



New Entrants in a Saturated Market: Navigating the Rapids of the Bottled Water Industry

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Abstract

This study examines the competitive dynamics of the bottled water industry, focusing on strategies for new entrants in a saturated market. Despite its significant global value, expected to exceed \$420 billion annually by 2027, the market remains underexplored in academic research, particularly in terms of industry competition and entry strategies. Using a mixed-methods approach, the research integrates insights from qualitative interviews with C-level executives and water sommeliers, and a quantitative survey of consumer behaviour.

The results highlight that differentiation through extrinsic attributes, including sustainable packaging and distinctive design, precedes intrinsic, functional attributes in explaining competitive positioning. Water quality was found to be less influential, while branding was positioned as a critical competitive factor. E-commerce, with subscription-based models, and on-trade distribution through HORECA (hotels, restaurants, cafes) emerged as key channels for increasing brand visibility and achieving revenue consistency. However, these channels present challenges in terms of scalability and profitability due to logistical constraints. Sustainability practices are identified as critical for new entrants, with alternative packaging formats such as aluminium and cartons providing opportunities for new entrants to capitalise on an evolving trend. An entry business model was derived and built on the integration of value-driven differentiation, channel diversification and operational efficiency as strategic pillars for navigating the complexities of the industry.

Keywords: Bottled Water industry, Market dynamics, Consumer Trends, Competitive Strategies, Branding, Sustainability, Consumer Behavior, Business model

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Sumário

Este estudo analisa a dinâmica competitiva da indústria da água engarrafada, focando-se nas estratégias dos novos operadores num mercado saturado. Apesar do valor significativo, que deverá ultrapassar os 420 mil milhões de dólares anuais até 2027, o mercado tem sido pouco explorado academicamente, especialmente no que se refere à concorrência e estratégias de entrada. Recorrendo a métodos mistos, o estudo integra entrevistas qualitativas com executivos e sommeliers de água, bem como um inquérito quantitativo sobre o comportamento dos consumidores.

Os resultados destacam que a diferenciação através de atributos extrínsecos, como embalagens sustentáveis e designs distintivos, precede atributos intrínsecos e funcionais no posicionamento competitivo. A qualidade da água foi considerada menos influente, enquanto a marca foi posicionada como um fator competitivo crítico. O comércio eletrónico, com modelos de assinaturas, e a distribuição no local através da HORECA emergem como canais-chave para a visibilidade da marca e a consistência das receitas, mas apresentam desafios de escalabilidade e rentabilidade devido a restrições logísticas. As práticas de sustentabilidade são fundamentais, com formatos de embalagem alternativos, como o alumínio e o cartão, que oferecem oportunidades para novos operadores conquistarem mercado.

Um modelo de negócio derivado enfatiza a integração da diferenciação orientada para o valor, a diversificação de canais e a eficiência operacional como pilares estratégicos.

Palavras-chave: Indústria de água engarrafada, Dinâmica de mercado, Tendências de consumo, Estratégias competitivas, Branding, Sustentabilidade, Comportamento do consumidor, Modelo de negócio

Título: Novos operadores num mercado saturado: Navegar pelos rápidos do sector da água engarrafada

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List of Abbreviations

CMO – Chief Marketing Officer

COVID – Coronavirus Disease

FDA – Food and Drug Administration

FMA – First Mover Advantage

FMCG – Fast Moving Consumer Goods

HORECA – Hotels, Restaurants, and Cafés

IBWA – International Bottled Water Association

MP – Microplastic

PET – Polyethylene Terephthalate

RQ – Research Question

US – Unites States

1 Introduction

Every living organism requires water, and as humankind has evolved, focus has always been on access to reliable supplies of clean water from springs, wells and rivers. As populations grew and civilisation and technology developed, the demand for water for domestic and industrial use inevitably increased (Dege, 2011), catering to consumers that have become more convenient, health-aware (Ballantine et al., 2019) and identity seeking (Etale et al., 2018) in their water consumption habits.

The launch of Perrier in the United States in 1977, as part of a €5 million marketing campaign, marked a significant turning point in the bottled water industry. The aggressive promotion resulted in a dramatic increase in sales, with the number of bottles sold rising from 2.5 million in 1975 to over 75 million in 1978 (Elmhirst, 2016). This exponential growth quickly caught the attention of major food and beverage companies, who recognised the significant commercial potential of the bottled water market. By 2022, 41 per cent of the worldwide leading bottled water brands were dominated by 5 major industry players, with Coca-Cola, Danone and Nestlé representing the most powerful institutions (Fleck, 2022).

Competition is fierce in the bottled water industry (Ferrier, 2001) with multinational corporations gaining competitive advantage by leveraging strong distribution networks with suppliers (Rama et al., 2003) as well as technological advances and access to capital (Carla Valentino, 2017). Due to their large variety of food and beverage offerings, they have a considerable power over retailers, positioning their water products at prime locations within retail environments. Competition on price is therefore a difficult endeavour for entrant firms that compete against broadly skilled, entrenched competitors in an arena where the incumbents have built their competitive advantage over the past several decades (Geissler & Gamble, 2002).

The bottled water industry has received limited research attention over the years (Bouhleb et al., 2023). Available studies primarily focus on consumer behavior, examining health and safety concerns associated with bottled and tap water consumption (Doria, 2006 ; Debbeler et al., 2018) and bottled waters environmental impact and market development theories (V. Brei & Tadjewski, 2015 ; V. Brei, 2018). Scientific work on industry competition is scarce, with few

studies addressing competitive dynamics and strategies pursued by bottled water firms (Carlucci et al., 2016).

Therefore, this study aims to identify the major potential for businesses considering entry into a highly competitive industry blending perspectives from consumer behavior, competitive positioning and internal resources theory. Following a deductive research approach, this dissertation links management frameworks with available scholarship on the bottled water industry. Based on the literature review, questions for semi-structured interviews were derived and discussed with C-level executives from leading bottled water firms and water sommeliers. Additionally, a survey was conducted to gather information about bottled water purchase behavior, identifying key differentiation factors that might guide entrant firms in deriving competitive product design and distribution channel selection. Thus the following research question (RQ) was addressed:

RQ: How can a new bottled water brand compete in a saturated market?

2 Literature Review

2.1 An Overview

2.1.1 History and Figures about the industry

The bottled water industry can be traced back to the early 1800s, with significant expansion occurring by the nineteenth century as technological advances made long-distance transportation possible. Growing interest in bottled water was fuelled by the increasing popularity of spas in Britain, Europe, and America: Viewed as destinations for health, pleasure, and rejuvenation, these spas became linked with luxury and indulgence, shaping the emotional narrative around bottled water (Spar & Bebenek, 2008) and positioning the substance as a symbol of status and exclusivity. Bottled water's reliance on drugstores as its primary distribution point reinforced this link, as drugstores have traditionally been associated with health and medicine, allowing companies to align their products with the notion of longevity and healing (V. Brei & Tadajewski, 2015).

These consumption patterns started to alter by the end of the 1950s, with changes in consumer drinking habits, but most notably with the introduction of polyethylene terephthalate (PET) in the late 1970s (Hawkins, 2017), not only facilitating distribution but also making bottled water more affordable, lightweight, and accessible to a wider consumer base (V. A. Brei, 2018). Together with the involvement of major food and beverage corporations like Nestlé, Danone, PepsiCo and Coca-Cola seizing opportunities in the industry, bottled water transformed from a niche luxury item into an economic mass-market commodity linked to market rules (Carla Valentino, 2017).

As tap water quality improved in developed nations during the first half of the 20th century (Chapelle & Chapelle, 2005), demand for bottled water has leveled off, but it is still one of the fastest-growing markets in the world, with sales exceeding \$340 billion in 2023 and expected to reach \$420 billion by the end of 2027 (Statista, 2023b).

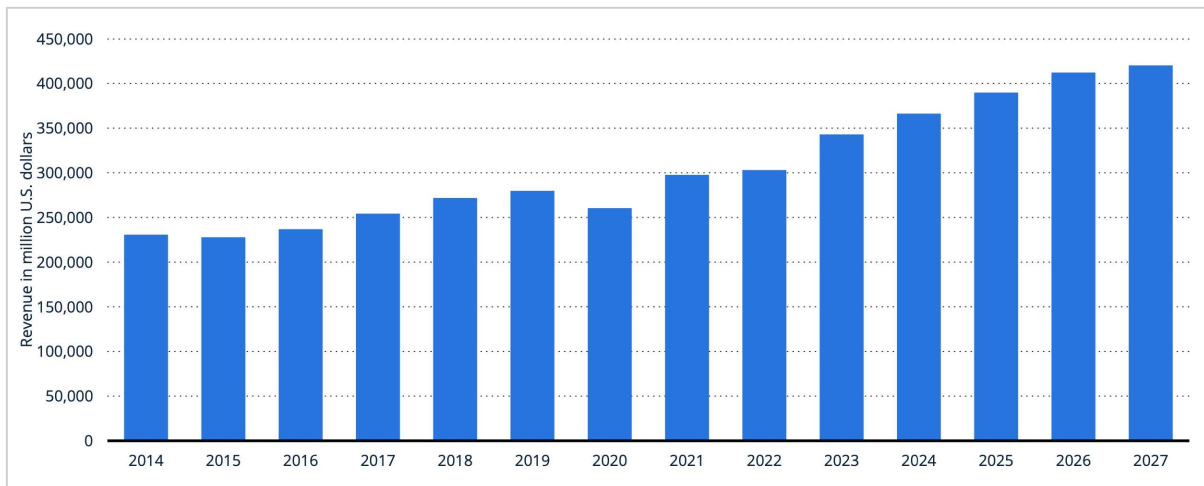


Figure 1: The global revenue in the bottled water segment (Statista, 2023b)

Today, given the different stages of the bottled water product lifecycle in different regions, it is not surprising that per capita consumption rates differ significantly from the global average. In particular, Western Europe stands out as a highly mature bottled water market, driven by well-established industries in countries such as Germany (179 litres p.a.), Italy (173 litres p.a.) or Spain (177 litres p.a.) (Statista, 2024). The United States lead the global bottled water industry with annual sales of more than \$83 billion, followed by China with \$65 billion (Statista, 2022a). Mexico has the highest per capita consumption at 266 litres, with the United States following at 194 litres in 2023 (Statista, 2024) (see figure 2).

Although the global bottled water industry can be considered as highly fragmented across different regions, encompassing a wide range of national players, this landscape has changed significantly as a growing number of multinational companies have consolidated their control over the last three decades (V. Brei & Böhm, 2011). To underline their dominance, these multinationals have used regionally tailored strategies to achieve significant sales growth. Danone's water division generated €4.543 billion in 2022 (Statista, 2023), largely due to its strong foothold in Europe and growing demand for premium, health-oriented products in Asia (Kurhat, 2023). The Coca-Cola Company, through its Dasani and Smartwater brands, saw significant sales growth in Latin America (11%) and Asia-Pacific (5%), while the North American market remained relatively flat, with accurate company sales data missing (Statista, 2022b). Similarly, Nestlé reported bottled water sales of €3.53 billion in 2022 (Statista, 2023), focusing its efforts on adapting to regional market preferences, particularly in North America and Canada (Nestlé, 2020). This highlights the ability of these companies to localise their

offerings according to regional consumer behaviour and market specificities (Carlucci et al., 2016).

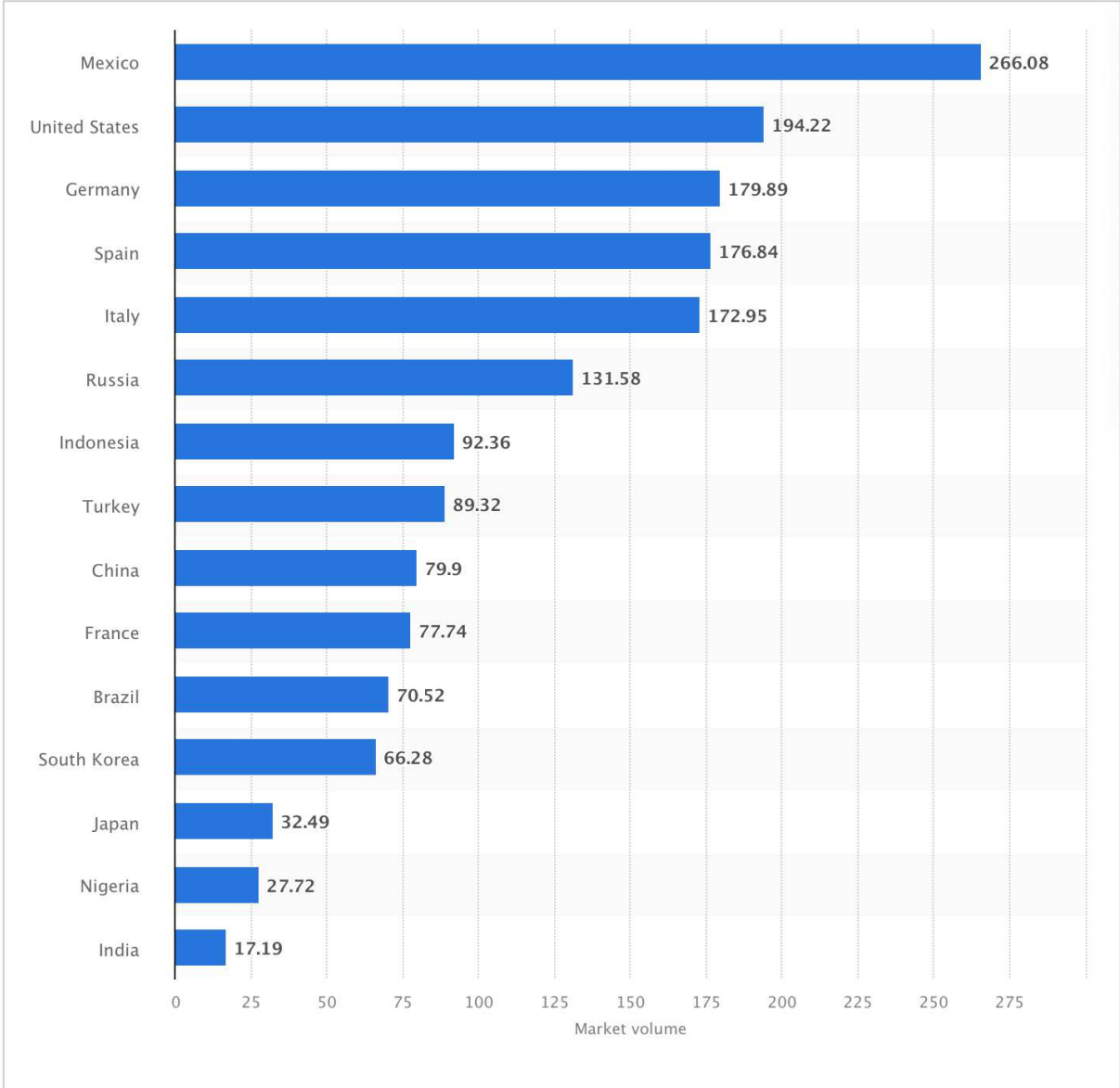


Figure 2: Bottled water sales per-capita worldwide, by country in 2023 in litres (Statista, 2024)

2.1.2 Categorizing Water

According to the International Bottled Water Association (IBWA, n.d.-b), today most consumers get access to their drinking water from three major sources:

- a) Bottled Water
- b) Municipal Water
- c) Filtered Water

Public water systems are provided by public authorities (e.g. governments, municipalities), ensuring quality water access for human consumption through piped distribution systems within a specific and delimitable geographic area.

Filtered water refers to tap water that has been treated through household-level purification systems to enhance its quality and taste by removing contaminants. Households typically adopt water filtration systems due to concerns about the health risks associated with untreated tap water (Johnstone & Serret, 2012).

Bottled water on the other hand is considered a consumer good regulated by FDA (Food and Drug Administration) that individuals can freely choose from a variety of brands and types, based on preferences such as source, mineral content, or packaging. Unlike public water systems, bottled water is purchased and consumed as a commercial product, giving consumers control over their water choice, but often at a higher cost than public tap water (Saylor et al., 2011a).

Bottled water is categorized into various types, each based on its source and treatment. Accordingly, the following six categories can be distinguished (IBWA, n.d.-a , Bouhlel et al., 2023):

Spring Water: Derived from an underground formation where water flows naturally to the surface. It must be collected at the spring or through a borehole tapping the underground source (e.g. Evian – sourced from the French Alps).

Treated/Purified water: Water that has undergone extensive filtration processes, such as distillation, deionisation or reverse osmosis, to remove contaminants and impurities. It can

come from any source but must meet strict purity standards, requiring specific treatments and disinfection to make it safe for consumption (e.g. Aquafina – purified through reverse osmosis).

Mineral water: Contains naturally occurring minerals and must come from a protected underground source. No minerals can be added artificially and it must contain at least 250 parts per million (ppm) of dissolved solids (e.g. San Pellegrino – sourced from the Italian Alps, rich in minerals).

Sparkling water: This type of water is naturally carbonated or has been carbonated. It can come from a variety of sources, but must retain its natural carbon dioxide content, although some loss and subsequent replacement of CO₂ may occur during bottling (e.g Perrier – naturally carbonated from springs in France).

Well water: Extracted from a well that taps into an underground aquifer. The water may or may not be filtered and is similar to spring water but comes from a man-made well (e.g. Fiji water – drawn from an artesian aquifer in Fiji).

Artesian water: Comes from a well that taps into a confined aquifer where the water is under pressure. When the well is drilled, the water naturally rises above the aquifer level without mechanical pumping (e.g. Voss – sourced from an underground aquifer in Norway under pressure).

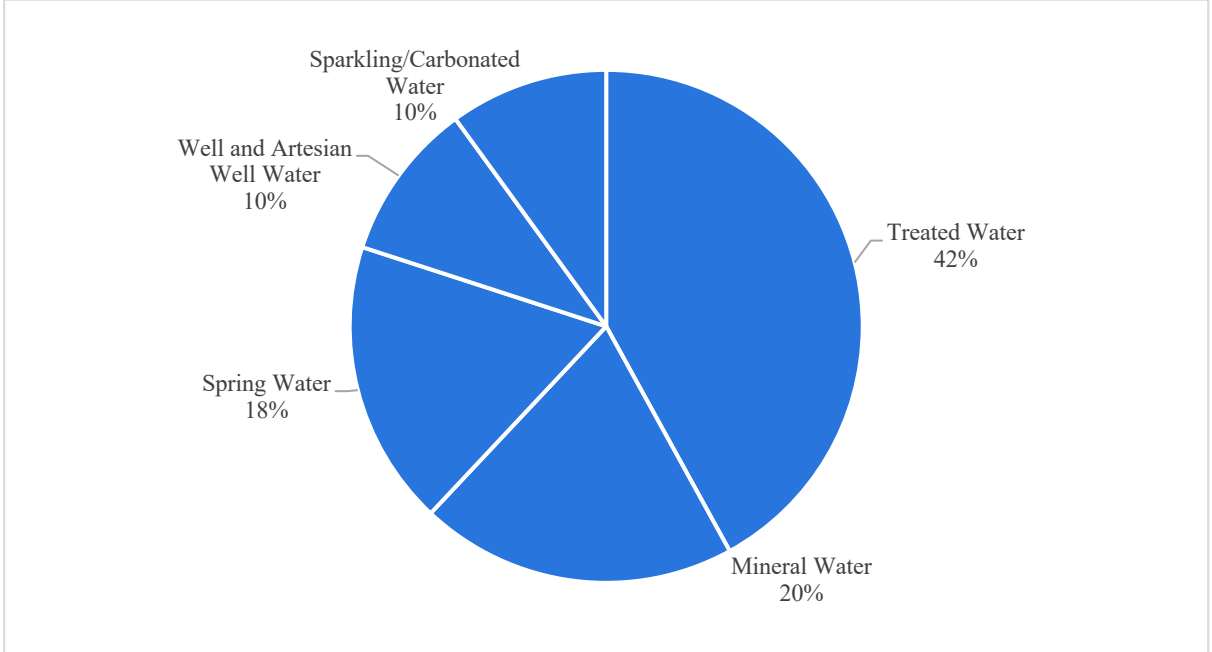


Figure 3: Market structure by volume of bottled water type 2021 (Bouhleb et al., 2023)

2.2 The role of Marketing

According to McCracken (1986) markets are not purely created through economic demand but through social processes that influence consumer's perceptions and values. The growth of bottled water can therefore be attributed to its functional need of hydration but also to the socially constructed meanings associated with purity, health, and status (Opel, 1999). Slogans like "Trust in every drop (Kinley), "Your natural source of youth" (Evian), "sip smarter – live longer" (Poland Spring), "the oldest way to stay young" (Infinity waters) or "Can't live without it" (Dasani) (Gleick, 2010, p. 110) exemplify marketing strategies that are not actively questioning the quality of tap water but implicitly positioning bottled water as the superior choice in relation to existing drinking practices and concerns (Hawkins, 2017). Water source and origin are depicted as imaginative geographies of place to further signify its healing power, stemming from famous spas, hydrographic basins and unique natural earth formations (V. A. Brei, 2018). This is particularly relevant from a marketing perspective, as brand image was found to be the most important contributor to brand choice and consumption (Lema & Wodaje, 2018).

Besides the power of trust in a safe water source and the associated health benefits (Doria, 2006), studies explored consumers perceived taste preferences between bottled and tap water. The results are controversial with authors finding links between consumption and taste of bottled water (Saylor et al., 2011b , Marcussen et al., 2013) and others arguing that perceived differences arise from polarized views on the quality, health risks and taste of each type of water, not based on actual sensory experiences (Debbeler et al., 2018). There exists greater consensus on the influence of convenience, packaging and lifestyle factors (Gleick, 2010), explaining the market emergence from a consumption-driven perspective (Martin & Schouten, 2014).

With more than half of the world's population now living in urban environments (Ritchie et al., 2024), increasingly busy and mobile lifestyles start to develop (Oliveira et al., 2019), making bottled water the lightest and the easiest way to stay hydrated throughout the day. This comes with a shift in working habits in industrialised countries and increasing office works, with the water bottle representing an essential element on the desk, besides computer and telephone (Ferrier, 2001). The fitness craze that began in the 1980s has further boosted the consumption of bottled water, highlighting its importance as a clean alternative to sugary drinks for healthy individuals to stay hydrated throughout the day (Olsen, 1999). While PET bottles equip the

mobile subject “on the go”, glass bottles are proposed for more elegant occasions, elevating fine dining experiences and symbolising thoughtful care for loved ones. This highlights the intertwinement of different materials with different meanings, promoting the emergence of various forms of consumption (Race, 2012) with the bottled water itself representing the most significant physical form of brand exchange (Hawkins et al., 2015).

In this context, product distribution emerges as a critical marketing dimension in the FMCG industry (Trihatmoko et al., 2018) bringing the product closer to its potential target. Distribution can be performed in a direct way via the internet, mail or phone call or indirectly through distributors, wholesalers, retailers, and agents as intermediaries (Kotler, 1999). In the bottled water industry, gaining shelf space in retail environments can be seen as difficult for new entrants, as they will be up against players who have established strong partnerships with the retailer and may find it difficult to contain high slotting fees due to limited spending capacity (Geissler & Gamble, 2002).

Therefore it is important to build on external relationships (Vanags et al., 2018) with key stakeholders on a local level, by participating in event sponsorships (Juntunen et al., 2010) and leveraging critical HORECA channels (Hotels, Restaurants, and Cafés). These can be considered crucial, as they provide premium visibility and cater to environments where customers engage in impulse beverage consumption, facilitating brand purchase (Barin, 2009). Its presence in the on-trade also gives the drink status, as the consumer does not have the choice of several competing brands (as in the off-trade), which limits competition (Ninić & Škrobot, 2017) However, scaling the on-trade segment is challenging as it involves high logistics costs due to typically small order sizes, frequent deliveries and the fragmented and geographically dispersed nature of the channel (Ninić & Škrobot, 2017).

To reach a more broader audience it might be the introduction of an e-commerce platform, lowering the barriers to market entry (Reynolds, 2000) before accessing grocery retail. E-commerce can be defined as the conduct of business transactions and management activities over the internet, involving the sale and purchase of a product, but also including pre-purchase information, post-purchase feedback and general customer support (Sharma & Lijuan, 2015) with major potentials lying in the elimination of intermediaries (Anjali, 2014) and the reinforcement of brand equity (Beig & Nika, 2022).

Issues in the FMCG industry relate to the fact that the dynamics of e-commerce are currently highly dependent on the investment strategies of a limited number of international players (Fornari et al., 2018). This is further complicated by the industrie's low margins (Kotzab & Teller, 2005), positioning the factor of cost as most significant barrier to adoption (Wymer & Regan, 2005). It follows that new entrants might consider strategic partnerships aimed at achieving a critical mass to jointly invest in digital environments or start off by turning to external online marketplaces in the initial phase (Fornari et al., 2018). Building long-term relationships can also help to make revenues more consistent, leveraging subscription models to bind consumers closer to the retailer. This is particularly relevant for the FMCG industry due to operational benefits of ensuring recurring purchases (Economist, 2018).

2.3 Competitive Positioning

Strategic competition can be seen as the process of identifying new market positions that attract customers away from incumbents or bring new customers into the market (Porter, 1997). Two central concepts in strategic competition are cost leadership and differentiation, both of which represent different approaches that companies can use to gain a competitive advantage (Wen-Cheng et al., 2011).

The strategy of cost leadership is driven by the pursuit of economies of scale, which alludes to the savings that come from a company achieving proportionally better production (Porter, 1997). The concept of scale is considered as controversial in literature with authors arguing that the adoption of low-cost strategies can drive the industry towards commodization, reducing opportunities for differentiation and lowering the overall profitability (Sharp, 1991 , Allen & Helms, 2006). Others criticise the pursuit of cost leadership in isolation, leading to the neglect of other competitive factors (Wright, 1987).

Economies of scope, on the other hand, allow for a better balance between flexibility and scale and refer to cost savings that arise out of a firms production of multiple products using common resources or inputs, thereby spreading costs over different outputs (Panzar & Willig, 1981). The strategic value of economies of scope lies in the ability of a diversified company to share investments and costs across multiple value chains in a way that competitors lacking such diversity cannot. This may include physical assets such as production equipment, cash or brand names but also shared external relations: with customers, suppliers, distributors, governments and other (Ghoshal, 1987) (Root & Visudtibhan, 2023).

Multinational bottled water companies leverage their access to capital, know-how and technological advances (Rogers, 2002) to ensure the monopoly ownership of untapped water resources across the globe and resell it internationally at higher prices (Carla Valentino, 2017). Regional strategies are used to centralize operations in home regions for strategic production, reducing the need for dispersed global affiliates (Filippaios & Rama, 2008). Large-scale production often correlates with efficiency gains, favoring concentration to achieve lower costs (Bain, 1954).

While cost leadership strategies might require an initial competitive advantage such as a high initial market share, access to cheap raw materials, or an extensive distribution network, differentiation defends businesses against buyer price-sensitivity by building on perceived value and brand loyalty hence good performance (Porter, 1997). Economies of scale and the high cost of overcoming entrenched consumer preferences act as significant barriers to entry, often deterring new competitors unless they differentiate effectively (Schmalensee, 1982). This is especially relevant when resource requirements are similar, allowing a firm to avoid competition by positioning itself outside densely populated segments or by differentiating itself from competition (Baum & Oliver, 1991). A differentiation strategy involves creating a distinctive product that appeals to a specific customer segment willing to pay a premium price, thereby enabling the company to achieve higher profit margins (Tanwar, 2013). A company strategically targets customers who have a heightened sensitivity to certain product attributes, thereby fostering customer loyalty (Pearce & Robinson, 1997). Pioneers in differentiation often enjoy a long-term advantage due to consumer preferences and the perception of product quality, which create significant barriers to entry for subsequent brands, struggling to compete against the brand loyalty and quality assurance associated with the pioneering brands (Robinson & Fornell, 1985 ; Schmalensee, 1982).

Differentiation can be approached from different angles and can be associated with product design, brand image, technology, features, dealers and network of customer service (Tanwar, 2013). Bottled water has a significant growth potential worldwide, particularly as it is increasingly seen as a healthier alternative to carbonated soft drinks (Race, 2012). This growth is expected to be driven by product innovation with a focus on the development of diverse flavour profiles and advances in packaging solutions (Kusi et al., 2015). A distinctive product design and features are critical in the bottled water industry as studies suggest that bottled

water's retail price is mainly affected by extrinsic factors (Carlucci et al., 2016) including different shape designs, brand name designs and color design formats (R. W. Y. Wang et al., 2010) with intrinsic attributes showing a moderate effect (Carlucci et al., 2016). D'aveni (2014) emphasizes on the importance of conceding the low-end market to discounters and focusing resources on creating a high-quality, differentiated product in commoditized markets. By incorporating unique features that low-cost competitors overlook, firms can justify premium pricing and capture quality-focused customers.

2.4 Leveraging firm internal resources

The Resource-based view (J. Barney, 2001) extends traditional international business by specifying the nature of the firm-specific resources and capabilities, stemming from organizational factors that are valuable, rare, inimitable, and non-substitutable. Resource bundles and capabilities are considered heterogeneous across industries (J. Barney, 1991) indicating the existence of superior factors of production that are in limited supply. These factors may be fixed, in the sense that they cannot be easily increased, or, more commonly, quasi-fixed, in the sense that their availability cannot be quickly expanded (Peteraf, 1993).

Firm resources can stem from a tangible and an intangible, intellectual nature (Kamasak, 2017) including "...all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc..." with "physical capital resources including the physical technology used in a firm, a firm's plant and equipment, its geographic location, and its access to raw materials" (J. Barney, 1991, p. 101). The ownership and control of such strategic assets determines which organizations will earn superior profits and occupy a position of competitive advantage over other players in the market (Mahoney & Pandian, 1992).

In a world that is shaped by innovation-based competition, price/performance rivalry, increasing returns and the creative destruction of existing competencies, it is critical to adopt a more dynamic view on resource-based competitive advantages (Eisenhardt & Martin, 2000). A rigid view bears the risk of overlooking strategic blindspots, transitioning into strategic vulnerabilities if not spotted promptly (Teece et al., 1997). Thus, dynamic capabilities refer the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece et al., 1997). Barreto (2010) refines the definition of dynamic capabilities into "the firm's potential to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resource base" (p. 271). To foster dynamic capabilities, companies should

benchmark industry practices by integrating capability development with external trends, their own strengths and weaknesses, and strategic positioning (C. L. Wang & Ahmed, 2007).

Innovators in the bottled water industry are often characterised by access to leading scientific research, a skilled and creative product development team, strong sales with the ability to successfully convey perceived product quality and corporate reputation for quality and innovation (Wen-Cheng et al., 2011). Similarly Ichoroh et al. (2023) argue that employee's quick adaptation to change, their engagement in the implementation process, remuneration and performance transition to core competencies in the success of bottled water firms. This positions human capital and commercial resources (Customer Relationships, Brand Image and Reputation etc.) as the primary determinants influencing innovative activity (Del Canto & González, 1999).

Besides internal factors, it is often changes in the external environment that push an organization to renew or replicate their capabilities (Helfat & Peteraf, 2003). Sensing opportunities and threats, seizing opportunities by reconfiguring and mobilizing resources effectively and reconfiguring the organization's asset base to adapt and sustain competitive advantage become critical abilities in complex business environments (Teece et al., 1997).

Following Barreto's definition of dynamic capabilities (2010), it is critical for companies operating in the bottled water industry to identify opportunities presented by environmental pressures, to adaptively restructure their resource base toward sustainable practices.

PET bottled water is often criticised for being resource intensive, requiring significant amounts of water and energy in the production process (Parag et al., 2023), taking 400 years to decompose naturally (Aslani et al., 2021) and posing environmental concerns in the case of microplastic and carcinogen leakages (Horowitz et al., 2018). Studies have shown that frequent consumers of PET bottled water are exposed to a higher risk of MP ingestion, with the risk of experiencing toxic effects such as oxidative stress, inflammation and potential disruption of biological processes (Gambino et al., 2022 ; Muhib et al., 2023).

Although, compared to other viable options like aluminum, glass or carton packaging, PET bottles can be considered the least energy-intensive (Tamburini et al., 2021) in terms of greenhouse gas emissions, fossil fuel usage and water usage (IBWA, 2024). Glass bottles have the worst environmental impact among all examined packaging types in both midpoint impact

categories (e.g, global warming, ozone depletion) and endpoint macro-categories (human health, ecosystems, resources), but are considered as the most environmentally friendly packaging option by consumers, with PET bottled water perceived as the least sustainable (De Feo et al., 2022). This might lead to the development of consumer groups showing a greater Willingness-to-Pay a premium for bottled water packed in non-plastic materials, especially when influenced by environmental cues (Greibitus et al., 2020). Opportunities for companies may arise by exploring other packaging formats like carton, that has shown to be especially appealing to younger consumer audiences (Pramjeeth & Naidu, 2013) and metal designs, marked by a steady growth alongside the beverage sector because of its lightweight and higher filling efficiency (Deshwal & Panjagari, 2020).

2.5 Market Entry Strategy

The Nobel prize-winning economist Thomas Schelling (1981) introduced the idea of “commitment” and how strategies demonstrating commitment provide an edge for those who adopt them. Benefits of being the committed first mover include establishing brand recognition, preempting resources, and creating switching costs, as well as the potential disadvantages, like high costs and market uncertainty. Lieberman and Montgomery (1988) introduced the notion of first mover advantages (FMA’s) to gain a strategic edge. FMA’s, they cite range from achieving economies of scale and creating brand loyalty to instituting switching costs while risks incurred by firms include free-rider effects, uncertainty, and inertia. Tellis and Golder similarly (2001, p. 3) assert that “...the firm that pioneers or first enters a market is believed to have enormous advantages in terms of success, enduring market share, and long-term market leadership.” A firm’s strategies regarding the choice of a market, market entry timing, and entry mode significantly influence the firm’s performance (Teece & Heaton, 2014). However, Tellis and Golder (2001) suggest that being first-to-market is not always the best strategy. Second movers also have advantages, such as learnings from the mistakes of the first mover and benefitting from positive spillover effects (Lieberman & Montgomery 1988).

To manage the complexities of market entry and maintain strategic flexibility, firms often turn to outsourcing to mitigate risk and optimize resources. Existing production processes, such as packaging, bottling and distribution complexities (Ayantoyinbo, 2018), can be outsourced to leverage the expertise and capabilities of intermediate markets (Holcomb & Hitt, 2007). Outsourcing allows firms to acquire specialized skills and reduce the need for large upfront investments in production infrastructure, allowing management to focus on developing the core

business (Gilley & Rasheed, 2000) and focusing on core competencies such as product development and customer engagement (Kedia & Lahiri, 2007). By and comparing their own capabilities with those of external providers in terms of cost and quality, firms can strategically enhance their competitiveness through access to industry-specific knowledge and efficiencies (Jacobides & Winter, 2005 ; Kedia & Lahiri, 2007).

3 Methodology

3.1 Research Design

Qualitative data was collected through semi-structured interviews with C-level executives and water sommeliers in the bottled water industry. The information obtained was analysed according to Marying (2000). In addition, a quantitative survey was distributed to integrate consumer perspectives and identify critical factors in bottled water consumption. The survey questions were designed to investigate seven hypotheses (see appendix O), which are outlined in the research model below.

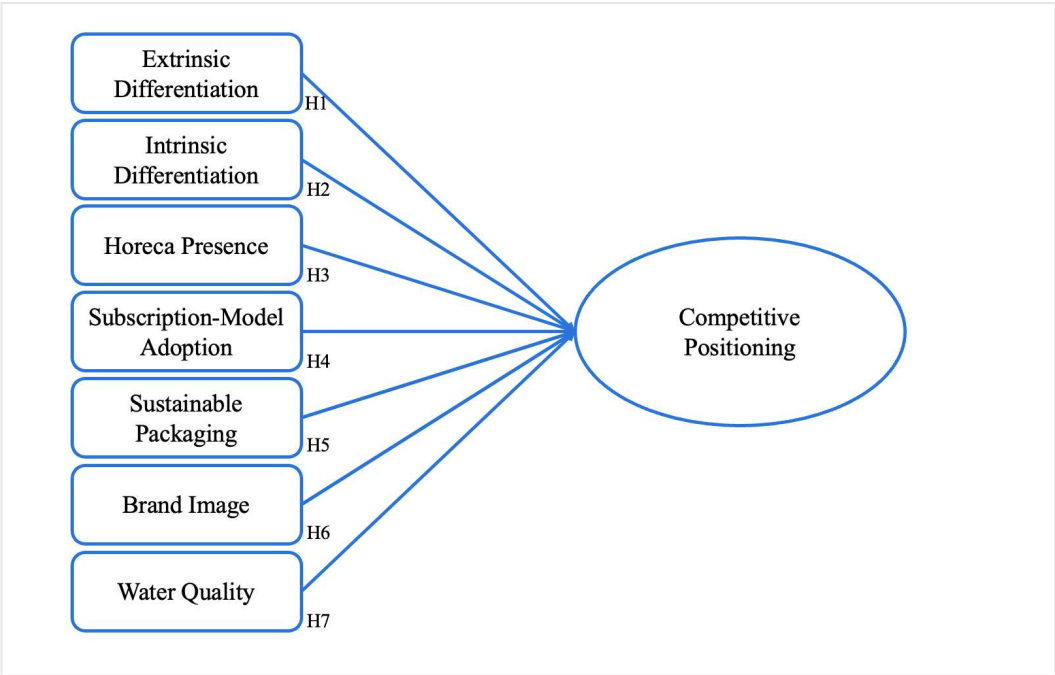


Figure 4: Research Model (Own illustration)

The data collected was analysed using a combination of descriptive and analytical statistical methods, including linear regression models to identify influential factors. Finally, triangulation was applied to reconcile qualitative insights from interviews with industry experts, quantitative survey data and findings from the literature review and to derive a potential business model for companies entering the industry.

3.2 Qualitative data collection

Interviews are a widely used method in qualitative research to gain in-depth insights into individual perspectives, experiences and industry-specific expertise. Twelve interviews were conducted for data collection adequacy while avoiding saturation (Rowley, 2012). In the context of this study, interviews were semi-structured to provide latitude for exploring professionals' thoughts on competitive dynamics, brand positioning, and consumer behavior within the industry. Even though a basic structure was given in the interview process, the semi-structured approach allows the conversation to unfold organically (Seidman, 2006). Follow-up questions were asked when necessary to ensure situation-dependency of the information collected (Turner, 2014). Likert-scale questions were included to transform qualitative attributes into quantitative data for exploring experts' views when appropriate (Joshi et al., 2015).

The interview guide was based on the information obtained in the literature review (Rowley, 2012). Interview questions were divided into three subsections including *Branding*, *Competitive Positioning* and *Internal Resources* (see table 1) . The interview was presented to professionals who occupied significant management positions within major bottled water firms or water sommeliers with experience in premium water categories.

Category	Questions
General	What is your age, your country of origin, and your current occupation
Branding	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
	<u>Likert scale</u> : Branding is more important than the water source to survive in the long term.
Competitive Positioning	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
	How can incumbent bottled water brands compete on price with established players in the market?
	What are the most relevant differentiation potentials new firms should consider when entering the industry?
Internal Sources and Capabilities	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?

Table 1: Framework expert interviews

The interviews ranged from 30 to 45 minutes. Interviewee prospects were contacted via LinkedIn and direct email. The interviews were performed and recorded via video conferencing platforms (Zoom, Google Meet and Teams).

The respondent's positions, together with the market in which they operate and their estimated company turnover, are shown in the table below.

Interview ID	Position	Market	Company revenue estimate 2023
IV1	CEO	Germany	≈ 300 Mio. Euro
IV2	CEO	USA	≈ 7 Mio. Euro
IV3	CEO	France	≈ 10 Mio. Euro
IV4	CEO	USA	≈ 20 Mio. Euro
IV5	CEO	USA	≈ 4 Bn. Euro
IV6	Founder & CEO	Italy	≈ 350 Mio. Euro
IV7	CMO	Italy	≈ 50 Mio. Euro
IV8	CMO	Denmark	≈ 75 Bn. Euro
IV9	Managing Partner	Spain	≈ 20 Mio Euro
IV10	Managing Partner	India	≈ 400 K. Euro
IV11	Water Sommelier	Portugal	-
IV12	Water Sommelier	France	-

Table 2: Anonymized experts interviewed

3.3 Qualitative data analysis

Following Krippendorff's approach to qualitative data analysis (2004), information obtained from the interviews was systematically examined, focusing on themes and frequency of responses. Inductive category system development was applied to allocate the interviewee's statements into categories based on the informant's terms and descriptions (Mayring, 2000). First-Order Analysis was used to identify patterns and relationships to accurately capture informants' descriptions and meanings without imposing theoretical constructs (Gioia, 2021). Numerical data from Likert scale questions were analysed using simple distribution visualisations to identify trend patterns (Adams, 2015).

3.4 Quantitative data collection

To gain insight into the consumer perspective on bottled water and its consumption, a survey was conducted to assess the factors influencing purchase behaviour. The survey was divided into five parts, with the first part collecting general demographic data about the respondents, and the second part emphasising on consumption habits, including consumption frequency, purchase motivations and situational preferences. In the third and fourth parts, intrinsic and extrinsic differentiators were tested to assess a potential higher Willingness-to-Pay for additional health benefits or product design. Finally, the last part assessed preferred channels of purchase as well as experiences and hesitations related to buying bottled water online, with the aim of identifying a shift towards online bottled water purchases.

The survey was distributed in a self-administered manner through various online channels, eliminating postage and interviewer costs and promoting rapid access to responses (Evans & Mathur, 2005). The survey used a combination of Likert scales, single- and multiple choice questions. Data was collected anonymously to ensure unbiased responses, and questions were designed to minimise respondent fatigue and maximise clarity. The complete list of questions (including assessment and measurement) used for the investigation is enclosed in appendix A.

The survey was conducted in November 2024 and answered by 178 respondents. Incompleted questionnaires were excluded from the data, leading to a final data set of n=165 observations.

3.5 Quantitative data analysis

The quantitative data analysis is divided into two parts. The first part presents a frequency distribution of the dataset, including demographic characteristics of the respondents, such as gender, education level, income and location. Descriptive analysis was used to examine consumption patterns across income levels and locations.

In the second stage, regression analysis was applied to test the research hypotheses (see appendix O) regarding differentiation, channel strategies, branding, water quality and sustainable packaging. Multiple regression models were employed to assess the influence of the independent variables (see appendix A) on the dependent variable. Statistical significance was assessed for each model using metrics such as the F-statistic and p-values.

The dependent variable (competitive positioning) takes the form of a score that combines variables assessing consistent brand preference, openness to trying new brands, the impact of sustainable packaging on brand loyalty and Subscription Service Openness. The assessment and measurement of the dependent variable is clarified in appendix A.

4 Results

4.1 Analysis of the interviews

Based on the interviews conducted with experts from the industry and water sommeliers, insights were derived through inductive category creation. The transcribed interviews were

coded according to the steps described in chapter 3.3, leading to the formation of four major categories and ten subcategories (see figure 5).

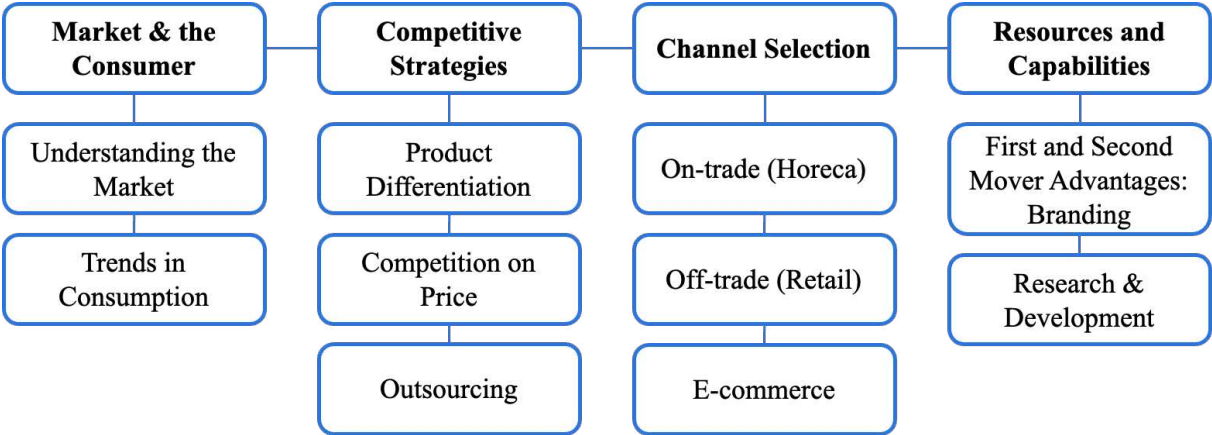


Figure 5: Code structure qualitative interview outcome (Own illustration)

4.1.1 Market & the Consumer

4.1.1.1 Understanding The Market

To be competitive in the bottled water market, it is essential to have a thorough understanding of the market in which the company operates in (IV7, 2024). In Europe, particularly in countries such as Italy, Germany and France, bottled water can be considered a cultural phenomenon and consumers (Spar & Bebenek, 2008) tend to be more aware of the characteristics associated with high quality water (IV7, 2024 ; IV11, 2024 ; IV12, 2024). As a result, the intrinsic character of the water becomes more relevant and the bottled water product less differentiated at the extrinsic level (IV7, 2024). Natural mineral waters are valued because they are untreated and come directly from natural springs or underground reservoirs, while the US mass consumer is more flexible and prefers purified water (IV4, 2024 ; IV11, 2024 ; IV12, 2024). When consumers are less aware of the characteristics of different mineral waters, less attention is paid to the fixed residue and the amount of salts in the water, giving operators more opportunities to differentiate in terms of product design (IV7, 2024).

4.1.1.2 Trends in Consumption

Since its introduction, bottled water has provided a sense of safety and transparency, particularly in health and medicine (IV1, 2024; IV2, 2024). This trend continued during COVID-19, "with people more aware than ever of the need to behave, eat and drink in ways that contribute to their overall health and well-being" (IV8, 2024). The decline in alcohol

consumption among young people has led to an increase in the choice of soft drinks when socialising (IV3, 2024; IV1, 2024). Younger demographics also emphasise sustainability, with a focus on reducing plastic and supporting green procurement (IV2, 2024; IV3, 2024; IV4, 2024; IV9, 2024; IV10, 2024). While PET plastic is considered the most sustainable by nine out of twelve experts, consumer perceptions ultimately drive packaging trends.

Scepticism about the quality of tap water, caused by concerns about water management and pollution, is influencing consumption, according to two experts (IV3, 2024; IV12, 2024), who draw on an example from the French bottled water market. Despite premium brands such as Evian, the low-cost brand Cristaline dominates, offering perceived safety over quality. Conversely, a counter-trend (IV11, 2024; IV12, 2024) promotes premium bottled water in upmarket establishments, with exclusive bottles sold for several hundred euros.

4.1.2 Competitive Strategies

4.1.2.1 Product Differentiation

The societal trends highlighted in section 4.1.2.3 create a nurturing playground for companies aiming towards the creation of a differentiated product. In terms of intrinsic character, differentiation is based on functional additives that add value to water through the inclusion of electrolytes or claims of faster hydration (IV11, 2024 ; IV12, 2024), catering to the current fitness and wellness lifestyles. In the case of natural mineral waters, it is the water source that provides the liquid with its distinct taste profile (IV1, 2024 ; IV3, 2024 ; IV6, 2024 ; IV11, 2024 ; IV12, 2024). Whereas there is a lack of mineral components, additives may be included artificially in a way to reach a distinctive competitive positioning on the market (IV1, 2024 ; IV2, 2024 ; IV8, 2024). Another twist in terms of internal product composition can be achieved by adding flavour (IV1, 2024 ; IV2, 2024 ; IV3, 2024 ; IV10, 2024).

Another important dimension in product differentiation relates to the packaging format. The sustainability discussion from a customer point of view creates potential for new materials, especially towards glass and aluminum. Ten out of 12 experts agreed that carton packaging represents the most unsustainable solution to pack water. This can be attributed to its multi-layered composition including a mix of plastics, paper and aluminum and a lack of specialized recycling facilities (IV1, 2024 ; IV2, 2024 ; IV5, 2024).

4.1.2.2 *Competition on Price*

All the experts interviewed agreed that cost-competition is not a viable competitive strategy for new bottled water companies that lack significant amounts of capital. According to the interviewees, this is due to the significant up-front investment required to purchase capital-intensive bottling equipment and establish efficient logistics systems (IV3, 2024 ; IV5, 2024 ; IV7, 2024 ; IV9, 2024). In addition, the need to spread fixed costs over large volumes of production requires companies to have established relationships with retailers across multiple channels to generate sales (IV2, 2024 ; IV4, 2024 ; IV9, 2024). According to one interviewee (IV2, 2024) it is also aggressive commercial strategies and volume based incentives of major players that complicates cost competition for entrant firms which enter the field with a limited brand awareness.

4.1.3 Channel Selection

4.1.3.1 *On trade (HORECA)*

Targeting the on-trade is a viable strategy for new entrants and offers key advantages. Restaurants and similar venues value the introduction of unfamiliar bottled water brands to meet the need for uniqueness and differentiation (IV1, 2024; IV2, 2024). Many prefer locally sourced products that reflect regional identity and appeal to preferences for authenticity and sustainability, fostering long-term partnerships. Bottled water brands can position themselves as premium or artisanal, enhancing customer experience with exclusive or regionally relevant waters (IV4, 2024; IV3, 2024; IV7, 2024). Gyms, spas (IV6, 2024), and golf clubs (IV5, 2024) are effective channels for health-conscious consumers. Vending machines offer convenience in strategic locations and communicate brand values (IV4, 2024; IV6, 2024; IV9, 2024).

The main barrier to growth identified in the on-trade is scale (IV1, 2024; IV2, 2024; IV5, 2024; IV7, 2024; IV9, 2024), with large hotel groups and restaurant chains favouring brands willing to sacrifice margin for exposure (IV1, 2024; IV3, 2024). “*Take Nestlé—they do 30% of their business in restaurants, hotels, and 70% in retail, which brings money*” (IV3, 2024). A pure HORECA model requires a highly differentiated premium product and a commitment to exclusivity across selected markets to bypass retail entirely (IV10, 2024; IV11, 2024; IV12, 2024).

4.1.3.2 *Off trade (retail)*

The off-trade retail market was highlighted as the most critical in terms of revenue generation but also the most difficult to access as a newcomer to the bottled water business (IV2, 2024; IV3, 2024; IV5, 2024; IV6, 2024; IV7, 2024). This is mainly due to the fact that retailers are looking for products that sell well to generate consistent revenues (IV3, 2024). The best-selling products tend to be those with high brand awareness or those offered at the lowest prices (IV2, 2024). “*They will only take your brand into distribution once they know that your brand has weight*” (IV3, 2024). Retail chains selectively stock products aligning with their strategy or target market (IV5, 2024). Slotting fees add financial complexity for new entrants (IV7, 2024). Early stage strategies include strategic retail partnerships, where retailers provide shelf space for a share of the business (IV1, 2024), or private labelling, where brands sell under the retailer’s name for stable revenues (IV5, 2024; IV7, 2024), which is irrelevant for brands seeking independent market positioning.

4.1.3.3 *E-commerce*

The e-commerce channel was highlighted by all 12 experts as essential but associated with two major obstacles: Product weight and low margins. Each litre of water weighs approximately one kilogram, resulting in high transportation costs that undermine profitability (IV1, 2024; IV3, 2024; IV5, 2024; IV7, 2024; IV8, 2024). In addition, the low price of water leaves little room to offset these costs. This dynamic is evident in the struggles of major players like Fiji Water, where high shipping costs undermine profitability despite premium pricing (IV1, 2024; IV3, 2024). E-commerce giants such as Amazon exacerbate this with tight margins in marketplace operations (IV7, 2024). Bottled water brands often use seller-centric models, shipping directly to Amazon's warehouses to optimise logistics. One interviewee (USA) noted that Amazon's seller-centric model is the most profitable for their business (IV2, 2024), especially with subscription-based models ensuring consistent revenues (IV2, 2024; IV6, 2024; IV9, 2024). Respondents in Europe claim that Amazon is less suited to low-margin products unless they are shipped in bulk (IV3, 2024; IV7, 2024) and integrated with platforms that cater to moments of consumption, such as food delivery apps, Grab and Food Panda (IV8, 2024).

4.1.4 Resources and Capabilities

4.1.4.1 Branding Capabilities; First and Second Mover Advantages

Without a strong marketing team with superior branding skills, water brands cannot command premium prices in a saturated market. Three fundamental branding dimensions emerged from expert interviews: (1) intrinsic character, (2) extrinsic character, and (3) emotional appeal.

The intrinsic character and emotional appeal of historic bottled water companies often stem from the provenance of the source (IV1, 2024; IV3, 2024; IV4, 2024; IV7, 2024). Pristine alpine mountains (e.g., Evian) or exotic islands (e.g., Fiji Water) serve as a basis for brand building, associating products with purity and nature. Lifestyle associations add emotional appeal by creating stimulating experiences linked to belonging and social status (IV2, 2024; IV10, 2024; IV11, 2024), reinforced by packaging materials and bottle designs (extrinsic factors) that enhance exclusivity or meet practical needs (IV1, 2024; IV2, 2024; IV9, 2024; IV10, 2024; IV11, 2024; IV12, 2024).

The experts highlighted sustainability as an important emotional component: *“The world doesn’t need another bottled water company, but a catalyst for change... So better light a candle than curse the darkness”* (IV4, 2024). Engaging consumers today requires reducing environmental impact and contributing to societal good (IV1, 2024; IV4, 2024; IV5, 2024; IV8, 2024), providing opportunities for second movers.

In the context of branding and the importance of the water source within the brand narrative, a Likert scale question was introduced to test the experts' opinion on whether branding outweighs the value of water quality in the long run. The responses are shown in the graph below:

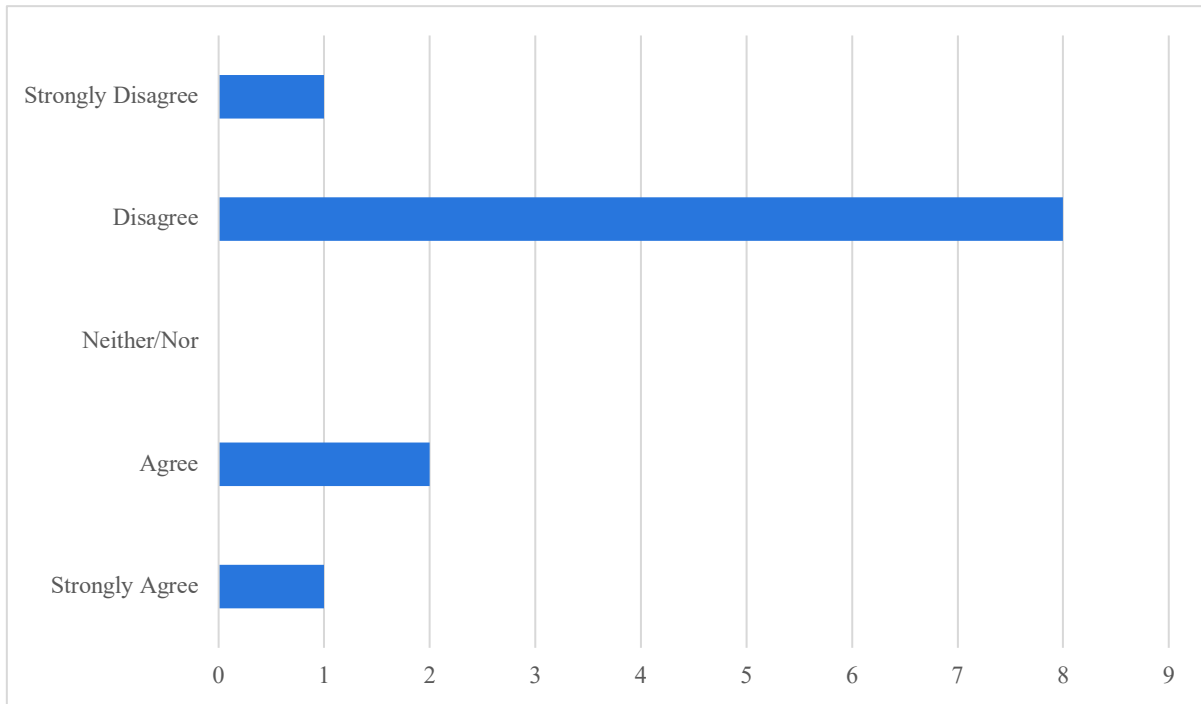


Figure 6: Branding vs. Water quality likert scale question interviews (Own illustration)

Eight out of 12 experts in the interview viewed water quality as the foundation for building a successful brand in the business. *“If you don't have a handle on how to build your brand positioning from the intrinsic levels up to the emotional levels, wherever you play, sooner rather than later you're going to have a problem”* (IV1, 2024). Similarly, another interviewee emphasised that *“if you don't really stand for anything other than gimmicky marketing and you're constantly changing your source, the only way to survive in the long term is in the event space”* (IV4, 2024). Accordingly, the longevity of companies in the industry can be attributed not only to effective branding, but above all to intrinsic quality aspects.

4.1.4.2 Research & Development

The area of research and development was emphasised mainly in terms of product development, which consists of the liquid and the packaging. The importance of water quality positions geological expertise as a critical component in the development process. Although outsourced in most cases (IV1, 2024), geologists ensure the sustainability, quality, and regulatory compliance of the water, also identifying differentiating intrinsic quality attributes that serve in competitive positioning (IV10, 2024 ; IV11, 2024 ; IV12, 2024). This expertise not only contributes to the marketing narrative on quality (IV11, 2024 ; IV12, 2024) but also safeguards the long term viability of water extraction (IV1, 2024).

Product design and brand positioning are the responsibility of the product development and marketing teams, who make decisions about packaging materials/formats and brand positioning that ultimately influence channel selection and distribution (IV3, 2024 ; IV10, 2024). Success is measured by assessing the team's ability to identify and solve the pain points of a customer segment (IV4, 2024). Design thinking and prototyping are emphasised, starting small with minimum viable propositions and scaling based on validated consumer responses (IV7, 2024 ; IV8, 2024 ; IV9 2024).

4.1.4.3 Outsourcing

Sourcing strategies have been suggested as an effective approach to facilitate market entry for new entrants. Experts emphasise that the early stages of setting up a bottled water company should be used primarily for brand differentiation and awareness building, while leveraging external expertise in the areas of sourcing and packaging (IV1, 2024 ; IV3, 2024 ; IV7, 2024 ; IV8, 2024). Partnerships with toll-fillers or established companies in the business allow entrants to agree to certain volumes produced in order to scale production incrementally based on market demand (IV1, 2024 ; IV8, 2024). Additional value lies also in the access of premium water sources without infrastructure investment (IV3, 2024).

Concerns raised by two interviewees focused on quality control and supply chain efficiency (IV12, 2024), as well as limited margins due to profit sharing with bottlers, with bottlers typically demanding higher profit shares due to their higher investment and assumed risk (IV3, 2024).

4.2 Quantitative analysis of the Survey

This analysis is divided into five chapters. The first part (4.2.1) provides an overview of the demographics of the survey and relationships between some of the dimensions outlined. The following chapters attempt to explain the impact of the independent variable constructs on the dependent variable 'competitive positioning' as defined in chapter 3.5.

4.2.1 Demographics and general

The dataset contained 165 observations, with the majority of respondents (53.94%) identifying as male, while 44.24% identified as female. In terms of place of residence, the largest proportion of respondents (44.85%) reported living in urban areas. Suburban areas were home to 29.70% of the sample, while 24.85% lived in rural areas. A small proportion (0.61%) reported living in residential areas.

With regard to educational attainment, the most commonly reported level of education was a Bachelor's degree, held by 41.21% of respondents. In addition, 18.18% reported having a Master's degree or higher. With respect to income distribution, the largest proportion of respondents (40.24%) reported an income between €3000 and €4999, with 28.05% earning between €1000 and €2999. Further demographic details are presented in Table 4.

Variable	Frequency	Percentage
Gender		
Male	89	53.94%
Female	73	44.24%
Non Binary	2	1.21%
Prefer not to say	1	0.61%
Total	165	
Age		
Under 18	3	1.84%
18-24	29	17.79%
25-34	44	26.99%
35-44	67	41.10%
44 or older	20	12.27%
Resident		
Urban	74	44.85%
Suburban	49	29.70%
Rural	41	24.85%
Others	1	0.61%
Total	165	
Education		
Less than High School	4	2.42%
High School	12	7.27%
Some College	22	13.33%
Associate Degree	29	17.58%
Bachelor's Degree	68	41.21%
Master Degree or Higher	30	18.18%
Total	165	
Income Level		
Below €1000	7	4.27%
€1000 - €2999	46	28.05%
€3000 - €4999	66	40.24%
€5000 and above	45	27.44%

Table 3: Demographics sample

Individuals with an income of €5000 or more showed the highest proportion of daily or near-daily purchases, reflecting greater affordability. In contrast, lower income groups, particularly those earning less than €1000, were more likely to buy bottled water rarely or never, suggesting cost barriers. Middle income groups (€1000-€4999) showed moderate consumption patterns, with many buying bottled water 2-3 times a week or once a week. This balance may reflect a mix of financial constraints and lifestyle choices. Overall, income strongly influenced bottled water consumption, with higher income associated with greater frequency.

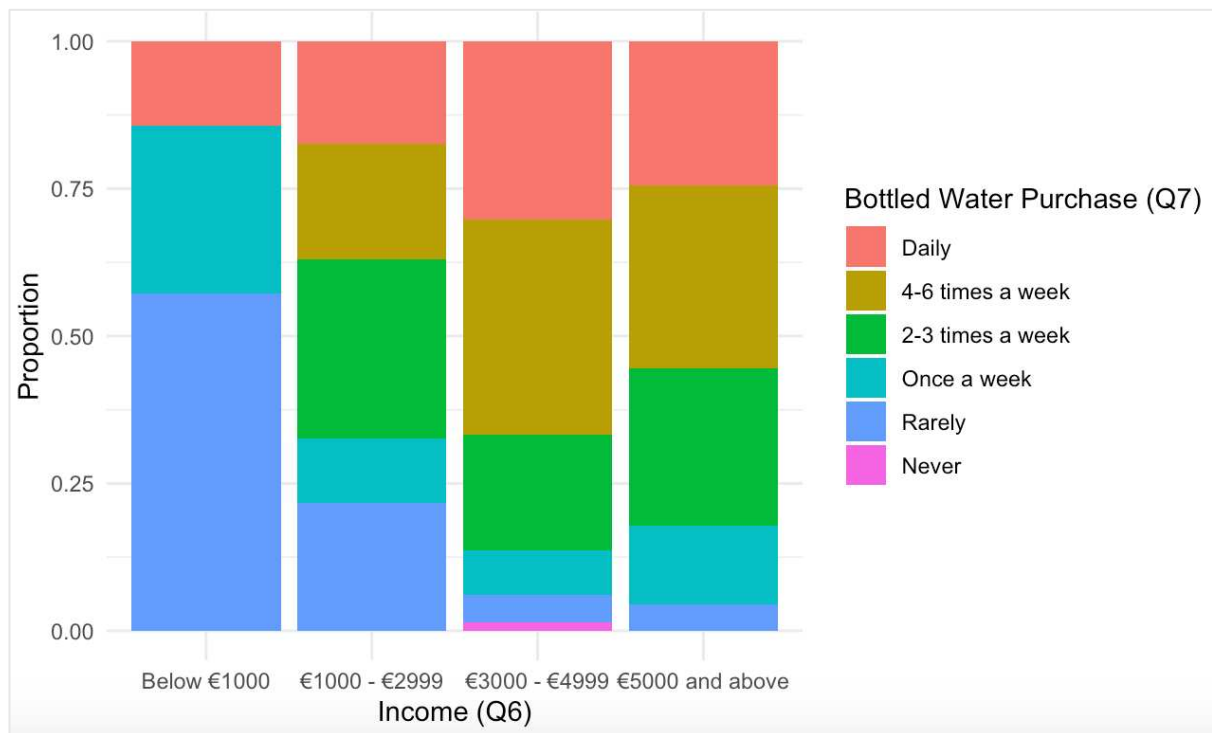


Figure 7: Proportion of Bottled Water Purchase by Income Level (Own illustration)

The frequency of bottled water consumption also varied significantly by location. Urban dwellers showed the highest levels of frequent consumption, with a significant majority purchasing bottled water daily or 4-6 times a week. Suburban areas followed a similar pattern but showed a more balanced distribution, with many people buying bottled water 2-3 times a week or once a week. In rural areas, consumption was less frequent, with higher proportions reporting infrequent or weekly purchases. The 'other' category showed minimal consumption at all frequencies, indicating limited representation.

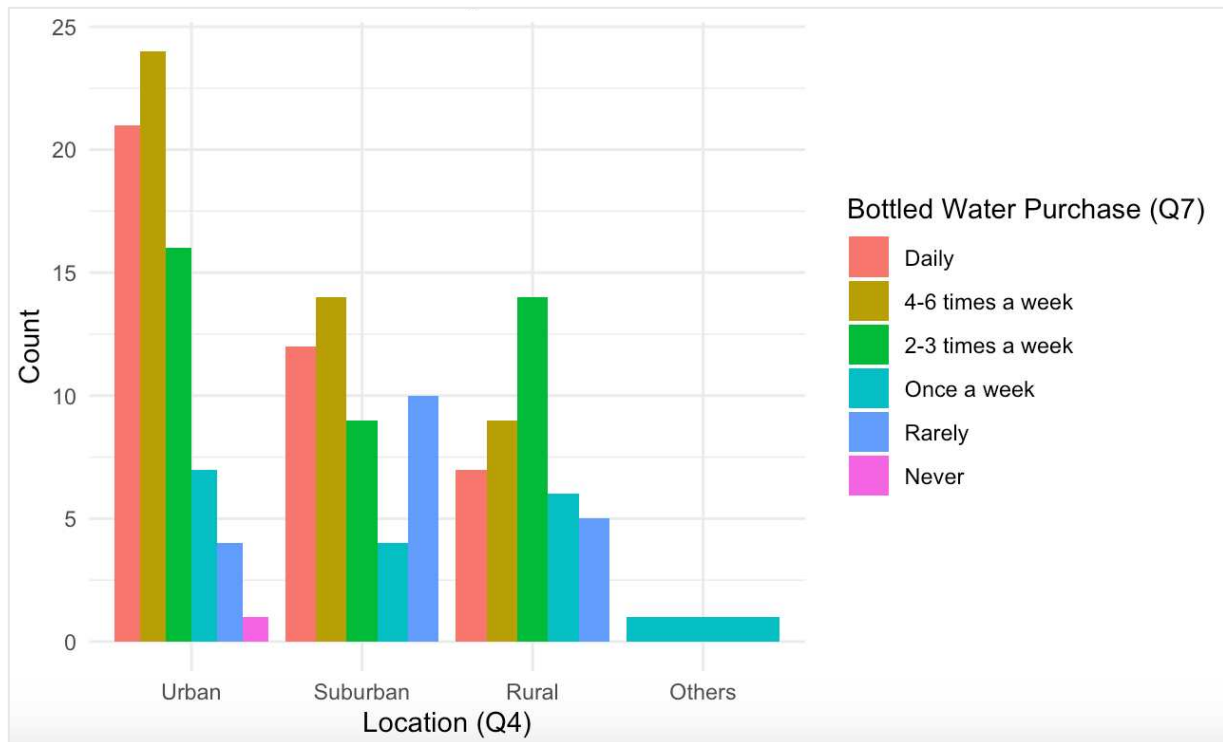


Figure 8: Bottled Water Purchase by Location (Own illustration)

4.2.2 Assessment of Competitive Positioning Drivers

The variables used for the empirical assessment are covered by questions on Extrinsic Differentiation (two items), Intrinsic Differentiation (two items), HORECA Presence (1 item), E-commerce Channel (two items), Sustainable Packaging (1 item), Branding Importance (two items) and Water Quality Importance (two items).

Independent Constructs	Item	Assessment	Mean	Median
Extrinsic Differentiation	Q17	Likert-scale	3.9	3
	Q19	Likert-scale	3.5	4
Intrinsic Differentiation	Q14	Likert-scale	2.8	2
	Q16	Likert-scale	3.7	4
HORECA Presence	Q10	Single-choice	3.1	3
E-commerce Channel	Q7	Single-choice	2.6	2
	Q25	Likert-scale	2.6	2
Sustainability	Q19	Likert-scale	3.5	4
Branding Importance	Q12	Single-choice	2.9	3
	Q19	Likert-scale	3.5	4
Water Quality Importance	Q13	Likert-scale	1.3	1
	Q15	Likert-scale	2.8	2

Table 4: Means and Medians of independent Constructs

The inclusion of Q19 ("I would be likely to choose bottled water in alternative packaging formats as I perceive them to be more sustainable") in Extrinsic Differentiation, Sustainable Packaging and Brand Image is theoretically justified as it captured distinct but interrelated

dimensions: the role of alternative packaging as a product differentiator (Extrinsic Differentiation), its perceived sustainability benefits (Sustainable Packaging) and its contribution to enhancing brand perception as socially responsible and premium (Brand Image).

The high mean and median (mean = 3.5, median = 4) of Q19 suggested that consumers were more likely to choose a product packaged in a different format than other available options because it is perceived as more sustainable.

Other meaningful values can be derived from Q17 and Q25. The former, with a mean of 3.9 and a median of 3, and the latter, with a mean of 2.6 and a median of 3, positioning distinctive product design as a dominant factor influencing Willingness-to-Pay across the consumer survey. The median of Q25 also suggested a slight shift towards subscription openness among a subset of respondents. Subscription Service Openness had the highest openness in urban and suburban locations (see appendix B), where convenience and accessibility were likely to be more highly valued (Oliveira et al., 2019). Respondents with higher consumption rates were also more likely to opt for subscription-based options (see appendix B) according to the results of the survey.

4.2.2.1 Differentiation

	Multiple R²	0.08	Adjusted R²	0.06
	F-Statistics	6.611**	Residual SE	0.6025
	Estimate	Standard error	T – statistic	P – value
Intercept	2.38	0.23	10.176	0.00***
Intrinsic Differentiation	-0.02	0.07	-0.30	0.76
Extrinsic Differentiation	0.20	0.06	3.34	0.00**

Table 5: Differentiation

The regression model examined the impact of intrinsic and extrinsic differentiation on competitive positioning. Intrinsic differentiation was measured by averaging Q14 (Functional brand perception of bottled water in a grocery store) and Q16 ('I am willing to pay more for bottled water with added health benefits such as minerals or electrolytes'). Extrinsic differentiation was assessed by averaging Q17 ("I am willing to pay more for bottled water with distinctive product design") and Q19 ("I would be likely to choose bottled water in alternative packaging formats as I perceive them to be more sustainable").

The results of the model showed a multiple R^2 of 0.08, indicating that the independent variables explained 8% of the variation in competitive positioning, with an adjusted R^2 of 0.06, suggesting modest explanatory power. The F-statistic (6.611, $p < 0.01$) confirmed the overall significance of the model. Looking at the coefficients, intrinsic differentiation had a negligible effect (estimate = -0.02, $p = 0.76$), suggesting no statistically significant relationship. Conversely, extrinsic differentiation had a positive and significant effect at the 95% confidence interval (estimate = 0.20, $p = 0.00$). This led to the support of H1 (extrinsic differentiation has a positive and significant impact on competitive positioning) and rejection of Hypothesis 2 (intrinsic differentiation has a positive and significant effect on competitive positioning).

4.2.2.2 Channel-evaluation

The model investigating the impact of the on-trade (HORECA presence) and E-commerce channel explained a moderate proportion of the variance in competitive positioning, with a multiple R-squared value of 0.15 and an adjusted R-squared value of 0.13. This suggested that the independent variables together accounted for about 15% of the variation in competitive positioning. The F-statistic of 9.212 was highly significant, indicating that the model performed significantly better than a null model.

	Multiple R²	0.15	Adjusted R²	0.13
	F-Statistics	9.212***	Residual SE	0.581
	Estimate	Standard error	T – statistic	P – value
Intercept	1.93	0.24	8.04	0.00***
HORECA Presence				
Taste, Safety & Hygiene	0.53	0.18	2.91	0.00**
Health & Lifestyle	0.58	0.19	3.1	0.00**
Subscription Model Adoption	0.23	0.04	4.99	0.00***

Table 6: Regression model - Channel Evaluation

To validate the impact of on-trade presence (HORECA) on competitive positioning, responses to Q10 (In a restaurant or similar setting, I prefer bottled water to tap water because...) were coded into three categories to explore the motivations for preferring bottled water in a restaurant-like setting. Category (1) "indifferent to source" (when Q10 == 6), category (2) "Taste, Hygiene & Safety" (when Q10 is either 1, 2 or 5) measuring functional factors and category (3) "Health & Lifestyle" (when Q10 is 3 or 4) measuring perceptual and lifestyle-driven purchase motivations. The results showed that the coefficient for "taste, hygiene & safety" was positive and statistically significant at the 90% confidence interval (estimate = 0.53,

p = 0.00), showing evidence that functional motivations significantly impact competitive positioning within restaurant environments. In contrast, the “Health & Lifestyle” category also showed a significant positive effect at the 90% confidence interval (estimate = 0.58, p = 0.00), leading to the support of H3 (Horeca Presence has a positive and significant effect on competitive positioning).

The e-commerce channel variable was averaged by combining Q7 (How often do you consume bottled water?) and Q25 (How likely would you be to consider subscribing to a service that delivers your favourite brand of water...) to capture behavioural frequency and attitudinal openness. In the regression analysis, the e-commerce channel variable showed a highly statistically significant effect at the 99% confidence interval (estimate = 0.23, p < 0.001), suggesting the importance of frequency of consumption and subscription service openness in explaining competitive positioning and therefore supporting H4 (Subscription-Model Adoption has a positive and significant impact on competitive positioning).

4.2.2.3 Sustainable Packaging Factor

	Multiple R²	0.04	Adjusted R²	0.03
	F-Statistics	3.695	Residual SE	0.6128
	Estimate	Standard error	T – statistic	P – value
Intercept	2.83	0.09	29.90	0.00***
Sustainable Packaging				
Don't know	0.28	0.17	1.64	0.10
Agree	0.30	0.11	2.69	0.00**

Table 7: Regression model - Sustainability Factor

The sustainable packaging factor (Q19) was manipulated by recoding responses into three different categories based on their original numerical values: responses 1 and 2, likely representing "strongly disagree" and "disagree", were recoded as 1 and labelled "disagree". Response 3, representing a neutral position, was recoded as 2 and labelled "Don't know". Responses 4 and 5, representing "agree" and "strongly agree", were recoded as 3 and labelled "agree".

Despite this refined categorization, the model explained only 4% of the variance in competitive positioning (multiple R² = 0.04, adjusted R² = 0.03), suggesting that sustainable packaging alone was not a strong determinant of competitive positioning. However, respondents who 'agree' with the importance of sustainable packaging showed a significant positive effect at the

95% confidence interval (estimate = 0.30, p-value = 0.00), advocating a positive impact on competitive positioning. On the other hand, respondents in the 'don't know' category (estimate = 0.28, p-value = 0.10) were not significantly different from those who 'disagree', suggesting that ambivalence towards sustainability did not have a significant impact on competitive positioning.

This indicated that H5, which hypothesises that sustainable packaging improved competitive positioning, was partially supported, as sustainable packaging although positive and significant in the 'agree'-category has limited explanatory power within the model.

4.2.2.4 Branding and Water quality

To explore a potential relationship between branding importance and water quality importance on competitive positioning, two independent variables were constructed by aggregating survey questions that reflect broader consumer attitudes. Branding Importance captured the importance consumers place on branding elements and was calculated as the mean of responses to Q12 (perceptions of premium bottled water, including sophistication and health benefits) and Q19 (preferences for sustainable packaging). The importance of water quality, on the other hand, reflected the emphasis on intrinsic product attributes such as purity and source, and was derived from the mean of Q13 (likelihood of consuming bottled water in developing countries) and Q15 (importance of water purity and source).

	Multiple R²	0.04	Adjusted R²	0.03
	F-Statistics	3.121**	Residual SE	0.5958
	Estimate	Standard error	T – statistic	P – value
Intercept	2.47	0.24	10.064	0.00***
Branding Importance	0.15	0.07	2.39	0.02*
Water Quality Importance	0.04	0.06	0.69	0.49

Table 8: Regression model - Brand Image and Water Quality

The results indicated that the model had limited explanatory power, as evidenced by an R² value of 0.04, suggesting that only 4% of the variance in the dependent variable was explained by the predictors. However, the F-statistic of 3.121, significant at the p < 0.05 level, confirmed that the independent variables collectively contributed to the explanation of the dependent variable, indicating that as bottled water companies place greater importance on branding elements such as sustainable packaging practices and premium design, competitive positioning is positively influenced. This finding supported the hypothesis (H6) that branding has a positive and significant impact on competitive positioning. In contrast, the importance of water quality ($\beta =$

0.04, $p = 0.49$) was not found to have a significant impact, leading to the rejection of H7 (Water quality has a positive and significant impact on competitive positioning).

5 Discussion

The discussion chapter is split into two parts. The first is a general discussion encompassing a triangulation of the literature review, quantitative data from the survey, and qualitative insights from the interviews, primarily focusing on purchasing behavior. The second section discusses how the extracted insights can be integrated into a business model's practical application and strategic functionality.

5.1 General discussion

The bottled water market landscape was characterised as highly concentrated in the literature on the topic and in the qualitative analysis, with both Bain (1954) and experts arguing that price leadership will always be effective in a commoditised market, capturing a large market share and achieving financial success as a result of large volumes produced and sold (IV3, 2024). However, adopting the same strategic framework as the major players in the market was described as relatively complicated for a new entrant to the bottled water industry, given the financial leverage and bargaining power these F&B giants have over their retailers.

Where commoditization occurs, opportunities for differentiation often arise (Porter, 1985). Carlucci et al. (2016) found that both intrinsic and extrinsic attributes of bottled water have a positive and significant impact on price, with extrinsic product attributes being the key driver. Expert interviews confirmed this, highlighting functional additives, unique sources and distinctive packaging formats to create a differentiated profile in the eyes of the consumer (IV1, 2024; IV2, 2024; IV11, 2024). Interviewees also discussed the importance of monitoring the market for opportunities for differentiation, suggesting that there is greater potential for differentiation if consumers are less concerned about fixed residues and salt content in water (IV4, 2024 ; IV11, 2024 ; IV12, 2024). The results of the regression analysis showed that extrinsic differentiation indeed plays a critical role in competitive positioning, advocating the development of aesthetic bottle attributes and external product features to attract consumer attention. Despite the emphasis on broader societal trends towards wellbeing and healthy lifestyles (Olsen, 1999 ; IV8, 2024), both intrinsic differentiation and water quality attributes were found to be insignificant in explaining variation in the dependent variable, competitive

positioning. The low mean of 2.8 and median of 2 on a 1-5 Likert scale from (1) strongly disagree to (5) strongly agree with the statement "Water purity and source are the first things I look at when buying bottled water" further supports the notion that quality attributes are a secondary factor in bottled water purchase behaviour.

This leads the discussion towards the importance of branding, which has been positioned as the most important contributor to bottled water purchase behaviour (Lema & Wodaje, 2018). Expert opinions on the subject point in the opposite direction, arguing that water quality trumps good branding in explaining the longevity of a bottled water company in the market (see figure 6). This implies that brands that lack substance behind their branding initiatives risk being overtaken by competitors with better quality attributes and branding over longer time horizons (IV1, 2024; IV2, 2024). However, the variable of water quality proved difficult to be considered in isolation, as both Gleick (2010) and expert interviews revealed that it is more closely linked to brand associations and the emotional appeal of provenance from a consumer perspective, conveying trust and signifying purity (IV1, 2024 ; IV3, 2024 ; IV4, 2024 ; IV7, 2024). The statistical significance of branding on competitive positioning therefore highlights the importance of focusing on a compelling brand narrative and attributes to ensure a competitive position in the market, but is insufficient to argue that water quality does not play a role in the equation, especially in ensuring the long-term survival of a firm in the business.

The on-trade (HORECA) and e-commerce platform (subscription service) were identified as the primary distribution channels for new entrants to gain traction and build brand awareness in the market. The entry facilitating role of the HORECA environment lies in its consumptive nature, allowing for premium visibility and being associated with an emotional experience that drives impulse beverage consumption and therefore brand purchase (Barin, 2009). This is supported by experts arguing that hospitality providers appreciate the uniqueness of introducing unfamiliar bottled water brands for differentiated product offerings (IV1, 2024 ; IV2, 2024). The regression on the on-trade segment revealed that it is both functional and aspirational needs that help explain competitive positioning. While the positive and significant coefficient of "Health and Lifestyle" further strengthens the importance of branding and focusing on a distinctive bottle appearance, the positive and significant influence of "Taste, Safety & Hygiene" also explains the relevance of confidence and assurance factors, likely to be shaped by the cultural narrative surrounding the product. These preferences are consistent with (Doria, 2006 ; Debbeler et al., 2018) who argue that a lack of confidence in the safety of tap water is a

critical driver of bottled water consumption, positioning bottled water as the superior choice to existing drinking practices (Hawkins, 2017). Experts further reinforced this notion, attributing success of the low-cost Cristaline brand in France mainly to growing scepticism about the quality of tap water due to agricultural pollution in several areas of France (IV3, 2024 ; IV12, 2024). The low mean of 1.3 and median of 2 on a likert scale of 1-3 from (1) More likely to (3) to the statement “Are you more or less likely to drink bottled water in a developing country” (see appendix A) further supports this notion.

E-commerce, on the other hand, was described as a relatively new phenomenon in the FMCG industry, currently implemented by a limited number of companies (Fornari et al., 2018). The main advantages are access to a wider consumer audience and the isolation of physical retail. However, challenges associated with this channel are the generally low margins of the bottled water product (Kotzab & Teller, 2005). This perspective was echoed by the experts, who extended the view by stressing the importance of encouraging customers to make consistent purchases to make the channel viable. In this context, the literature proposed the introduction of subscription models to capitalise on the repeat purchase cycle of the industry to make revenues more consistent (Economist, 2018). This view was shared by experts, although adjusted by the fact that individual shipments can be inefficient and costly unless they are bundled or optimised for bulk delivery to reduce logistics costs (IV3, 2024 ; IV7, 2024).

The regression analysis showed that subscription service openness when averaged with consumption frequency, demonstrated a positive and significant impact on the competitive positioning. This was found to be particularly true for a subset of consumers who are characterised by high consumption and live in urban areas.

Literature findings also point to the importance of sustainable practices as consumer preferences increasingly favour environmentally friendly options, with PET packaging widely criticised for its environmental impact. However, Pramjeeth & Naidu (2013) suggest opportunities to explore alternative materials such as cardboard or aluminium, which appeal to younger and environmentally conscious consumers. Experts reinforced the findings from the literature by emphasising that sustainability has become a critical consumer demand. Despite the industry consensus that PET is currently the most sustainable packaging material, consumer perceptions often contradict this view and favour other alternatives (IV3, 2024; IV9, 2024), highlighting the importance of aligning business practices with market expectations.

Quantitative findings on the impact of sustainable packaging showed that it explains only 2% of the variance in the dependent variable. However, respondents who agree with the importance of sustainable packaging demonstrated a significant positive impact, supporting its relevance for certain consumer segments.

Category	Key Competitive Drivers	Details
Product Differentiation	Extrinsic differentiation	-External, visible features over intrinsic functional and quality attributes -Focus on aesthetics and sustainable packaging
Emotional Appeal	Branding	-Narrative and emotional appeal enhance competitive positioning -Focus on sustainability initiatives, sustainable sourcing and packaging
Distribution Channels	On-Trade (HORECA)	-Premium visibility and lifestyle enhancement -Reinforcement of aesthetic bottle design through high lifestyle perception in HORECA -Branding focused on trust-building
	E-commerce Subscription-based	-Subscription models for revenue consistency -Bulk deliveries to mitigate delivery challenges -Focus on urban and high-consumption demographics
Sustainability	Alternative packaging materials	-PET perceived as less sustainable by environmentally conscious consumer segment -Cardboard and aluminum -Potential to gain market share by exploiting non-plastic packaging options

Table 9: Key Competitive Driver Matrix

5.2 Entry business model conception

A business model serves as a framework that outlines how a company operates, delivers value to its stakeholders, and links its input (factor) markets with its output (product) markets (Zott & Amit, 2010). It can therefore be understood as the value a company aims to deliver to its customers, the way it structures its operations to achieve this and the method it uses to retain a share of the value it creates (Teece, 2010). Based on the information extracted from expert interviews and quantitative analysis, a simplified business model for an entry-level bottled water company was derived and built on three dimensions: operational efficiency, value-driven differentiation and channel diversification leading to profit generation.

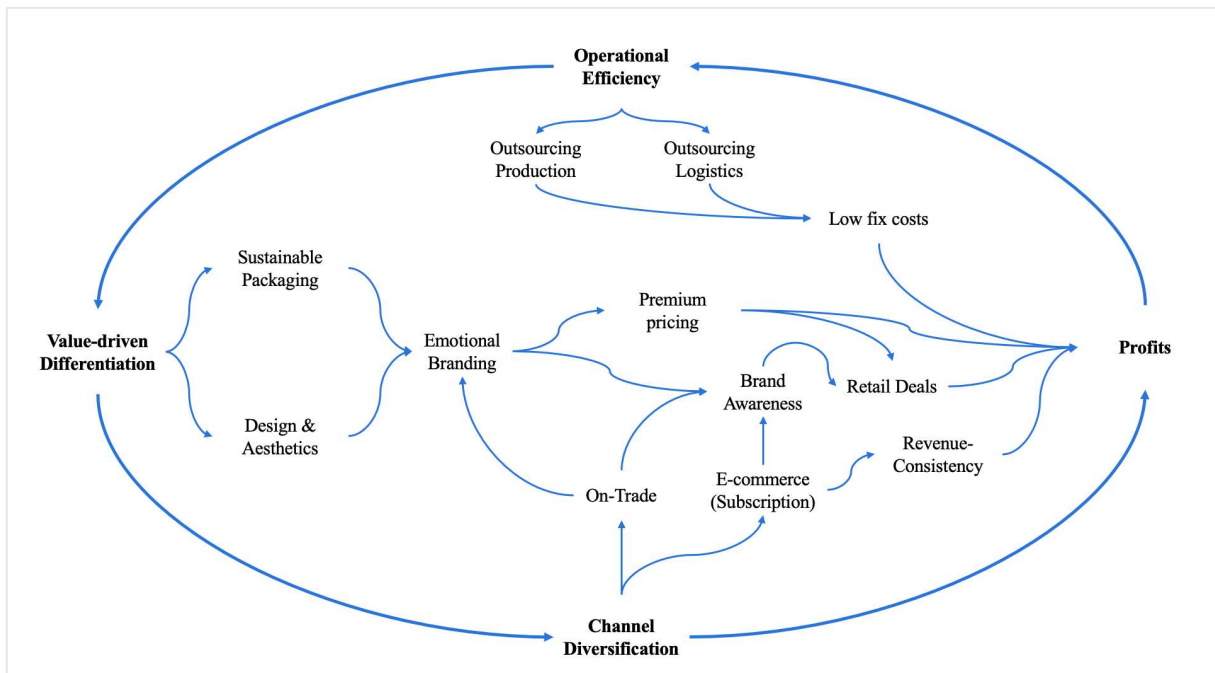


Figure 9: Entry business model canvas (Own illustration)

5.2.1 Operational efficiency

Operational efficiency forms the backbone of this business model, focusing on how the company should structure its processes to minimise costs and maximise productivity in the early stages of market entry. Outsourcing production and logistics provides companies with the opportunity to reduce fixed costs and avoid significant up-front investments (Gilley & Rasheed, 2000), thereby streamlining operations and adopting a leaner, more agile approach to production. This strategy enables new entrants to allocate resources more effectively towards key value-creating activities such as marketing and product development (Ayantoyinbo, 2018). Reducing overheads also increases financial flexibility, allowing companies to adapt more easily to changing consumer preferences or market conditions. Qualitative analysis supports this perspective, with experts highlighting the critical role of outsourcing in providing access to advanced bottling technologies and premium water sources without requiring extensive infrastructure investment. Contractual arrangements with toll-fillers or co-packing partners allow companies to scale production incrementally, aligning output with fluctuating market demand (IV1, 2024). This approach is closely aligned with Holcomb and Hitt's (2007) theoretical framework, emphasizing on the strategic benefits of leveraging external expertise to enhance organisational competitiveness.

Logistics outsourcing further enhances operational efficiency by addressing the most cost-intensive aspect of bottled water supply: Transportation. This is relevant not only for new

entrants to the bottled water industry, but also for established players, as the weight and volume of bottled water poses significant challenges due to the low-margin nature of the product (Kotzab & Teller, 2005). Working with third party logistics providers allows the company to address logistical challenges by “*piggypacking established networks and economies of scale that these specialised providers offer*” (IV2, 2024). This strategy is particularly beneficial in supporting channel diversification, as it enables the company to effectively manage the different logistics requirements of the on-trade, retail and e-commerce channels.

5.2.2 Value-driven Differentiation

As it is difficult for a new entrant to set a low product price without benefiting from economies of scale in production (Porter, 1997) and achieving consistent sales across multiple retail channels (IV7, 2024), consumer value lies in a differentiated product with the sustainability mission at its core. The positive and significant impact of extrinsic differentiation on competitive positioning in the quantitative analysis underscores the importance of creating a differentiated product, allowing new entrants to defend against price sensitivity while reinforcing product exclusivity in a saturated market. This is consistent with D'Aveni's (2014) emphasis on the importance of ceding the low-end market to discounters and focusing resources on developing a high-quality, differentiated product in commoditised markets.

The concept of product differentiation is closely linked to the use of sustainable packaging materials, with the discussion around plastic and sustainability suggesting an emerging potential for new entrants in terms of extrinsic differentiation, as consumers' differing perceptions of the environmental impact of materials (De Feo et al., 2022) drive demand towards the use of new packaging formats (Grebitus et al., 2020), such as aluminium or carton. Combined with other actions that emphasise environmental responsibility (e.g. community involvement, sustainable sourcing, etc.) (IV4, 2024), bottled water companies can position themselves favourably to derive a brand narrative that captures the attention of a consumer segment willing to pay a premium price, potentially transitioning into a higher brand awareness over time and thereby facilitating retail access (IV3, 2024).

5.2.3 Channel Diversification

Unlike traditional multichannel approaches, which often treat each channel as an independent revenue stream, the proposed model emphasises the synergistic role of the on-trade (HORECA) and e-commerce channels in driving brand awareness and thus facilitating retail access.

Although focus on on-trade sales can lead to profit generation in highly premium segments (IV10, 2024), it is the buyers bargaining power and logistics complexities that the majority of experts considers as the major barriers to scalability. These findings are consistent with the literature, which suggests that achieving profitability in this context is challenging due to the high logistics costs associated with typically small order sizes, frequent deliveries and the fragmented, geographically dispersed nature of the channel (Ninić & Škrobot, 2017). The on-trade channel is therefore rather seen as a critical branding platform within this model, aligning the bottled water product with curated experiences and consumption venues to create the desired brand association in the eyes of the consumer. Similarly literature underscores e-commerce's potential as a tool to reduce market entry barriers by providing a direct-to-consumer platform for building brand recognition and brand equity (Reynolds, 2000).

Selling bottled water over the internet, although not appearing feasible unless premium prices are enforced to offset the high transportation costs caused by high product weight and volume (IV1, 2024 ; IV3, 2024), often was possible by turning to external online marketplaces (IV4, 2024 ; Fornari et al., 2018) to optimize distribution efficiency. According to findings from the expert interviews distribution efficiency can also be increased by bulk-shipping (IV3, 2024 ; IV7, 2024) to strategic locations (consumption hubs, cities e.g.) and integrated within platforms that cater to moments of consumption (IV8, 2024). This is supported by the results of the quantitative analysis, which suggest a higher potential in urban environments, where bottled water consumption and openness to subscription services are highest.

The interdependence between the channels ensures alignment with the wider business objectives of achieving differentiation, scalability and sustainable market penetration. This ensures that retail success is not approached in isolation but as a result of deliberate and aligned efforts across the on-trade and e-commerce channels.

6 Conclusion and limitations

6.1 Conclusion

The Research Question—*How can a new bottled water brand compete in a saturated market?*—was addressed through a combination of qualitative interviews with industry experts

and a quantitative consumer survey, yielding comprehensive insights into the industry's challenges and opportunities for new entrants.

Findings underline the key role of extrinsic differentiation - particularly through innovative packaging and compelling branding - in achieving competitive positioning. While intrinsic attributes such as water purity and source are fundamental, their influence is primarily mediated through brand narratives that resonate with consumer values. Emotional appeal, sustainability initiatives and product aesthetics emerged as significant drivers of consumer behaviour, overshadowing the direct impact of intrinsic differentiation and quality attributes in the short term.

The research identified channel strategies as critical to market penetration, with on-trade (HORECA) providing a platform for visibility and experiential engagement, and e-commerce, particularly subscription-based models, offering revenue consistency and consumer loyalty. However, the financial and logistical constraints of established incumbents highlight the importance of leveraging strategic partnerships and optimising resource allocation.

6.2 Limitations

There were several limitations to the research. First, the qualitative interviews with 12 industry professionals may not fully represent sectoral diversity, while the quantitative survey of 165 respondents may not capture the breadth of consumer behaviour across demographic and geographic contexts. This also carries the risk of social desirability bias and recall inaccuracies, particularly with regard to consumer habits and attitudes.

Second, the cross-sectional design limits the study's ability to take into account evolving consumer trends, such as the increasing use of refillable water bottles or filtration technologies, which may affect future demand. The study's narrow focus on competitive strategies also overlooks broader macroeconomic, regulatory and cultural factors that critically shape industry dynamics, potentially limiting the depth of its contextual analysis.

Finally, the low R² values, while common in consumer behaviour studies, suggest the influence of unobserved variables or external factors (Newman & Newman, 2000). Nevertheless, as Chen and Qi (2023) point out, a low R² can still provide meaningful insights if the models are theoretically consistent and robust.

6.3 Theoretical contributions

This study advances the understanding of competitive strategies in the bottled water industry by integrating perspectives from consumer behaviour, competitive positioning and resource-based theory. It extends existing theories of market differentiation by emphasising the importance of extrinsic product attributes, such as aesthetic packaging and branding, over intrinsic factors, such as water quality, in influencing bottled water purchase decisions of consumers. This finding challenges traditional assumptions that intrinsic attributes dominate consumer choice in the purchase of bottled water.

A novel business model framework for entrants in the industry was derived, highlighting the role of HORECA channels and subscription-based e-commerce platforms as critical for new entrants to build brand awareness and gain competitive advantage. By combining insights from qualitative interviews with industry experts and quantitative analysis of consumer behaviour, the research refines our understanding of how differentiation, dynamic capabilities and the focus on core competencies can address competitive pressures in saturated markets.

6.4 Practical contributions

The findings underscore the importance of customer-centric branding and product development, emphasising the need to align products with consumer values and preferences. Effective branding in the bottled water industry goes beyond functionality to include emotional appeals that build trust and loyalty. By leveraging narratives associated with purity, sustainability and wellness, companies can build strong brand identities that resonate with health and environmentally conscious consumers. Product differentiation, particularly through unique packaging and value-added features, further enhances consumer appeal and positions brands competitively.

Strategic market entry is key, with HORECA channels and e-commerce platforms emerging as critical pathways. HORECA channels offer opportunities for visibility in premium environments, enhancing brand exclusivity and consumer engagement. At the same time, e-commerce platforms enable scalability and recurring revenues when combined with subscription-based models that meet consumers' demand for convenience and personalisation. Operational efficiency is also critical, especially for new entrants seeking to mitigate high capital requirements. Outsourcing production and logistics offers flexibility and cost savings,

allowing companies to focus resources on core activities such as branding and customer engagement. By partnering with experienced suppliers and distributors, companies can ensure quality and streamline operations, ultimately supporting sustainable growth in a competitive industry.

6.5 Further research

Cultural differences in bottled water consumption across the globe require more granular analysis to enable new entrants to tailor products and branding strategies to localized markets, ensuring better alignment with consumer expectations.

Secondly, the role of sustainability in competitive positioning warrants continued exploration. Although this study identifies a growing consumer preference for sustainable packaging, future research could assess the long-term impacts of different packaging materials on market share and consumer loyalty. Comparative studies examining the environmental and economic trade-offs between various packaging materials would further provide actionable insights for industry stakeholders.

Additionally, there is a need to assess the scalability and profitability of subscription-based e-commerce models. Future research could address the operational dynamics of subscription services and investigate the financial feasibility of scaling subscription models, examining factors like bulk delivery efficiencies and economies of scale.

Finally, future studies could explore the operational benefits and challenges of outsourcing in lean business models. Investigating how outsourcing affects quality control, brand perception and cost efficiency would provide valuable guidance for new entrants adopting asset-light strategies in competitive industries.

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IV7. (2024). *How can a new bottled water brand compete in a saturated market?* [Personal communication].

IV8. (2024). *How can a new bottled water brand compete in a saturated market?* [Personal communication].

IV9. (2024). *How can a new bottled water brand compete in a saturated market?* [Personal communication].

IV10. (2024). *How can a new bottled water brand compete in a saturated market?* [Personal communication].

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8 Appendices

8.1 Appendix A: Consumer Survey

Demographics	Items	Measurment	Assessment
Age	Q1	What is your age?	(1) Under 18, (2) 18-24, (3) 25-34, (4) 5-44, (5) 44 or older
Gender	Q2	What is your gender?	(1) Male, (2) female, (3) Non-binary/third gender, (4) prefer not to say
Location	Q3	Where do you currently live?	(1) Urban area, (2) suburban area, (3) rural area, (4) other
Education	Q4	What is your educational level?	(1) Less than high school, (2) high school diploma or equivalent, (3) some college/no degree, (4) associate degree, (5) bachelor's degree, (6) master's degree or higher
Income	Q5	What is your monthly income range?	(1) Below €1,000, (2) €1,000-€2,999, (3) €3000-€4999, (4) €5000 and above
Independent Constructs	Items	Measurment	Assessment
Extrinsic Differentiation	Q17	I am willing to pay more for bottled water with distinctive product design.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
	Q19	I would be likely to choose bottled water in alternative packaging formats as I perceive them to be more sustainable.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
Intrinsic Differentiation	Q15	Water purity and source are the first things I look at when buying bottled water.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
	Q16	I am willing to pay more for bottled water with added health benefits such as minerals or electrolytes.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree

HORECA Presence	Q10	In a restaurant or similar setting, I prefer bottled water to tap water because...	(1) It tastes better, (2) it feels safer and more hygienic, (3) it aligns with my health preferences, (4) It is part of my dining experience or lifestyle choice, (5) I trust it more than tap water, (6) I do not care whether bottled water or tap water
Subscription Model Adoption	Q7	How often do you consume bottled water?	(1) Daily, (2) 4-6 times a week, (3) 2-3 times a week, (4) Once a week, (5) rarely, (6) never
	Q25	How likely would you be to consider subscribing to a service that delivers your favorite brand of water?	(1) Very likely, (2) somewhat likely, (3) neutral, (4) somewhat unlikely, (5) Very unlikely
Sustainable Packaging	Q19	I would be likely to choose bottled water in alternative packaging formats as I perceive them to be more sustainable.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
Brand Image	Q12	How does drinking premium bottled water make you feel in terms of your personal experience?	(1) It makes me feel sophisticated and luxurious, (2) it makes me feel healthier or more conscious of my well-being, (3) It gives me confidence in the quality and safety on the water, (4) It enhances my dining or social experience, (5) I feel indifferent because it's just water
	Q19	I would be likely to choose bottled water in alternative packaging formats as I perceive them to be more sustainable.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
Water Quality	Q13	Are you more or less likely to drink bottled water in a developing country?	(1) More likely, (2) less likely, (3) no difference
	Q14	How would you describe your brand perception when standing in front of the bottled water shelf in the grocery store?	(1) All brands are relatively equal in terms of quality, (2) Some brands are significantly better, (3) Only premium brands are of high quality

	Q15	Water purity and source are the first things I look at when buying bottled water.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
Dependent Construct	Items	Measurment	Assessment
Competitive Positioning	Q9	When I buy bottled water in a grocery store, I always go for the same brand.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
	Q11	When I order bottled water in a restaurant environment or similar, I do not have a specific brand in mind and am open to trying new brands.	(1) Very likely, (2) somewhat likely, (3) neutral, (4) somewhat unlikely, (5) Very unlikely
	Q20	I tend to be more loyal to brands that focus on sustainable packaging and initiatives.	(1) Strongly disagree, (2) somewhat disagree, (3) neither agree nor disagree, (4) somewhat agree, (5) strongly agree
	Q25	How likely would you be to consider subscribing to a service that delivers your favorite brand of water?	(1) Very likely, (2) somewhat likely, (3) neutral, (4) somewhat unlikely, (5) Very unlikely

8.2 Appendix B: Additional graphs and statistics

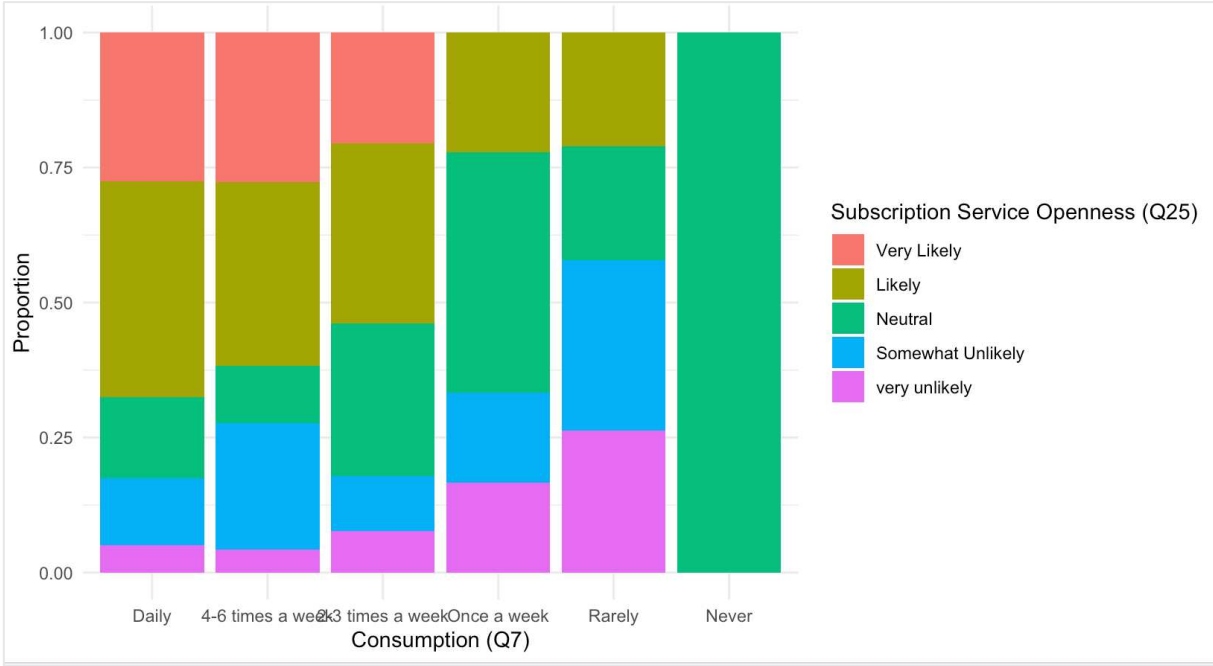


Figure 10: Subscription Service Openness by Consumption stackchart

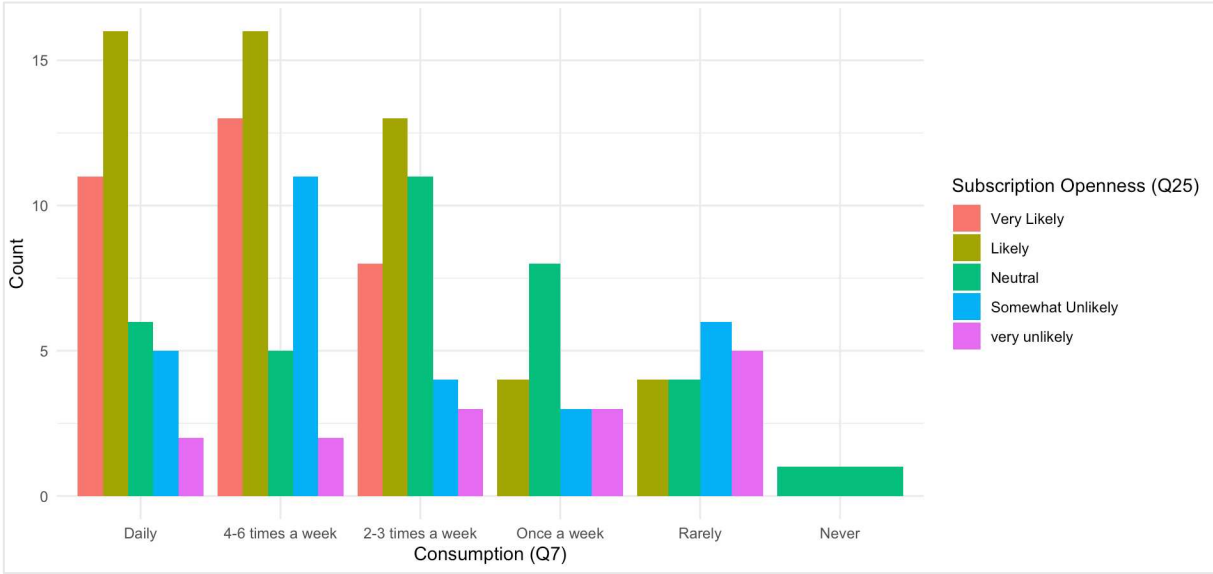


Figure 11: Subscription Service Openness by Consumption piechart

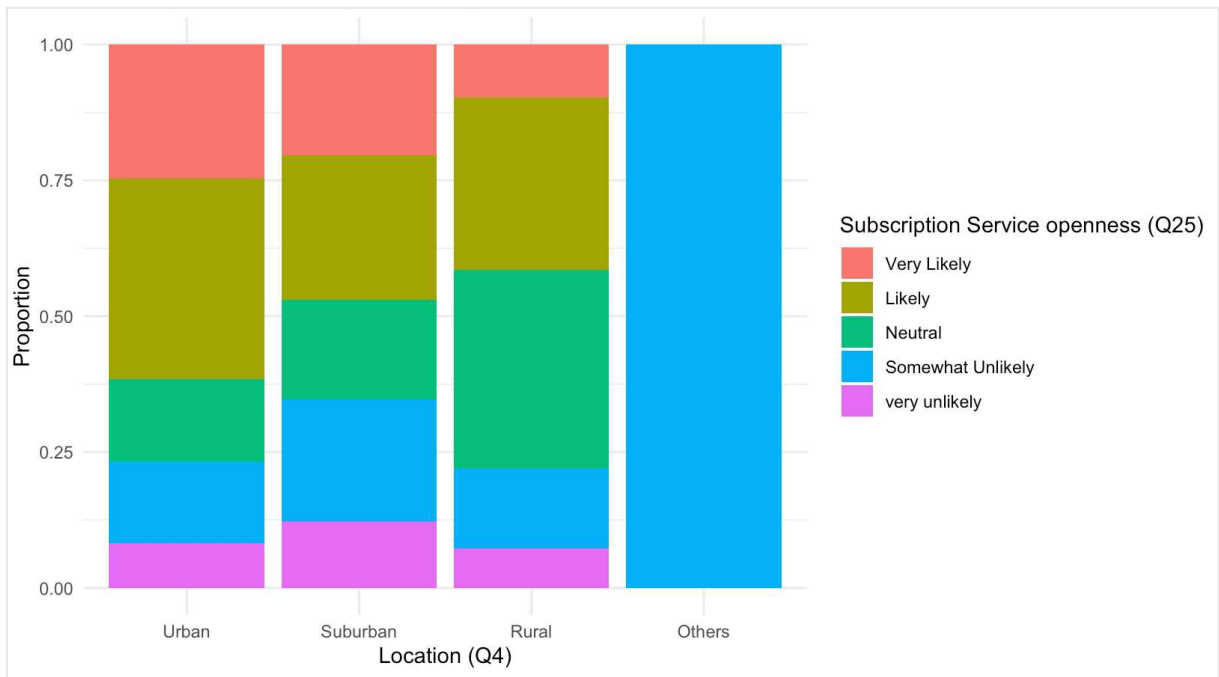


Figure 12: Subscription Service Openness by location stackchart

8.3 Appendix C: Interview 1

Occupation: CEO

Market: Germany

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV1	-Consumers seek niche, differentiated products (e.g., sustainability, unique origins). -Marketing should focus on brand positioning, storytelling, and emotional connection -Emphasis on intrinsic values like mineral content or provenance is essential
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV1	-Independent shops and small retailers -HORECA channels for unique product placement -Partnerships with supermarkets (for equity)
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV1	-Differentiation (e.g., functional benefits, unique branding, sustainable packaging) -Targeting niche markets and storytelling -Influencer marketing and unique distribution models like e-commerce
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV1	-Initial cost leadership is challenging for new entrants -Differentiation to achieve premium pricing
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV1	-Intrinsic values: mineral content, unique sourcing (e.g. volcaning regions) -Extrinsic values: design, branding, lifestyle associations (e.g., active, luxurious) -Sustainability initiatives or novel consumption experiences
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV1	-Secure a reliable and high-quality water source -Invest in quality assurance and effective packaging design -Efficient logistics to manage transportation costs. -Strong marketing capabilities for brand differentiation
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV1	-Rely on storytelling and packaging as primary marketing tools -Use co-packaging services for cost-effective production -Collaborate with local retailers and leverage social media influencers
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV1	-Strongly disagree

Table 10: Summary expert interview 1

8.4 Appendix D: Interview 2

Occupation: CEO

Market: USA

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV2	-Gravitate towards sustainability and functional benefits -Compelling brand narratives beyond origin -Eye-catching design for first impressions
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV2	-Start with local hospitality venues -Retail highly competitive due to shelf space constraints and established players -E-commerce offers control and scalability
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV2	-Leverage unique brand desing and sustainability efforts -Focus on smaller markets or niche channels initially to avoid direct competition -E-commerce allows direct engagement and customer data retention
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV2	-Price competition is difficult due to high production and co-packaging costs -Differentiation through sustainability, design, and unique benefits
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV2	-Intrinsic: funtional nature (e.g., minerals, alkalinity) -Extrinsic: Unique design, sustainability practices, and impactful storytelling -Avoid purely origin-based differentiation due to market saturation
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV2	-Efficient logistics and supply chains -Strong branding and packaging desing
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV2	-Focus on impactful storytelling and direct consumer engagement via e-commerce -Optimize packaging and leverage partnerships with distributors
SL	<u>Likert Scale:</u> Branding is more important than water quality for longevity in the industry (1-5)
IV2	-Disagree

Table 11: Summary expert interview 2

8.5 Appendix E: Interview 3

Occupation: CEO

Market: France

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV3	-Rising consumer focus on water quality and purity due to increasing contamination concerns -Importance of brand narratives tied to water sources and sustainability -Younger consumer seek brands with “coolness” factor
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV3	-Begin with local hospitality to build brand visibility -Use online platforms like Amazon for brand awareness but not profit. -Gradually move into physical retail for volume sales and profitability.
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV3	-Differentiation via unique water sources or strong brand stories -Leveraging on-trade channels (hospitality) to create desirability before retail -Emphasize sustainability and align with consumer trends (e.g., less alcohol, more water).
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV3	-Focus on premium pricing through differentiation and brand value
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV3	-Intrinsic: Unique water source, mineral stability, health benefits -Extrinsic: Strong branding, territorial attachment, innovative packaging -Combine elements like sustainability and “cool” marketing for appeal
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV3	-Access to high-quality springs or efficient co-packaging partnerships. -Strong sales and marketing capabilities to secure retail shelf space. -Skilled resource and production management for regulatory compliance.
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV3	-Focus on brand-building in on-trade channels -Collaborate with spring owners or co-packers to avoid high CapEx. -Use targeted marketing and storytelling to attract consumers.
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV3	-Disagree

Table 12: Summary expert interview 3

8.6 Appendix F: Interview 4

Occupation: CEO

Market: USA

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV4	-Increasing demand for sustainability and eco-friendly solutions -Focus on customer experience and meaningful environmental impact
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV4	-Avoid costly retail; explore vending machines and public spaces -Start with local partnerships (hotels, restaurants, golf clubs) -Online sales are limited due to high shipping costs for heavy water.
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV4	-Compete on price with innovative deposit-return schemes -Create unique customer experiences in non-retail spaces -Build a compelling brand focused on sustainability
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV4	-Lower costs through unique distribution methods
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV4	-Sustainability and eco-friendly packaging -Unique brand identity and marketing narratives -Reinvent public accessibility to water through innovative solutions
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV4	-Strong understanding of customer behavior and needs -Capacity for prototyping and testing ideas -Focus on sustainability and efficient distribution
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV4	-Build local partnerships for visibility -Explore unique marketing angles and eco-conscious messaging
SL	<u>Likert Scale:</u> Branding is more important than water quality for longevity in the industry (1-5)
IV4	-Strongly Agree

Table 13: Summary expert interview 4

8.7 Appendix G: Interview 5

Occupation: CEO

Market: USA

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV5	-Rising focus on sustainability; consumer knowledge about packaging materials in limited -Marketing relies on differentiation and premium branding
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV5	-Start with local partnerships -Retail shelf access is challenging due to competition and slotting fees -E-commerce viable only for premium-priced products due to high shipping costs
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV5	-Regional focus to manage costs and build traction -Differentiate through sustainability, unique branding, and premium positioning -Avoid competing on price unless operating at scale
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV5	-Focus on efficiency and niche markets -Price competition unfeasible
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV5	-Highlight sustainability and eco-friendly initiatives -Leverage innovative packaging and strong branding
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV5	-Strong Product development for operations and marketing -Access to flexible water sources to optimize costs and logistics -Focus on maintaining high quality and service
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV5	-Begin with local channels to establish presence -Partner with hotels and restaurants for visibility -Focus on private label opportunities to gain initial traction
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV5	-Strongly disagree

Table 14: Summary expert interview 5

8.8 Appendix H: Interview 6

Occupation: Founder & CEO

Market: Italy

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV6	-Increased focus on sustainability and health-conscious choices -Marketing should emphasize on environmental impact and lifestyle branding -Storytelling tied to adventure, wellness, and purity.
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV6	-Partner with boutique hotels, cafes, and wellness centers. -Use social media to drive direct-to-consumer e-commerce sales. -Explore vending machines in high-traffic areas
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV6	-Offer unique features like enhanced minerals or functional additives -Collaborate with eco-conscious influencers for visibility -Target niche markets or local regions to avoid direct competition
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV6	-Focus on value differentiation instead of price -Use subscription models to build loyalty and reduce price sensitivity. -Optimize logistics to maintain reasonable margins.
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV6	-Highlight innovative, sustainable packaging (e.g., recycled PET, aluminum cans) -Promote unique water sources like glaciers or volcanic springs
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV6	-Strong branding and marketing expertise -Efficient logistics to manage transportation costs -Access to reliable and high-quality water sources
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV6	-Collaborate with fitness studios and community events -Focus on social media storytelling
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV6	-Agree

Table 15: Summary expert interview 6

8.9 Appendix I: Interview 7

Occupation: CMO

Market: Italy

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV7	-Educated consumers (cultures) focus on intrinsic water qualities -Globally, aesthetics and functional water are gaining traction -Focus on design and added benefits
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV7	-Retail essential for volume in the long run; HORECA offers niche opportunities for premium products -Access to retail requires significant investment in listing fees and distribution
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV7	-Differentiation is key; focus on unique branding, marketing campaigns, or packaging. -Local partnerships and private labeling
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV7	-Focus on differentiation and premium offerings to justify higher prices.
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV7	-Unique bottle designs and sustainability efforts -Appeal to consumer values like health, aesthetics, and environmental responsibility.
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV7	-Significant capital investment is required for bottling technology and distribution. -A clear distinction in branding or product offering is essential for market entry. -Efficient logistics to manage costs and ensure product availability.
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV7	-Local marketing around water source and region -Consider third-party bottling to reduce initial capital investment -Focus on storytelling to build emotional connections with consumers.
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV7	-Disagree

Table 16: Summary expert interview 7

8.10 Appendix J: Interview 8

Occupation: CMO

Market: Denmark

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV8	-Post-Covid focus on health, well-being, and sustainability
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV8	-Utilize e-commerce platforms like Grab or Food Panda, not just Amazon -Focus on premium pricing to make online sales profitable -Target out-of-home consumption moments to create buzz
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV8	-Address pain points (e.g., Innovate with alternative solutions like water purification tablets or in-home systems)
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV8	-Prioritize value differentiation
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV8	-Solve sustainability and convenience challenges -Offer added benefits like health enhancements or lightweight alternatives -Innovate delivery mechanisms to stand out
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV8	-Strong consumer insight teams to identify pain points -Content creation and performance measurement capabilities -Efficient and sustainable supply chain management
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV8	-Start with small-scale testing in local market -Use MVP approaches for validation -Leverage digital platforms to reach target audiences cost-effectively
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV8	-Disagree

Table 17: Summary expert interview 8

8.11 Appendix K: Interview 9

Occupation: Managing Partner

Market: Spain

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV9	-Demand for health-boosting benefits -Younger audiences prefer lifestyle branding over pure functionality
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV9	-Partner with gyms, fitness centers, and local cafes -Use vending machines in high-traffic urban areas -Offer subscription and limited editions online to engage audience
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV9	-Solve consumer pain points like sustainability and convenience -Differentiate with functional benefits or innovate delivery formats -Target premium segments to avoid direct price competition
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV9	-Price competition is unrealistic; focus on premium value.
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV9	-Use sustainable, innovative packaging (e.g., refillable bottles) -Promote functional enhancements or bold, eco-friendly branding -Address convenience in service
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV9	-Access to reliable, high quality water sources -Strong consumer insights and branding expertise
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV9	-Test concepts locally with MVP -Leverage digital marketing and influencer partnerships -Build an emotional brand narrative
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV9	-Agree

Table 18: Summary expert interview 9

8.12 Appendix L: Interview 10

Occupation: Managing Partner

Operating country: India

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV10	-Authenticity and sustainability -Glass packaging and eco-friendly practices resonate with premium segment -Regional and cultural nuances
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV10	-Focus on HORECA for initial brand visibility -Use strong brand narratives in niche markets like weddings or Michelin-star venues
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV10	-Highlight unique water sources (e.g., carbon-neutral regions) -Compete on premium attributes not on price -Participate in international water competitions for credibility
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV10	-Identify weaknesses in incumbents, such as lack of sustainability or premium narratives
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV10	-Premium glass bottles or sustainable paper packaging -Focus on unique mineral compositions, eco-friendly sourcing -Tailor narrative to specific market
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV10	-Employ hydrogeologists for value identification in water source -Product development (packaging innovation) -Branding and Marketing
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV10	-launche prototype within a specific geographic location -Focus on eco-conscious consumers and niche channels -Collaborate with HORECA partners for visibility and demand generation
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV10	-Disagree

Table 19: Summary expert interview 10

8.13 Appendix M: Interview 11

Occupation: Water sommelier

Operating country: Portugal

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV11	-Growing interest in premium products -Health trends, such as high pH or specific mineral benefits
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV11	-Focus on HORECA for positioning -Online platforms are critical for premium waters
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV11	-Avoid direct price competition; focus on premium offerings or niche markets
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV11	-Premium branding and sustainability to justify higher prices
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV11	-Build aesthetic appeal through distinctive, high-quality designs -Use innovative marketing to communicate added value
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV11	-A reliable, high-quality water source with sufficient yield. -Bottling and logistics expertise -Branding capabilities
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV11	-Start with regional markets -Leverage digital storytelling and influencer collaborations
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV11	-Disagree

Table 20: Summary expert interview 11

8.14 Appendix N: Interview 12

Occupation: Water sommelier

Operating country: France

SL	What changes have you observed in consumer expectations for bottled water products, and how might new entrants adapt their marketing approaches to meet these evolving demands?
IV12	-Differentiation in design and sustainability mission -Low mineralization water dominate, but unique narratives wanted
SL	What are the primary distribution channels (in marketing) an entrant bottled water firm needs to consider in this saturated market and why?
IV12	-E-commerce good wor lightweight packaging like PET or Tetra Pak -HORECA channel to build brand awareness
SL	What competitive strategies have you seen work well for new entrants in the bottled water industry and why?
IV12	-Innovate with unique packaging -Target niche markets or regulations-driven innovations
SL	How can incumbent bottled water brands compete on price with established players in the market?
IV12	-Premium pricing justified by design and quality attributes
SL	What are the most relevant differentiation potentials new firms should consider when entering the industry?
IV12	-Intrinsic differentiation not enough -Focus on extrinsic design and sustainable packaging
SL	Which internal resources and capabilities are most critical for new bottled water brands to stay competitive and why?
IV12	-Branding capabilities -Adaptability to new regulations (e.g., eco-friendly packaging innovations) -Efficient co-packaging arrangements for initial scaling.
SL	How can new entrants in the bottled water market utilize limited resources to build brand awareness and market presence efficiently?
IV12	-Digital marketing media and influencer partnerships -HORECA channels for exclusivity while scaling visibility online
SL	<u>Likert Scale</u> : Branding is more important than water quality for longevity in the industry (1-5)
IV12	-Disagree

Table 21: Summary expert interview 12

8.15 Appendix O: Research Hypothesis

H1	Extrinsic product differentiation has a positive and significant impact on competitive positioning.
H2	Intrinsic product differentiation has a positive and significant impact on competitive positioning.
H3	Presence in the HORECA channel (on-trade) has a positive and significant impact on competitive positioning.
H4	The adoption of a bottled water subscription model has a positive and significant impact on competitive positioning.
H5	Sustainable packaging has a positive and significant competitive positioning.
H6	Brand image has a positive and significant impact on competitive positioning.
H7	Water quality has a positive and significant impact on competitive positioning.

Table 22: Research hypothesis