

The Pune Power Model

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Background Information

- In 1996, David Gilmour developed a concept to bottle the artisan water found on the island of Fiji and sell it globally.
- The water was captured from an artesian aquifer housing tropical rainwater that had been filtered through volcanic rock.
- In 1997, Fiji water began to be distributed to the United States.
- Fiji Water had become a major success. Because of this, a new 110,000 square foot bottling plant was established in 2000, an additional bottling line in 2004, and a third one in 2006. Fiji was now shipping over 50 million cases a year internationally.

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- In 2004 David Gilmour sold the company to Stewart and Lynda Resnik who moved the corporate headquarters to Los Angeles



Consumption Trends

- Since 2000, bottled water has had the fastest growing segment of the entire beverage business.
- Americans are the highest consumers of bottled water
- As for consumption of water per person, Mexico and Italy has the highest in the world with the United States coming in ninth

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Environmental Impact/Campaign

- Carbon negative PR campaign
- Conservationist perspectives
- Implementation of new measures to reduce carbon emissions
- "Every Drop is Green" campaign

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The U.S. Market and it's Competition

- First market to be conquered in 1997
- #2 selling position among imported water brands
- Very successful because of major changes in beverage consumption preferences in the U.S
- In 2007, U.S. residents drank more bottled water annually than any other beverages
- Carbonated soft drinks (CSDs) still a higher volume and average intake levels
- Biggest sellers in the U.S. market are local brands: Arrowhead, Poland Spring, Zephyrhills, Ozarka, Deer Park, and Ice Mountain

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The Australian Market

- Fiji Water entered the Australian market in 2003
- Attractive market because of its large market and proximity with Fiji
- Tough competition (more than one thousand bottled water brands)
- Trademark dispute with Island Chill

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Fiji Community/ Transfer Pricing

- 2004 Draunivi and Togovere trust
- 2004 U.S. Award for Corporate Excellence for Outstanding Corporate Citizenship, Innovation, and Exemplary International Business Practice
- 2008 Water supply project/Suva Rotary Club trust
 - January 2008, Transfer Pricing, 200 containers seized

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