

STILL -or- SPARKLING

Bottled Water Makes its Mark

By Laura Holmes Haddad

Forget the basket of bread. These days, restaurant customers are more likely to be presented with a choice of water when they sit down at a table. “Still or sparkling?” has become the new phrase in restaurants around the country. Dozens of brands, including **Voss, FIJI, Evian, Ty Nant, San Pellegrino, Santa Lucia, Panna, Saratoga Springs** and **Badoit**, have established a place next to the salt and pepper shakers. According to the U.S. Department of Agriculture, bottled water is the fastest-rising beverage category in the U.S. In 2004, total U.S. category volume surpassed 6.8 billion gallons, an 8.6 percent advance over 2003’s volume level, with 26 billion liters sold in 2004, according to the Beverage Marketing Corporation.



For most restaurant owners, bottled water has also become a significant part of the check. While restaurateurs pay between \$1 to \$2 per bottle, depending on the brand, customers are paying anywhere between \$5 and \$10 per bottle. Unlike wine and spirits, however, prices for bottled water are rarely listed on menus, which is something that Stephen Kay, VP of Communications, International Bottled Water Association, advises restaurateurs to do. “Communicate it as you do all other beverage offerings by including it on the wine or overall beverage listing. At the minimum, offer a still and a sparkling bottled water so consumers have a choice.” (For a member list of brands, check out IBWA’s site, www.bottledwater.org.)

PRESENTATION IS EVERYTHING

While the days of the water sommelier, once a fixture at the Ritz Carlton in Manhattan, are gone, presentation is an integral aspect of the bottled water sale. At Sushi Roku in West Hollywood, California, part of the Innovative Restaurant Group, bottles of FIJI Water are served in their Signature Sleeves (provided by FIJI), which are elegant gold or silver holders designed for the 500ml or 1L bottles. At Blackbird restaurant in Chicago, customers are offered a choice of tap or bottled and the water is then decanted into a crystal decanter.

However, even more important than **how** bottled water is offered in a restaurant is that it **is** offered to customers. Adam Madkour, president & CEO of Saratoga Spring Water Co., believes it’s of utmost importance to focus on server training in stressing the significance of offering bottled water. “Bottled water should be presented the same as anything else the establishment serves,” he says, “otherwise, it is per-



Filtration system at Incontro Italian Restaurant & Wine Bar in San Francisco, California.



carafes for bottling water



San Pellegrino & Acqua Panna served at a restaurant.

ceived by consumers as an add-on and not part of the entire experience. It's essential that the server present the availability of bottled water prior to offering or pouring tap water." As an additional assurance, Kay advises opening the bottle at the table so consumers know that the choice they have made is a fresh bottle.

Mark Rajeski, president of Brands of Britain, LLC, which imports flagship brand Ty Nant Still and Carbonated and the recently launched Tau Still and Carbonated, says that premium waters are experiencing considerable growth and "restaurateurs should be putting effort into this category to enhance the customers' dining experience." He believes that "the choice of which water to offer should go through as much scrutiny as the restaurant's food ingredients, wines, and glassware. The average consumer is looking for a pure taste of water."

Additionally, Rajeski explains that there's a big interest in chefs making decisions about carrying bottled water. "They are increasingly recognizing water as a major beverage at the table and whether or not it enhances or distracts from the food." He adds that "in recent years it's not uncommon for chefs to ask for enough samples so that they can taste-test the water with the staff."

IT'S ON THE HOUSE?

Aurora Restaurant in Dallas takes a different tact from restaurants that offer water for a charge by serving complimentary bottled water. The decision was tied to the restaurant concept and chef/owner Samuel's philosophy. "The original thought is the pure art of a pure water; a complimentary water," says Samuel. "If you're looking at three-star restaurants in Europe you'll find there is no tap water," he says. "I didn't think I could serve customers bottled water and then present a charge on the bill at the end of the night, so I decided to go complimentary," he says. Samuel notes the customer's reaction shifts when they realize there is no charge for the water. "The customers are startled but as soon as the word 'complimentary' comes out they relax," he says. And the benefits of the policy were unexpected. "We got a lot of mileage from the media. It's costing us a lot of money but for a restaurant at this level it [bottled water] is expected."

Also following the complimentary path is Nino Selimaj, owner of five restaurants in Manhattan. Since November 2005, all five restaurants have offered customers free bottles of San Pellegrino and Acqua Panna. "There are three things that humans need to survive: free bread, free water, and free air, and I like to give my customers all three things," says Selimaj. "It's been a great suc-

cess and I hope it will continue. "Everyone says New York City has great water but no one is asking for regular water. They are all drinking bottled water," Selimaj says.

It is a costly policy but Selimaj is happy to give back. "Before I launched it [the complimentary water policy], I brought in \$480,000 in water sales alone in all five restaurants, so I decided to give it back to the customers," he says. "At this rate we will be spending \$1.2 million this year in water," but he believes it's worth it.

THE APPEAL OF PACKAGE & DESIGN

For restaurant owners, which bottled water to serve comes down to two factors: taste and design. Anne Le, proprietor of Tamarine in Palo Alto and Bong Su Restaurant & Lounge in San Francisco, admits that design does come into consideration. "Especially when you're charging for one of the most plentiful resources on the planet, it has to have an aesthetic element," she says. Tamarine serves still and sparkling Lanllyr Source from Wales. Says Le, "I think Lanllyr is the best water. It's more expensive for us but in my mind it's worth it." Le's customers are moving away from tap water and ordering more bottled water.

Rajeski, of Ty Nant and Tau Waters, agrees with Le that, although taste is extremely critical, packaging is an essential

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—Chris James, general manager, Sushi Roku

element. One of Ty Nant’s bottles, the glass PET bottle with a unique ripple effect look which refracts light and color and imitates reflections on water, has won numerous design awards and is very popular in more upscale establishments. “In some high-end restaurants and hotels, I feel that some miss the boat in their water selection because the overall look of the bottle’s package needs to be in line with what they are trying to accomplish,” says Rajeski.

FILTERED WATER ANOTHER OPTION

Some restaurants, however, are installing filtration systems instead of, or in addition to, bottled water. Incanto Italian Restaurant and Wine Bar in San Francisco filters local tap water using a high-end filter micron system and also uses a carbonation system to produce sparkling tap water. The water is poured out of two beer taps and served in two different glass carafes, one for still and one for sparkling. The policy is listed on the menu and servers explain the system when they first approach the table. Owner Mark Pastore came up with idea for the carafes after sev-

eral trips to Italy. “It’s a sustainability issue,” says Pastore. “Why are we shipping glass bottles all over the world? We’ve got great water in San Francisco so why not serve it?” he asks.

Pastore notes that overall customers are happy with the water but says there have been occasional misunderstandings. “Some people don’t hear the word complimentary and they think we’re trying to sell them something,” he says. “People are conditioned to being sold bottled water.” The cost of the filtration system is between \$1,300 and \$2,000 a year, including replacement filters, CO2 tanks, and maintenance, but to Pastore it’s worth it. “We look at it as a service to our guests.”

West Hollywood BOA, also part of the Innovative Restaurant Group in Los Angeles, provides filtered water as an option for guests as well. “We’re not going to push anyone. We’re going to tell them that we have filtered water as an option,” says general manager Jacques Perwin. Servers at BOA approach the table and offer still, sparkling, or tap water; the restaurant serves Voss still and sparkling water.

WHAT LIES AHEAD

Besides the increased sales benefit for the restaurant, customer demand is driving the trend. Chris James, general manager of Sushi Roku, says most of his clients stay away from tap water. The restaurant offers FIJI Still Water and Voss sparkling. They chose the water based on guest response. “Sales are pretty constant” no matter what brand they are serving, says James. “We’re looking for value and adding to the bottom line.”

At Blackbird, manager and sommelier Eddie Seitan has noticed an increase in bottled water sales. “Bottled water sales have become more of a part of the total bill,” he says. “In the past eight years since we opened we’ve gradually seen an increase in the contribution [of bottled water] to total sales,” says Seitan.

Bottled water has not yet reached the level of wine or spirits in terms of branding. Le says, “Customers aren’t looking for one brand of water.” Although they may be aware of the different brands, it seems “they are not specifically requesting them at the table,” she says.

There’s no doubt that dining establishments must offer something other than tap water to their guests. The IBWA’s Stephen Kay, a true expert on the category, says that “a smart restaurateur will take advantage of offering bottled water for consumers.” He adds, “Given the huge success the bottled water industry has experienced by consumers choosing it on-the-go, for the office and at home, it makes perfect sense to offer it at all on-premise establishments. This category is not a fad and is growing as a solid consumer choice.”

Giving the customer a choice, rather than limiting their water options, seems to be key. The offerings for restaurateurs are growing; options such as filtered water and complimentary water may be other ways to set your restaurant apart. ■