

**MANUFACTURING OF BOTTLED WATER AT UZIMA BEVERAGE  
COMPANY AND MARKETING OF BOTTLED WATER IN MOSHI  
MUNICIPALITY AND DAR ES SALAAM CITY**

**BY**

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## ABSTRACT

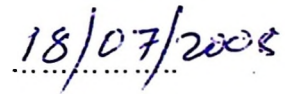
A study was carried out to determine the marketing strategies for newly introduced bottled water brand in the market and to identify factors that influence the sales of bottled water. A case study was conducted of Uzima bottling Company. In addition about 50 consumers, 30 wholesalers and 20 retailers were randomly selected for the interview using structured questionnaire, group discussion and on-site observations. Results from the study revealed that factors such as ease of handling, availability of the products, high quality products and low price can influence the penetration of the product to the market. Bottled water with sizes 350ml and 500ml are liked more by consumer because of their small size, and easy handling. Uhai pure drinking water which is available everywhere is one of the brands that is consumed more than any other brand in Moshi municipality and Dar es salaam city. Kilimanjaro pure drinking water because of good taste is number two in consumption in the above areas, also studies shows that Kilimanjaro bottled water is popular brand in Moshi municipality and Dar es Salaam city. In terms of price, consumers of bottled water are satisfied, and most of those interviewed said bottled water price is fair. Heavy promotion influences some consumers to shift from existing bottled water brand to new introduced bottled brands. However the challenges facing the small bottled water industries like Uzima Beverage Company are: policies which do not support small and medium enterprises (SMEs), poor technology, availability of packaging materials, loan accessibility from financial institutions, stiff competition, and keeping environment clean.

### DECLARATION

I BASIL CLEMENCE MWASAMILA do here by declare to the senate of Sokoine University of Agriculture, that this research paper is my original work and has neither been submitted nor being currently submitted for a degree award in any other University.


..... 

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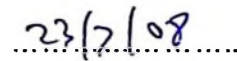
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Date

This declaration confirmed.

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DR. E.R. MBIHA  
(Supervisor)

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Date

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## ACKNOWLEDGEMENT

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## **DEDICATION**

**I dedicate this work to my beloved parents**

## TABLE OF CONTENT

<b>ABSTRACT .....</b>	<b>ii</b>
<b>COPYRIGHT.....</b>	<b>iv</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>v</b>
<b>DEDICATION .....</b>	<b>vi</b>
<b>TABLE OF CONTENT .....</b>	<b>vii</b>
<b>LIST OF TABLES .....</b>	<b>x</b>
<b>LIST OF APPENDICES .....</b>	<b>xi</b>
<b>LIST OF ABBREVIATIONS .....</b>	<b>xii</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background information .....	1
1.2 Factors for business growth in Tanzania .....	2
1.2.1 Modern technology water treatment plants.....	2
1.2.2 Urbanization .....	2
1.2.3 Inability of poor people to purify water for most of their domestic use.....	2
1.2.4. Awareness .....	3
1.3 Background of entrepreneur .....	3
1.4 Problem statement and justification of the study.....	4
1.5 Objective of the study .....	5
1.5.1 Main objective .....	5
1.5.2 Specific objectives .....	5

<b>CHAPTER TWO</b> .....	<b>6</b>
<b>LITERATURE REVIEW</b> .....	<b>6</b>
2.1 Marketing research' .....	6
2.2 Marketing strategies .....	6
2.3 Perception status of bottled Water .....	6
2.4 Bottled water myth .....	8
2.5 Bottled water and environmental issue .....	8
2.6 World market .....	9
2.7 The Trend .....	10
<b>CHAPTER THREE</b> .....	<b>11</b>
<b>METHODOLOGY</b> .....	<b>11</b>
3.1 Location of the study .....	11
3.2 Sampling plan .....	12
3.2.1 Sampling unit and size .....	12
3.2.2 Sampling method .....	12
<b>CHAPTER FOUR</b> .....	<b>14</b>
<b>UZIMA BEVERAGE COMPANY AND BUSINESS IDEA</b> .....	<b>14</b>
4.1 Business idea .....	14
4.2 Uzima beverage company background .....	15
4.3 Factory size and location .....	15
4.4 Factory production capacity .....	16
4.5 Case problem .....	16
4.6 The use of replaceable instead of disposable bottle .....	17

<b>CHAPTER FIVE .....</b>	<b>19</b>
<b>BOTTLED WATER MARKET IN MOSHI MUNICIPALITY AND</b>	
<b>DAR ES SALAAM CITY .....</b>	<b>19</b>
5.1 Consumers.....	19
5.1.1 Bottled water availability.....	19
5.1.2 Pricing .....	20
5.1.3 Consumption distribution .....	20
5.1.4 Popular bottled water brand in Tanzania .....	20
5.1.5 Bottled water comparing to tap water.....	21
5.1.6 Media .....	21
5.1.7 Uzima pure drinking water .....	21
5.2 Wholesalers and retailers.....	22
5.2.1 Bottled water sizes .....	22
5.2.2 Product availability and distribution channel .....	22
5.2.3 Consumer shifting to other brands.....	22
<b>CHAPTER SIX .....</b>	<b>23</b>
<b>CONCLUSION AND RECOMMENDATION.....</b>	<b>23</b>
<b>REFERENCES .....</b>	<b>24</b>

**LIST OF TABLES**

Table 1: Average percentage increase in price due to price of empty bottles..... 18

Table 2: Average decrease in price due to replaceable bottles ..... 18

**LIST OF APPENDICES**

**Appendix 1:** Curriculum vitae of the entrepreneur (David Mawala) ..... 26

**Appendix 2:** Structured questionnaire for consumer ..... 28

**Appendix 3:** Structured questionnaire for wholesalers and retailers..... 33

**LIST OF ABBREVIATIONS**

<b>TDS</b>	-	Total dissolved solids
<b>ppm</b>	-	Parts per millions
<b>BOT</b>	-	Bank of Tanzania
<b>TTC</b>	-	Tanzania tourist hotel
<b>DC</b>	-	District commissioner
<b>CIP</b>	-	Cleaning in place
<b>PET</b>	-	Poly ethylene toluene
<b>WWF</b>	-	World Wildlife Fund
<b>SME</b>	-	Small and medium enterprises

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background information**

Drinking water packed in bottles has grown rapidly as a business in recent years in Tanzania. The water that is used is obtained from a variety of sources including glacial water, spring water, well water, as well as public water sources (i.e., tap water). (Wikipedia encyclopaedia, 2008).

Water purification and packing has become a common business now days. This development has been enhanced by lack of clean and safe water in many towns and cities in the country. Most water supply sources in towns and cities are unclean and unsafe. The supply system too, are old some as old as 30 years. In Dar es Salaam for instance the existing water sources and piping system was built in 1952 when the population was less than 300,000 people. (National Bureau of Statistics Tanzania, 2002).

According to National Bureau of Statistics Tanzania (2002), the population of Dar es Salaam is about 4.3 million people. This population does not get enough water and on top of that the supplied water is not clean and safe. Government has failed to find other sources of water and constructing of new piping system to cope with the fast growth of cities and towns. The immigration of rural people to cities and towns is due to lack of income earnings opportunities and government failure to provide good social services to rural areas. About 62% of Tanzanians are accessible to safe and clean water, this is according to the report from WaterAid (2007), and about 20% of

the communicable diseases to human being are due to unsafe water. The high demand of clean and safe water encouraged companies to start and/or diversify to bottled water business. Tanzanians have responded positively to bottled water consumption. The business emerged in late 80,s with the first bottled water brand in Tanzania known as GLACIER pure drinking water. Other popular bottled water brands followed: MASAFI, KILIMANJARO, MAJI POA etc.

## **1.2 Factors for business growth in Tanzania**

### **1.2.1 Modern technology water treatment plants**

Some water treatment plants require minimum supervision. Plants are sophisticated and are fully automated to the extent that anybody can operate the plant with little training and instruction.

### **1.2.2 Urbanization**

In cities people spend most of their time in offices, moving from one place to another within the cities hence require bottled water for their comfortability and quench thirsty.

### **1.2.3 Inability of poor people to purify water for most of their domestic use**

They have to buy treated water, which is relatively cheaper than treating themselves using local methods e.g. the use of charcoal, wood which is expensive and environmentally unfriendly.

#### **1.2.4. Awareness**

Tanzanians are now aware of clean and well treated water for good health, this is evident due to the increase of bottled water company in the country. In early nineties (90's) we had only one bottled brand "GLACIER" produced in the country. However today we have got so many bottled brand e.g. Masafi, Uhai, Uzima, Maji Poa, Usambara, Penguin, Bora, Ndanda, Maisha, Tuliza, etc just to mention a few.

#### **1.3 Background of entrepreneur**

Uzima Beverage Company is owned by David Mawala, who is the Director of the company. He was born in 22<sup>nd</sup> April 1965 at Marangu Moshi. David Mawala's family is business oriented, His parents were doing business in the tourist industries. Apart from being director of Uzima Beverage Company he also deals with the selling of international magazine from all over the world as agent, to wholesaler and retailers. David Mawala was trained as an architect in interior designer. After a long business career David decided to engage himself in bottled water business. David Mawala's father Gabriel Sawaya Mawala (deceased), was administrator/lawyer/accountant, and also become district commissioner (DC) where he served different districts, during the colonial period. His father was also the first general manager of Tanzania Tourist Corporation (TTC), His mother Asinath Kitaly (deceased) was a banker with BOT. They were born eight in the family, first born is Donald a medical doctor in Botswana, second born is Regina a textile engineer (deceased), Dudley is third born and professionally is an architect, Lucy is 4<sup>th</sup> born a social worker with Red Cross in Kilimanjaro region, and Lawrence is 5<sup>th</sup> born a pharmacist (deceased). David is 6<sup>th</sup>

born, an interior designer, while Dunstan is 7<sup>th</sup> born, a businessman and Rose is the last born who is professionally a marketing manager with GlaxoSmithKline”.

(Mawala D. personal communication, 2007).

#### **1.4 Problem statement and justification of the study**

Bottled water business is one of the fast growing businesses for small and medium enterprises. Big companies have already invested heavily, but small enterprises have shown interest to invest in the business with the small capital hoping they will make it.

However there are giants in the market already with large share. Penetration of new product to such a market needs the correct and appropriate marketing strategies. Normally low production for small companies means relatively high production cost. High production cost reduces the profit margin, and in long run might bring about financial problem to the company. Marketing the product and taking into consideration all the marketing strategies such as price, packaging materials, distribution channels, and promotion led into high sales volume for bottled water in the particular company. Therefore knowing the strategies on how small entrepreneur can go about competing in the market for bottled water justifies this study.

Basing on the above and taking Uzima Beverage Company in Marangu Moshi and Dar es Salaam city as case study areas, the study will come up with marketing strategies to promote bottled water business in Tanzania.

## **1.5 Objective of the study**

### **1.5.1 Main objective**

The main objective of the study is to determine the marketing strategies for the new introduced bottled water product in the market.

### **1.5.2 Specific objectives**

- (i) To identify the bottled water marketing channels and the role played by different market participants.
- (ii) To identify factors that influence the sale of bottled water
- (iii) To recommend the strategies to enhance the growth of bottled water industry/sector.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Marketing research**

According to Aaker, (2005) by definition marketing research is a critical part of a marketing intelligence system; it helps to improve management decision making by providing relevant, accurate and timely information. Every decision poses unique needs for information and relevant strategies can be developed based on information gathered through marketing research.

#### **2.2 Marketing strategies**

One of the main marketing strategies for the introduction of any the new brand of bottled water in the market is to differentiate the product. The product can be differentiated by its content, shape of the bottles, size of the bottles, product distribution, availability of the product, product positioning etc. (Lingham, 2008).

However basic marketing methods and strategy planning must be followed such as nature of the product, place promotion and price for successfully penetration of the product in the market (Perrault, 1999)

#### **2.3 Perception status of bottled water**

Diane (2005), noted that consumers buy bottled water because they perceive it to be purer and safer than municipal water. Further findings suggest that young and high-income people, guided by the perception of higher quality, are more likely to purchase bottled water and home-filtration systems. In some cases purchasing bottled water also carries a degree of status.

The bottled water market has never been better. In 2005 worldwide sales exceeded \$10 billion. In the United States, consumers now drink more bottled water annually than any beverage except carbonated soft drinks. Janine (2005), in his research reported that in USA it shows that basing on the demographic variables of age, income level and education level they found a statistically significant relationship between annual household income and frequency of purchases. Specifically, 20% of respondents with an annual income greater than \$50,000 purchased bottled water daily. Fourteen percent of those with annual incomes less than \$50,000 purchased bottled water on a daily basis. Half of those surveyed who earned greater than \$50,000 per year purchased bottled water two or three times a month, and almost 47% of those with annual income between \$25,000 and \$50,000 purchased bottled water with the same frequency. In contrast, only 35% of respondents who earned less than \$25,000 a year purchased bottled water two or three times per month.

Further, Bill (2007), found that age also determined who bought bottled water. Twenty percent of respondents under 40 bought bottled water daily, compared to 15% of those between 40 and 59 and 12% of those 60 and older. Only 32% of this age group bought bottled water two or three times a month, while 47% of respondents under 40 and 49% of respondents between 40 and 59 bought bottled water with the same frequency.

However Bill (2007), could not state conclusively that education level had an impact on the decision to purchase bottled water, although data seemed to indicate overall

that purchase decisions were based on perceptions of safety and health rather than reality.

Diane (2005), noted that in USA bottled-water producers have successfully *marketed* their high-margin products. If you consider the ages and income levels of bottled-water consumers, the results could lead to the contention that bottled water is a status symbol, and its market is based, at least in part, on 'snob appeal'.

#### **2.4 Bottled water myth**

According to the study by Diane (2005), she found that the bottled water market is partly fuelled by concerns over the safety of municipal water and by the marketing of many brands that portray them as being drawn from pristine sources and as being healthier than tap water. However, some bottled waters only differ from tap water in the fact that they are distributed in bottles rather than through pipes.

Janine (2005), caution that bottled water isn't a long term sustainable solution to securing access to healthy water, clean water is a basic right. Protecting our rivers, streams and wetlands will help ensure that tap water remains a service which delivers good quality drinking water for everyone at a fair price.

#### **2.5 Bottled water and environmental issue**

More and more health alternatives of bottled water are expected to come into the market which may be a threat to its continued growth. The biggest threat to bottled water sales is likely the increased focus on environmental issues. This has become a

major news item in year 2007 with criticism directed at the environmental impact of landfill problems created by the bottles themselves. (United state Food and Drugs Authority, 2007)

According to the report about bottled water from Wikipedia encyclopedia (2008), It is argued that the positive benefits of better quality water are mitigated by the need to either recycle or dispose of all the plastic or glass used in the bottles. The manufacture, storage and transport of the bottles are estimated to consume 17 million barrels of oil per year in USA. The argument is that tap water is essentially acceptable and that the costs related to energy could have been diverted to better use elsewhere. The costs of pollution and landfill costs from all the bottles may be even higher than the energy consumed.

## **2.6 World market**

Total bottled water sales may be as high as 160 billion liters annually. In many cases, bottled water is viewed as a necessity due to unsafe locally produced water alternatives. This is been a consistent driver of high sales of bottled water in emerging markets and developing economies. (Beverage Marketing Corporation, 2007).

The global *market* for bottled water is estimated as between US \$50 billion to \$100 billion. This level of consumption is increasing at a rate of 7 to 10 percent annually. Western Europe is the largest consumer of bottled water. In some emerging

markets such as India, consumption of bottled water is growing at the rate of more than 50%. (Wikipedia encyclopedia, 2008)

### **2.7 The trend**

Santa Clara Valley water district (2004), reported that the production and consumption of bottled water continues to increase globally, with the United States of America being the leading consumer. This increase is due in large part to successful *marketing* campaigns which promote the concept that bottled water is safer and healthier than tap water. This is not necessarily true. According to a four-year study conducted by the Natural Resources Defense Council (NRDC) one-third of the bottled water tested contained levels of contamination. A key NRDC finding is that bottled water regulations are inadequate to assure consumers of either purity or safety. In fact, city tap water is subjected to more rigorous testing and purity standards than bottled water.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Location of the study**

The study was carried out in Moshi municipality and Dar es Salaam city. The material presented here is based on three month of internship carried out at Uzima Beverage Company Marangu Moshi from June to December 2007. I was part of the management team rotating in all sections: production, stores and sales & marketing sections. However I spent much time in sales and marketing sections so as to enable collection of data for the study. In production section there is mainly three parts; source of raw water, purification process and finished goods. Each part play big role so that the finished goods is of high quality to ensure the product compete in the market.

In store section they receive finished goods from production section and issue finished goods to sales and marketing section for sale. Records of inputs and outputs of the finished goods are the base for the determination of the production plan. Also marketing and sales department continue with the marketing strategy to make sure that product penetrate in the new market easily.

The approach for the data collection was survey research, which is the most commonly used form of marketing research, which involves the use of questionnaire. However observational approach method to collect data was used, which involve passing different store which sales bottled water and observed parameter like brands type, selling price, sizes of the bottles and the location of the store. Another

approach was face to face interview which involve asking the respondents who can be consumer, retailers of wholesalers questions such as fast moving bottled brands, fast moving water bottle sizes, more liked brands and why?

### **3.2 Sampling plan**

For valid and reliable collected data sampling plan was developed, sampling plan developed addressed three issues; the sampling unit, sampling method, and the sample size

#### **3.2.1 Sampling unit and size**

The particular target group was individuals who drink bottled water, wholesale/retail, agents of bottled water of any brand, total number of 100 individuals were contacted, 50 in Moshi municipality in areas such as Marangu, Mwika, Himo, Mamba, Maili sita, Njia panda, Lungugai, Boma la ngombe, Sanya juu, Machame, Kia, Usa river, Tengeru. Fifty (50) individuals were contacted in Dar es salaam city in area such as Kariakoo, Mbagala, Kurasini Mwenge and city center. However in both areas Moshi and Dar es salaam about 50% of these individuals were contacted through internet. Collection of data using questionnaire involved about 50% consumers, 30% retailers and 20% wholesalers for both areas of Moshi municipality and Dar es Salaam city.

#### **3.2.2 Sampling method**

Portion of the target population for data collection was judged using non probability sampling approach. It is a random method where by those places with stores selling bottled water, you give randomly the questionnaire to at least one consumer and one

wholesalers or retailer to fill. In the same area you collect other related information with face to face interview. Fifty (50) questionnaires were sent by internet, they were filled online and returned.

### **3.2.3 Method of data analysis**

Descriptive statistics were used to describe the responses characteristics and trends of some of the data information. Responses from the interview were summarized, coded and entered in the computer. Data were analyzed using statistical package for social science (SPSS) version 12.0.

## **CHAPTER FOUR**

### **UZIMA BEVERAGE COMPANY AND BUSINESS IDEA**

#### **4.1 Business idea**

The water which comes from water spring source around Kilimanjaro Mountains leading into Kinukamori water falls is crystal clear, good taste, and free from any debris and odour. This high quality water encouraged David Mawala to purify and pack the water for sale. The brand name for the product introduced was UZIMA pure drinking water.

The water from kinukamori area has low total dissolved solids (TDS) of not more than 200 ppm. This makes the water more palatable. Some spring water streams from the mountain pass across Mawala's family residence house in Marangu where the factory has been built. This makes easy in terms of cost and trapping the raw water for purification process. It is easy I terms of cost, since you don't need the electric pump to send water to storage tank you just trap the water which comes by gravity.

Other motivation factor which made Mawala to starts the business was the fact that the raw water from Kilimanjaro mountains area has good taste. The good taste of the raw water in the area will made the final product to be of high quality hence more demand, more sales.

The establishment of the factory in residential area plus available of plenty high quality raw water makes the start up cost very low. The water which is free from

microbes, mud and other debris, purification process cost is low in terms of filters replacement and other general plant maintenance. Having factory in residential area, reduce cost such as storage, security and hire of building. In general the demand for bottled water in the country is very high, as evidenced by the introduction of new brands within the country and brands from near by countries like Kenya. Bottled water from Kenya is relatively costly due to handling and transport costs, but still penetrates the Tanzanian market. Mawala's assessment is that sky is the limit for bottled water business in Tanzania, i.e. there is still a big opportunity for the business (Mawala D. personal communication, 2007).

#### **4.2 Uzima beverage company background**

Uzima beverage company Ltd produces bottled water with brand name UZIMA. The company is situated at Marangu Moshi in the Region of Kilimanjaro Tanzania. The factory is very close to the slope of the volcanic Mt. Kilimanjaro the source of raw water which is crystal clear with good taste. The factory is small and has been built at residential area, it falls under categories of SMEs. However the long term plan is to increase its size in terms of building and production capacity as demand increases.

#### **4.3 Factory size and location**

The factory is situated at Marangu Moshi, along the main road which is going up to the main gate for climbing mountain Kilimanjaro. The size of the factory is like that of small residential house, containing production area, offices, stores for raw materials and finished goods. Production area has enough space for loading and offloading of goods in and out of vehicles/trucks. Also there is small road coming

from the factory main gate which is connected to the main tarmac road. This allows easy entering and departure of vehicles/trucks. Therefore location wise the factory is at the best location because they can load finished goods even in big trucks within the area and get connected to the main road easily for distribution.

#### **4.4 Factory production capacity**

At Uzima beverage company ltd, the production capacity was an average of 500 ctns for 500ml bottle size. This production capacity was during my three month internship stay in the company. Normally the production is done six days a week, Sunday is a maintenance day, involving duties like cleaning in place (CIP), general factory cleaning etc. the management is planning to double the production next year up to 1000 ctns a day, this will involve starting night shift production using the same production line.

#### **4.5 Case problem**

The central issue in this case is the penetration of the product to the market where big companies with heavy investment operate. Uzima Beverage Company is currently small company with 50% of its operation in production line done manually. Also the company experience financial difficulties, low production (500 cartons per day). Consumable raw materials are sold at high price, e.g. PET bottles and labels. Therefore low production plus high cost of raw materials makes Uzima products to be sold almost same price with the well known brand in the market, hence difficult in selling.

The idea of the director of the company, David Mawala at the beginning of the business was to sell the product at relatively low price, however due to high production cost the strategy of selling at low price failed.

#### **4.6 The use of replaceable instead of disposable bottle**

One of the unique marketing strategies to penetrate the product in the market was the use of replaceable glass bottles to pack water instead of PET disposable bottles. The high cost of bottled water is due to disposable PET bottles. Almost 40% of the cost of bottled water is due to the cost of the empty PET bottle. If replaceable bottles are used the cost can be cut down by 40%. The system is very common as it is used by larger companies operating worldwide like Coca-Cola and Pepsi Cola. However to implement the idea at the beginning the company needs to distribute enough replaceable bottles in those areas where the business will take place. For instance the bottle of size 350ml is sold at an average of Tsh. 75/=, and the average packed wholesale price at the factory Tsh. 200 per bottle. This is an average increase of 37.5% due to price of the empty bottles. Bottles with size 1500ml (1.5 liters) is sold at an average of Tsh. 280/=, and the average packed factory price is Tsh. 600 per bottle. This is an average increase of 46.4% due to price of the empty bottle.

In other words as we have seen above we can cut down cost for the final product by average of 40 %. (Table 1). Table No.2 shows that instead of selling price of Tsh. 200/=, the product can be sold at Tsh. 125/= for 350ml and for 1.5 liters size the product can be sold at Tsh. 320/=. Such prices are very competitive for market penetration if such system is introduced by the company.

**Table 1: Average percentage increase in price due to price of empty bottles**

S no.	Bottle size	Average Empty bottle price	Average Packed bottle price	Percentage increase in price due to price of empty bottles
1.	350ml	75	200	37.5%
2.	500ml	110	300	36.6%
3.	1000ml	150	400	37.5%
4.	1500ml	280	600	46.4%

Note: Price is in Tsh. per piece

Source: Survey (2008)

**Table 2: Average decrease in price due to replaceable bottles**

	Bottle size	Average Empty bottle price	Average Packed bottle price deduct empty bottle price	average decrease in price due to replaceable bottles
1.	350ml	75	200-75=125	125
2.	500ml	110	300-110=190	190
3.	1000ml (1lt)	150	400-150=250	250
4.	1500ml (1.5lts)	280	600-280=320	320

Note: Price is in Tsh. per piece

Source: Survey (2008)

**CHAPTER FIVE**  
**BOTTLED WATER MARKET IN MOSHI MUNICIPALITY AND DAR ES**  
**SALAAM CITY**

**5.1 Consumers**

The data collected from consumer differ from those collected from wholesaler or retailer in the sense that wholesalers and retailers prefer more the products that will give high profit margin, while consumer prefer the product which satisfy their needs and wants. However If wholesaler think that product "A" will give more profit than product "B" there is a big chance of making consumer buy more of product "A" because the product will be available all the time than product "B". The fact of the availability being a factor for the purchase of the product has been justified by the studies in two areas, one is the reason of purchasing more of 500ml was because of its availability, and two the reason of Uhai pure drinking water being popular it because of its availability. The Uhai bottled water products is available every where hence attracting more customers.

**5.1.1 Bottled water availability**

All the respondents approached buy bottled water. When asked whether they get easily bottled water when they want to buy, 95% said they easily get the bottled water, while 5% said they don't get the product easily. The size which is purchased more is 500ml and the main reason given by 45% of the respondents is because it is easy to handle. The second reason mentioned was that this size is available everywhere (30%). The third reason was the quality of the bottled water (15%), and

last but not least was the price (10%). However the point of quality does not hold much as this applies to all sizes.

### **5.1.2 Pricing**

According to the studies, low price is not factor which led people to purchase bottled water more. This means price set by most of the companies is fair and enables most consumers to purchase bottled water. When asked weather the price they are paying for bottled water is fair, 65% said yes while 35% said it is not fair. This shows that majority are satisfied with the price of bottled water.

### **5.1.3 Consumption distribution**

Consumers buy bottled water during traveling (45%), when moving around town (40%) and when in the office (15%). The result indicates that majority do not buy bottled water for the family use. When asked if they buy water for family use at home 80 % said no, they boil tap water for home use

### **5.1.4 Popular bottled water brand in Tanzania**

Tanzania is having many bottled water brands which are in the market, however only six brands are well known according to the studies Kilimanjaro brand is well known by (45%), Uhai (20%), Masafi (10%) Dasani, Penguin (5%) and Africa (1%). Reason given to judge bottled water brands are good taste, safety, good pack, caps easily opened, availability and if the products conform to the specified standard (e.g. TBS mark). Kilimanjaro brand is popular because of good taste and high quality while Uhai brand is popular because the product is found every where. We can conclude

that the availability of the product every where in the target market can be used as a marketing strategy.

#### **5.1.5 Bottled water compared to tap water**

Ninety five percent (95%) of respondents agree that bottled water is better than tap water. In other words we can say that bottled water companies have satisfied consumer's needs and wants.

#### **5.1.6 Promotion through media**

All the water brands which have been mentioned as popular in the study are being advertised by the media such as radio, TV, News paper, billboards etc. Media is a major promotion tool which makes product known everywhere. Bottled water brands such as Kilimanjaro, Uhai, Dasani, are heavily advertised in the different media.

#### **5.1.7 Uzima pure drinking water**

This brand of bottled water is produced by a company which falls under the category of small and medium enterprises (SMEs). Respondents were asked if they know the product from this company and 90% said they don't know about the product, only 10% know the product. The company needs to promote the product, make it available every where, and also maintain quality. Further more it needs to improve packaging materials, introduce more sizes such as 350ml and 500ml and promote the product.

## **5.2 Wholesalers and retailers**

About 85.7% of the respondent agree that they do bottled water business. 14.3% don't do bottled water business. The main reason mentioned was lack of capital and storage space. Uhai brands had higher sales among volume wholesalers and retailers (50%), followed with Kilimanjaro (20%), Masafi (15%), Dasani (10%) and others (5%).

### **5.2.1 Bottled water sizes**

The 500ml bottles is more popular (40%), followed by 350ml (30%). Sometimes wholesalers and retailers purchase 500ml bottles water size because it has high profit margin. Ease of handling also influences consumers to buy the 500ml bottles.

### **5.2.2 Product availability and distribution channel**

Wholesalers easily get the products from the manufacturers. The common method used is for the factory truck to deliver the products up to the shop door. This method of distribution ensures availability of the product everywhere, everyday.

### **5.2.3 Consumer shifting to other brands**

According to the survey, consumers do not easily shift to other bottled water brands when introduced into the market. New entry into water business must consider differentiation from features that existing products have in order to appeal to the customers to shift.

## **CHAPTER SIX**

### **CONCLUSION AND RECOMMENDATION**

From the studies it has been established that ease of handling of bottles is one of the main factors which influence the sales of bottled water. This is why bottled water with the size 350ml and 500ml sales volumes were higher. Large bottles size of 1.5 liters and above had low sales volume. It is very difficult to handle, i.e. carrying a bottled water of 5 liters from point A to point B is cumbersome. Also Availability of the bottled water could influence the sales, because normally people buy bottled water once they feel thirst, so any bottled water brand which is available at that particular time is more likely to be bought.

The Study shows that Uhai bottled water is popular because it is available everywhere. However quality in the marketing of bottled water is important because even if the product is not found every where customers assurance of the quality can influence growth in its demand. Kilimanjaro pure drinking water is popular because of its good taste and high quality. In the study it is interesting to note that price levels charged are not yet deterrent to increase consumption. However competition and many brands in the market, push down price. Entry into the bottled water business requires one to sale a product at a relatively lower or same market price.

Uzima pure drinking water a new introduced brand was not known by the majority of the people interviewed. This brand requires a rigorous marketing campaign to penetrate in the existing market.

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## APPENDICES

### **Appendix 1: Curriculum vitae of the entrepreneur (David Mawala)**

#### **Personal information:**

**Full name:** David Mawala

**Date of birth:** 22<sup>nd</sup> April, 1965

**Sex:** Male

**Permanent Address:** P.O.Box 1824, Dar es salaam, Tanzania

**Tel:** +255 784 298131

**E-mail:** ileth65@hotmail.com

#### **Education and Training:**

**Primary school:** 1972 to 1979, Bunge and Marangu darajani primary school

**Secondary school "O" levels:** 1980 to 1984, Marangu secondary school

**Secondary school "A" levels:** Makumira high school 1984 to 1986, (HGE)

**National service:** JKT Oljoro 1986 to 1987

**Business administration certificate level and French course.** Morocco, Rabat city, 1987 to 1989 (Scholarship).

**First diploma in design:** 1991 to 1992 Willesden college of Technology, London, UK.

**Foundation course in design:** 1992 to 1993 Dundee University, Scotland

**BA (hons) three dimensional design in interior design,** University of Central England (UCE) 1993 to 1995, Birmingham, United Kingdom.

**Architectural certificate course,** 1995 to 1996 Oklahoma University (OU) Oklahoma City, USA

#### **Work:**

MD consultancy architects, 1997 to date as an interior designer, develop concepts, prepare sketches, working drawings and detail design, project supervision and management.

#### **Ambitions:**

To be an industrialist, Thus came up with Uzima Beverages co. Ltd.

Reason: The product(water) is good, crystal clear, sweet, odorless etc.

**More :( running business):**

Corporate business climate Ltd, a distribution company dealing with distribution of magazines and publications

Creative Studios Ltd: interior design services

Hi clean Ltd: dealing with office cleaning and other sanitation services.

**Future projects:**

A travel agency and Tour Company and Lodge, bed and breakfast in karatu.

**General hobbies:**

Reading, Lawn Tennis, traveling and Walking

**Languages:**

English and Swahili, fluently and French spoken.

(Mawala D. personal communication, 2007).

**Appendix 2: Structured questionnaire for consumer**

**QUESTIONNAIRE 1**

*We are carrying out a study in marketing of bottled water in Moshi municipality and Dar es Salaam city, case study of Uzima Beverage Company Marangu Moshi. To make this study successfully we are kindly requesting you to give your time and fill this questionnaire.*

**Please fill and return to: Basil C. Mwasamila, MBA-(agribusiness) Candidate**

*E-mail: [bmwasamila@hotmail.com](mailto:bmwasamila@hotmail.com), [bmwasamila71@yahoo.com](mailto:bmwasamila71@yahoo.com)*

*Cell: 0757-104667*

**Name:**.....

(This questionnaire has been design for **consumer** however manufacturer, wholesaler and retailers can participate provided that the information's given are correct to the best of their knowledge)

Put tick, cycle the correct answer for hard copy or highlight with red colour the correct

Answer for the soft copy and when filling the questionnaire online

**Sex:** M / F

**Region:** Moshi / Dar es Salaam

**Q 1.** Do you normally buy bottled water? Yes..... No.....

**Q 2.** If no why?

a) I can not afford, high price.....

b) I am worried about the quality and safety of the bottled water.....

c) Not available in my place.....

d) Other reason

specify.....

.....

**Q.3** when do you buy bottled water?

a) When I am at home.....

b) During traveling e.g. in buses, Train, self drive, etc.....

b) When I am in the town.....

c) When I am in the office.....

d) Other specify.....

**Q 4.** Do you buy bottled water for the family use at home?; Yes....., No.....

**Q 5.** Have you ever heard about **Uzima** pure drinking water? Yes....., No.....

**Q 6.** What type of bottled water brand do you normally

buy?.....

**Q 7. Why do you prefer mostly the above brand of bottled water you mentioned?**

.....

.....

.....

**Q 8. What sizes of bottled water do you normally buy?**

- a) 350ml.....
- b) 500ml .....
- c) 1 liter.....
- d) 1.5 liter.....
- e) 5 liters, other.....

**Q 9. How much do you pay for the above bottle you normally buy?.....**

**Q 10. Do you think the price you are paying for the product is fair? Yes....., No.....**

**Q. 11. What is the reason for buying the size above (Q 8)**

- a) Low Price.....
- b) Easy of handling.....
- c) Availability .....

d) Good quality.....

e) Other reason

Specify.....  
.....  
.....

**Q 12.** Which brand bottle shape do you most prefer?.....

**Q 13.** Do you easily get the product when you want to buy, i.e. you don't need to go around?

Searching for the product from different store/shop; Yes....., No..... if no please

Explain in short

**Q 14.** Do you think what you get in the bottled water you buy is better than what you can

Get free from the tap water; Yes....., No.....

**Q 15.** Do you shift to other new introduced bottled water brand when come into the market for the first time? If yes why? If no why? Explain

.....  
.....  
.....

**Q16.** Which brands of bottled water have you ever heard being advertised in the media? –

You Can mention up to three brands 1)..... 2).....3).....

**Q 17.** Which brands of bottled water have you ever seen being sold in any buses from Dar to Moshi?

Mention up to 3 brands 1)..... 2)..... 3).....

**Q18.** Basing on your opinion which bottled water brand do you think is popular?

Mention

One brand.....

**Q 19.** Which challenge do you think the bottled water business is facing in the country?

.....  
.....

***Thank you very much for taking your precious time to  
respond and fill these questions***

**Appendix 3: Structured questionnaire for wholesalers and retailers**

*We are carrying out a study in marketing of bottled water in Moshi municipality and Dar es salaam city, case study of Uzima Beverage Company Marangu Moshi. To make this study successfully we are kindly requesting you to give your time and fill this questionnaire.*

**Please fill and return to: Basil C. Mwasamila, MBA-(agribusiness) Candidate**

*E-mail: [bmwasamila@hotmail.com](mailto:bmwasamila@hotmail.com), [bmwasamila71@yahoo.com](mailto:bmwasamila71@yahoo.com)*

*Cell: 0757-104667*

**Name:**.....

(This questionnaire has been design for **wholesalers and retailers** however consumer and manufacturer can participate provided the information's given are correct to the best of their knowledge)

**Put tick, cycle correct answer for hard copy or highlight with red colour the correct**

Answer for the soft copy and when filling the questionnaire online

**Sex:** M / F

**Region:** Moshi / Dar es Salaam

**Q 1.** Do you normally sell bottled water? Yes..... No.....

**Q 2. If no why?**

a) High buying price hence I can not sell

b) Low profit margin

c) Not available in my place

d) Consumer does not buy bottled water

e) Other reason specify.....

**Q 3. Have you ever heard about Uzima pure drinking water? Yes....., No.....**

**Q 4. What type of bottled water brand do you normally sell?**

**Q 5. What is the reason of selling the above bottled water brand?**

.....  
.....  
.....

**Q 6. What sizes of bottled water sales volume is high**

a) 350ml.....

b) 500ml .....

c) 1 liter.....

d) 1.5 liter.....

e) 5 liters, other.....

**Q. 7. What do you think is the reason for high sales above?**

- a) High profit margin
- b) Easy of handling for store/shop owner as well as consumer hence preferred
- c) Availability
- d) Other reason, specify

.....  
.....  
.....  
.....

**Q 8. Do you easily get the product when you want to buy for sell, i.e. you don't need to go**

**Around? Searching for the product from different suppliers/manufacturers**

**Yes.....,**

**No.....**

**Q 9. How do you get the product for sell?**

- a) Route sales, trucks from the manufacturers comes to the store/shops
- b) Buy direct from the manufacturers
- c) Buy from the whole seller
- d) Other sources specify.....

**Q10.** Do consumers shift easily to other new introduced bottled water brand?

a) No

b) yes

if yes please explain and if no please explain

.....  
.....

**Q11.** Which brands of bottled water have you ever heard being advertised in the media? - You

Can mention up to three brands 1)..... 2).....3).....

**Q12.** Basing on your opinion which bottled water brand do you think is popular?

Mention

One brand.....

**Q13.** Which challenge do you think the bottled water business is facing in the country?

.....  
.....

*Thank you very much for taking your precious time to  
respond and fill these questions*

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