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## MEDIA &amp; MARKETING

## ADVERTISING

## As Water Sales Dry Up, Nestlé Pans Soda

BY AARON O. PATRICK

**C**ONCERNS THAT bottled water is a bad choice for the environment have cooled sales of the hot-selling product. But Nestlé, the world's biggest bottled-water producer, is trying to persuade consumers they should worry more about another drink: soda.

The company recently began showing TV spots for its Nestlé Pure Life on U.S. Spanish-language channels such as Univision and TeleFutura touting water as a healthier alternative to sugar-filled soda drinks. Nestlé—which also owns the Perrier, Poland Spring, Vittel and Aquarel brands—plans to expand the campaign into English-language TV and print ads across the U.S. in the first quarter of next year, a spokesman says.

The spot for Nestlé Pure Life is narrated by Cristina Saralegui, a popular talk-show host. “More than 30% of kids in the U.S. are obese,” she says. “Drinking water instead of three sugary drinks per week for a year will spare you seven pounds of fat.”

Nutrition experts have made similar arguments for years, but it hasn't shown up in a lot in water advertising. Nestlé has the freedom to tap it because, un-

like rivals, it doesn't also make soda. Nestlé Pure Life is the third most popular bottled water in the U.S. by volume, after PepsiCo's Aquafina and Coca-Cola's Dasani brands, according to Beverage Digest, a trade publication.

Nestlé executives say the idea to target soda came from its consumer research: Bottled water sales in the past have grown mainly from consumers moving to water from soda and other sugary beverages. In 2006, 70% of the increase in sales of bottled water in the U.S. came from people switching drinks, according to Bob Davino, a vice president of marketing for Nestlé Waters.

Nestlé recently added an antisoda message to its bottle packaging. “A typical 12 oz. soda contains the equivalent of 10 tsp. of sugar,” reads a label on one-pint bottles of Poland Spring water.

Nestlé is looking for new marketing ideas because, like many rivals, it has seen bottled water sales fall amid consumer criticism that transporting water in plastic containers is wasteful. Many municipal governments across the U.S. and Europe, including New York and London, have reduced or banned the purchase of bottled water in their



So let's give them a good example by drinking Nestlé Pure Life ourselves.

Nestlé ads on U.S. Spanish-language channels have talk-show host Cristina Saralegui (above), saying water is healthier than soft drinks.

offices, citing environmental concerns.

Hit by the backlash, Nestlé Waters was the only division at the Vevey, Switzerland, company to report a drop in sales in the first three quarters of this year. Water sales made up 7.6 billion Swiss francs (\$6.4 billion) of Nestlé's 81.4 billion Swiss franc total. In the U.S. and Canada, the division's sales rose a meager 1%. In Europe, they fell 7%. To turn around the division, Nestlé appointed John Harris as CEO of water last year after his

successful stint running its European pet food business.

“The feeling is that we are destroying the environment,” says Mr. Harris. Water sales are also being hit by the financial crisis as people switch to tap, he adds.

So Nestlé is going after the \$72 billion U.S. soda market. By contrast, bottled water sales, excluding water-cooler sales, totaled \$17 billion in the U.S. last year, according to Beverage Digest.

The soda industry says it is simplistic to blame it for obe-

sity. “We need a societal change to increase the amount of physical activity in this country,” says Craig Stevens, a spokesman for the American Beverage Association, an industry group based in Washington, D.C.

This year, soda makers in the U.S. and abroad agreed to stop advertising on any TV channel or other media outlet which gets 50% or more of its audience from children under 12.

Nestlé began its antisoda campaign with the Hispanic community because it drinks more bottled water than most other ethnic groups, says Kim Jeffery, Nestlé Waters' chief executive of North America. The English-language ads will pitch a similar message at the “household chief wellness officer,” a phrase Nestlé uses internally to refer to moms.

Made by a Los Angeles agency specializing in Hispanic marketing, **Castells & Asociados**, the Saralegui ad has been “off-the-charts effective,” Mr. Jeffery says. He declined to disclose recent sales figures. It was the first TV ad for the Pure Life brand in the U.S., according to a spokeswoman.

An English-language version is currently being made by the Dallas office of Publicis, a unit of Paris-based **Publicis Groupe**.