thirst and wellbeing into a purchase.

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Coca-Cola launched Pumped Lemon, Pumped Mandarin and Pumped Lime to capitalise on the brand strength of Pump. After extensive product testing, these gently flavoured enhanced waters were launched to cater for the growing sophistication of the active 20-30 year-old water consumer.