

NOT SIMPLE WATER: BRANDING MINERAL WATER IN EUROPE IN THE 20TH CENTURY

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Abstract: *This article discusses the role of brands in the mineral water sector. We consider two cases, San Pellegrino in Italy and Spa in Belgium. The two companies created their brands based on their historical identity and used them as competitive assets to adapt to changes in the mineral water market in the 20th century. The study emphasises two phases: the passage from a healthy source to a water for thermal baths and elite tourism; from an asset linked to health and pleasure to a water for mass consumption. The new lifestyle related to the mass consumption and the improvement of bottling technologies allowed the bottled and labelled mineral water to impose itself as very different from the traditional tap water. Drinking mineral water became a European normal family or restaurant habit. The growth of the market competition obliged producers to advertise the concept that bottled waters had better organoleptic characteristics. Some mineral waters became luxury products.*

Keywords: *mineral water; 19th-20th centuries; Europe; branding and commercial strategies.*

Resumo: *Este artigo discute o papel das marcas no sector da água mineral. Consideramos dois casos, San Pellegrino em Itália e Spa na Bélgica. As duas empresas criaram as suas marcas com base na sua identidade histórica e utilizaram-nas como trunfos competitivos para se adaptarem às mudanças no mercado da água mineral no século XX. O estudo enfatiza duas fases: a passagem de uma fonte saudável para uma água para banhos termais e turismo de elite; de um bem ligado à saúde e ao prazer para uma água para consumo em massa. O novo estilo de vida relacionado com o consumo em massa e a melhoria das tecnologias de engarrafamento permitiram que a água mineral engarrafada e rotulada se impusesse como muito diferente da água da torneira tradicional. Beber água mineral tornou-se um hábito familiar ou de restauração normal europeu. O crescimento da concorrência no mercado obrigou os produtores a publicitarem o conceito de que as águas engarrafadas tinham melhores características organoléticas. Algumas águas minerais tornaram-se produtos de luxo.*

Palavras-chave: *água mineral; séculos XIX-XX; Europa; marcas e estratégias comerciais.*

INTRODUCTION

Bottled water is a European phenomenon that dates back to the late 18th century when food and beverage markets started their development¹. However, only during the 20th century brands and labels gave to mineral water a new identity.

The research points out mineral water became «something more, unique» during the 20th century. Initially, it was promoted as a specialised product with its own health

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¹ MARTY, 2013.

properties linked to thermal bath experiences, while in the second half of the 20th century, the development of a new lifestyle related to the mass consumption and the improvement of bottling technologies turning mineral water into food. The transformation of the mineral water concept and the industrial evolution of the sector were supported by the use of brand. The bottled and labelled mineral water imposed itself as something different from the tap water traditionally used to quench people's thirst. The mineral waters on the market increased their number and the product diversification linked to the different mineral composition allowed producers to cover all market niches. Drinking mineral water (sparkling or not) progressively became a home or restaurant habit.

The growth of the competition obliged producers to improve the quality and healthiness of their mineral water and, moreover, to renovate their brand and to remind consumers the main characteristics of the ancient water springs. Some mineral waters became luxury products, and their price went up and became many times the actual productive cost. At this regard, this paper analyses two case studies allowing scholars to better observe the branding history of mineral water: San Pellegrino in Italy and Spa in Belgium.

With regard to the industrial production of mineral water, in the second half of the 19th century, mineral water was packaged as a pharmaceutical product. Even if historical research concerning the mineral water industry is lacking in sources, it is possible to indicate that in the first decade of the 20th century a real industry for the production and trade of mineral water existed. The mineral water industry reached a significant size, following the path of the French market. Despite the limited availability of statistical data, during the 20th century it is possible to identify a gradual but constant progress between the 1920s and the start of the golden age. In Italy there was a high dispersion of companies and a low degree of mechanisation; a significant transformation took place in the 1970s with a growth in the number of companies, employees and installed power (HP) of factories, while the flow of investments was redirected from bottling capacity to the installation of packaging equipment (PVC and PET). In the 1980s, the demand for mineral water grew considerably, but it was mainly for the domestic market, unlike France, which was the world leader in exports. The weakness of exports was a constant feature in Italy: few companies, including San Pellegrino, achieved a greater presence abroad. According to official sources, such as Federterme, the causes of the difficulty in increasing sales abroad were the costs of finding raw materials, the transport tariffs by ship or train, and the customs protection of mineral waters that several countries had introduced unlike Italy. Thanks to the introduction of the European Economic Community (EEC), the problem of protectionist policies in other countries diminished.

The San Pellegrino spring has very ancient origins dating back to the mid-15th century. In 1452, in the Brembana Valley (located around Bergamo – Lombardy), the

minutes of an assembly of inhabitants testified that a municipal road led to a spring with curative powers².

In 1820, the construction of the spa in the municipality of San Pellegrino Terme was completed, accompanied by a strengthening of the roads connecting Bergamo and Milan to the town in the Brembana Valley, which had high potential for tourism³.

As seen for San Pellegrino Terme, all over Italy in the late 1880s and early 1890s some municipal administrations became interested in the exploitation of the springs located in their territories. Between the end of the 19th century and the eve of the World War I institutions opened to the private sector with concession contracts. In most cases the investors were wealthy people, nobles, or bourgeois, who founded companies to undertake the thermal and commercial use of the waters. The latter developed thanks to the introduction of brands which identified the properties of the water commercialised and which were, at the same time, the main component of advertising (of water and spa facilities). About fifty brands of bottled mineral water existed in Italy, both for food consumption and for spa treatment: however, they essentially had a local market. Although it aimed for an industrial product, the technological level was not high and, to a large extent, the companies were family enterprises, even if almost all were corporations.

At the same time, growing consumption by the city's middle class supported the establishment of a small mineral water industry for the city, which in the case of San Pellegrino coincided with the consolidation of its industrial identity. The company with its historic headquarters in the Brembana Valley found its main commercial outlet in the city of Milan and then throughout other Lombardy provinces.

In northern Europe, a similar experience, chronologically and industrially, is that of Spa water, which is generally considered «the symbol of relaxation and well-being». This term in fact evokes a whirlpool, a beauty and fitness centre or a thermal location or a thalassotherapy resort. The city of Spa and its beneficial waters represented the origin of this term which progressively became a common name for the richest European families since the 18th century⁴.

² A few decades later, around 1510, the government of Milan commissioned to Leonardo da Vinci a map of the Brembana Valley. The map clearly pictured San Pellegrino (S.^o Pellegrini) as the place of origin of a water source. In 1750, a pamphlet illustrated the properties and curative characteristics of these waters. As far as marketing was concerned, in 1760 the Municipal Deputation gave permission to the construction of a plant for the «administration of mineral water on payment at the spring» and from 1803 the plant was sold to Giovanni Pesenti and Francesco Licini, who started the construction of a thermal establishment equipped with accommodation facilities to welcome people interested in thermal treatments and in drinking the water. The company, following the instructions of the municipal deputation, allowed the citizens to draw water from the spring freely and without charge. Referring to the historic information: GALIZZI, 1996.

³ Subsequently, the Deputation granted a concession for the San Pellegrino plant, and between 1838 and 1841, Giuseppe Salaroli, Giovanni Pesenti and their daughter Ester began to enlarge the establishment. The new structure was built on a surface area of 2,000 square metres and was considered the best in Italy. Many foreigners began to attend the spa of San Pellegrino.

⁴ The name Spa is not the acronym of «Sana Per Aquam» (literally «health through water» in Latin): this last was in fact

The study analyses the history of the two companies, pointing out the origin of their brand and its role in the long-term success of the firms. The research reviews the literature, and in San Pellegrino's case, it relies on documents conserved in the historical archives of the Camera di Commercio di Milano (Milan Chamber of Commerce) and on the company's Annual Report from 1964 to 2003 that are available in the archives of Mediobanca's research area⁵. The first part provides a reconstruction of the development of San Pellegrino and Spa, from its origins to the 1930s, with particular attention to the transformation of mineral water from a curative to a consumer good and the role played by the brand in this transition. The second section presents an analysis of the use of the brand by the two companies in the following phase, which is characterised by the progressive affirmation of mass consumption of this good.

1. THE HISTORICAL HERITAGE OF WATER IN SAN PELLEGRINO AND SPA

The long tradition of baths and thermal waters culminated at the beginning of the 20th century, when technological, especially in transport, and commercial developments led to a greater diffusion of the product outside the traditional channels of consumption (cities and spas) and an expansion of the number of consumers. The first companies in the water industries emerged, using the idea of a distinctive symbol, the brand, to assert themselves in the growing mineral water market.

In the Brembana Valley, the Milanese entrepreneur Cesare Mazzoni founded the Società Anonima delle Terme di San Pellegrino in 1899. In 1900, the water from the San Pellegrino thermal spring was considered an ideal product for the treatment of various diseases and dysfunctions. Doctors advised their patients to stay at the spa, and then prescribed the consumption of thermal water at home. Between 1901 and 1906, Mazzoni decided to build a new spa, linking the idea of healthy water with that of well-being/well-being and luxury. In other words, he wanted to build a place where the nobility of the time and the business bourgeoisie would come to stay and spend time to relax. San Pellegrino Terme was thus placed in the *plaisir* sector and became one of the symbols of the Belle Époque. At the same time, the entrepreneur focused on expanding the

invented to avoid paying some right to owners of «Spa trademark». The real origin of the name is not sure: the most probable hypothesis is that it comes from the Latin *spargere* (literally «to scatter») because this water gushed from the rocks. Roman legions arriving in the Gallia Belgica in fact noted the virtues of the ferruginous water gushing in the Ardennes and informed the Senate in Rome. In the 1st century A. D., Plinio il Vecchio wrote that in Gallia there was a famous spring, whose water, sparkling with bubbles, had an iron taste that was only felt after finishing to drink. This water purged the body, cured the fevers, and dispelled the calcareous affections: so, it was a real multi-purpose drug. During the medieval age lot of people came from all Europe to relieve their health problems. About the history of Spa waters, see DUGARDIN, 1944; SPAILIER, 1961; *Histoire d'eaux*, 1987; CRISMER, 1989.

⁵ Archivio Storico Camera di Commercio di Milano (AMICAMCOM), n. denuncia 57076, fasc. 01-10; Archivio Storico Mediobanca (ASMB), *San Pellegrino Spa* (previously Terme San Pellegrino), *Relazioni al Bilancio*, various years since 1964 to 2003.

company's market by strengthening the distribution. Indeed, he enlarged the company's distribution employing more agents and opening new depositories with offices in the main Italian and foreign cities, including Lugano, Cairo and Buenos Aires. Commercial success led to a series of capital increases: from 1,000,000 lire in 1901, it went up to 1,500,000 in 1905 and 2,000,000 in 1906. Another capital increase to 3,000,000 lire was made in 1910⁶.

In 1900, the anonymous company San Pellegrino Terme produced 35,000 bottles a year and 5,000 were sold on foreign markets. In 1906, while the national and international sales network was already developing, the construction of the Valle Brembana railway also supported the company's growth⁷. On the one hand, rail transport allowed more tourists, meaning more consumers, and, on the other hand, it facilitated the distribution of the bottles, which until that year had been limited to the precarious road system.

Mazzoni immediately used commercial communication to support the product and the name San Pellegrino became common in local and national newspapers, especially emphasising the therapeutic properties of the water. Between 1902 and 1904, the Grand Hotel was built in San Pellegrino Terme and opened in 1905. The building, with over two hundred rooms, was able to accommodate about five hundred guests at the same time. In pure Art Nouveau style, during the Belle Époque, the Grand Hotel in San Pellegrino was described as the most beautiful hotel in Italy and one of the most beautiful in Europe. A true status symbol that attracted the nobility and the bourgeoisie as a place to meet and experience the sociality of the elites⁸.

At the same time, San Pellegrino was aiming for an international image in two ways. First, it promoted its identity among Italian communities in the world exploiting their ties with their motherland. Second, it harnessed brand appreciation among the international elite who frequented spa tourism. This was achieved by designing a label for San Pellegrino water bottles with some distinctive features. In particular, the red star symbol was used, which in international commercial language identified top-quality products. The values that San Pellegrino embedded in its «red star» were founded on the idea that mineral water was a useful food for health and, moreover, the brand promoted the concept that high quality water was for «fine dining» based on the tradition of the Grand Tour⁹. Furthermore, at the same time, the enterprise started a strategy to protect its brands by registering and legalising them with the Italian Patent and Trademark Office. The first trademarks already show the essential features of San Pellegrino's branding: the red star (as mentioned above), the name of the company, light blue label and the elongated green bottle («Vichy» model). Alongside these, wording and slogans will be added over time to

⁶ GALIZZI, 1949.

⁷ GALIZZI, 1996.

⁸ CACCIARI, 1932.

⁹ BERRINO, 2011; LOCATELLI, SUFFIA, 2021: 112.

emphasise the properties and characteristics of the company's mineral water and other company' goods¹⁰.

In 1911, the company took part in the International Exhibition of Industry and Labour in Turin. The following year, the newspaper «Il Sole», published in Milan, released an article on the British Mineral Water trade, in which it was reported that S. Pellegrino was the best known in Great Britain than all other imported waters. In the United States, sales of packaged waters had increased considerably in the space of a few years, so much so that New York's «Giornale Italiano» dedicated an article to them, promoting their image starting with the «red star» that appeared on the bottle. The situation was the opposite in France, where restrictive regulations were in place for imported foreign water. The procedures for obtaining licenses to sell in this country were long, complex, and subject to the opinion of the French Academy of Medicine. S. Pellegrino obtained the necessary licenses but was unable to compete effectively with French waters due to the difficulty of meeting demand on a consistent basis. The structural inadequacy of the supply, which would have required a strengthening of the structure and the development of partnerships in France, was aggravated by the difficulties in transport and the high cost of sea charters and glass bottles¹¹.

At the beginning of the 20th century, San Pellegrino built a corporate brand, mineral water for healthy eating, with the aim of positioning itself on foreign markets, from Great Britain to the United States. The brand served to compete with the French and Belgian brands in the Anglo-Saxon markets. Technological innovation allowed an increase in production and was connected to the definition of the brand. In the summer of 1914, the company's strategy was directed on the construction of new plants, also because it could have benefitted the whole Brembana Valley labour market. The outbreak of the First World War and its effects influenced the realisation of this transition process. The Italian government's initial declaration of neutrality benefitted exports of Italian mineral water. Especially in the United States, where bottled water became scarce on the tables of American families, a market segment that until then had been dominated by French and Austrian waters (Vichy, Vittel, Apollinaris). The crisis of these brands benefitted San Pellegrino, which was already popular in large cities. At the same time, American newspapers began to portray S. Pellegrino as the best of the imported waters, contributing to increasing the fame of the brand and its products. Sales of San Pellegrino water also rose in the rest of the American continent, and it acquired the position of market leader. The first sign of its supremacy was its participation, as the only Italian company, in the San Francisco World's Fair¹².

¹⁰ LOCATELLI, SUFFIA, 2021: 122-124.

¹¹ BOTTANI, 2019.

¹² GALIZZI, 1996.

The worldwide affirmation of the brand added to the maintenance of an important role in the nascent domestic bottled water market. Industrial success was counteracted internally by the declining interest in spa tourism, while on the international level the economic crisis that hit Argentina precluded one of the major export markets.

In 1915, founder Cesare Mazzoni died suddenly, and the company was taken over by Guido Sacchi, who was already a member of the board of directors. The new management introduced several changes in the communication strategies and, above all, made changes in the product positioning. Under the new management, a dual vision of S. Pellegrino bottled water emerged. The Val Brembana water did not only want to have a therapeutic identity, but also aimed at large-scale consumption by exploiting the idea of high digestibility. However, at the end of the Great War, the Società Terme San Pellegrino was in difficulty in both the spa and industrial sectors¹³.

In 1924, Ezio Granelli joined San Pellegrino and he led the company for the next thirty years, going through the fascist's years and Republican Reconstruction towards the great growth of the 1950s and 1960s. Granelli's strategy in response to the economic and consumption crisis of the 1920s was to invest in the renewal of the industrial and commercial line and, at the same time, to expand the market by aiming to spread mineral water consumption among the less affluent classes. Indeed, the board of directors' report to the 1926 shareholders' general assembly reported the company's efforts to improve the national and international sales structure, with the aim of achieving greater contact with large consumers¹⁴. More generally, the strategy was to diversify into non-alcoholic drinks and acquire local brands. As a pharmaceutical representative, Granelli made his fortune with the patent for «Magnesia San Pellegrino», a magnesium hydroxide acting as an antacid and laxative. When he arrived at San Pellegrino, he succeeded in exploiting the patent industrially, while at the same time expanding the production from 35,000 to 120,000 bottles. In 1932, the Bergamo-based company launched the «Aranciata» (literally the «Orangeade»)¹⁵.

Referring to the Spa water, this water started to interest some doctors and scientists in the modern age: so, during the 16th century Spa lost all links with medieval religious traditions and progressively increased the number of people drinking the water because

¹³ RASPADORI, 2002. The use of the spa hotels as military hospitals had damaged the recovery of the spa industry, which was downsized compared to the pre-war period, while the industrial sector saw its production levels reduced due to the sharp drop in consumption. It took a few years for exports to return to pre-war levels. Thanks to its participation in the international association of entrepreneurs in the sector, the company aimed to strengthen its position in markets previously dominated by French waters, such as Turkey and Tunisia. Meanwhile, the company consolidated its presence in foreign distribution, reconnecting with «already known markets», such as Argentina, Egypt, China, Eritrea, Peru, the United States, Paraguay and Central America.

¹⁴ Archivio Storico Camera di Commercio di Milano, n. denuncia 57076, fasc. 2 – Verbali assemblee dei soci, Bilancio al 31-12-1925.

¹⁵ GALIZZI, 1996.

it treated certain diseases¹⁶. The Spa brand was established in the sixteenth and seventeenth centuries based on the idea of a water that was «natural» with specific healthy and taste characteristics, and it included in its values that of the protector of natural spring waters, as to preserve them for the next generations¹⁷. However, only at the half of 18th century, therefore during the Enlightenment, Spa water definitively attracted the European high society, and the first luxury was built. As in the case of San Pellegrino, Spa linked the brand to the thermal baths and holidays. The city became a holiday resort both for its bathing cures and for attractions such as its horse races and other games obviously reserved to richest guests only. Very relevant aristocratic families (as the king of England or the czar of Russia) and the rich bourgeois ones continued to receive at home the Spa water, but it was necessary to stay in holiday in Spa to be considered important in the high society¹⁸.

Excluding the Napoleonic period and the related wars which strongly reduced the number of tourists, during the 19th century the relevance of the city of the «queen of waters» increased: alongside those who came to treat themselves and follow strict diets, there were many people who came on holiday to what was becoming one of the world's leading thermal resorts. At the same time the export of bottles continued even if the competition of other European waters progressively increased¹⁹. The town of Spa was also present by advertising its water at major international exhibitions such as Vienna (1873), Santiago (1875), Philadelphia (1878), Brussels (1880) and Paris (1889). Moreover, in 1888, the *Compagnie Fermière des Eaux de Spa* obtained the rights to exploit the spa and trade in bottles of water and, after a new agreement, in 1891 these rights were extended for 25 years²⁰.

¹⁶ «La reine des eaux» (literally the «queen of waters») was born and when richest people were not able to go to Spa, they have bottles of the precious water sent to them. In 1583, the first export of Spa water was organised: the «queen of waters» arrived on the tables of the richest families of England, Russia, Italy, Spain, France and the Netherlands. This demonstrates that, the Spa brand was already well known, both in national and international markets, in the middle of the 16th century.

¹⁷ CRISMER, 1989.

¹⁸ DUGARDIN, 1944; CRISMER, 1989. Between the 16th and the 17th century Spa water were visited by important kings as Charles II of England and the czar Peter the Great. It became fashionable to go for a cup of water at Spa. This success led inhabitants to dig wells in their gardens to obtain some water to sell this progressively reduced the thermal water and obliged in 1772 the prince-bishop of Luik to prohibit them from digging deeper than two metres. The year after, a French pharmacist created in Spa a swimming pool and the very first bathing establishment, not far from the spring known as the Tonnelet: so, tourists drank the water but also had seat and foot baths and Spa became more attractive pushing the building of new hotels. Joseph II, the Holy Roman Emperor to whom Spa belonged, defined this last «the Café of Europe» where it was possible to meet the most important European people.

¹⁹ Since 1830 Spa was a city of the new-born Kingdom of Belgium, the first industrialised country in the European continent: Spa was connected by a postal service from 1840, and the telegraph service arrived in 1856. New railways connecting Spa to Pepinster in 1854 and to Luxembourg in 1865 made it easier for tourists to arrive and further develop the number of people visiting the thermal buildings. The Belgian royal family also spent a significant part of the holidays drinking the Spa water and enjoying the «vibrant» city life protected by Saint Remacle, its patron saint (ENGERLAND, 1936; *Histoire d'eaux* 1987; ROUX, 2009).

²⁰ DUGARDIN, 1944.

The «queen of waters» was so important that it had to be protected from over-exploitation and pollution. In 1889, the Belgian parliament promulgated the «Spa Mineral Water Protection Act», which established Europe's first groundwater protection zone. The law allowed the town to eliminate competition from other nearby springs and, in the following years, the branding strategy started. The town of Spa, which was still the sole owner of the springs, also asked to extend its offer to the production and trade of table water, with the aim of enlarging the existing market, which was mainly focused on «medicinal» water. The table water was intended for export to foreign markets, except for France, as French laws restricted the import of water to «medicinal» water only.

Moreover, in 1912, the municipality of Spa decreed, in its favour, exclusivity in the exploitation of the thermal spring to put an end to the uncontrolled sale of thermal water. In fact, the inhabitants who had free access to the spring sold their thermal water in bulk (in jugs) outside the town at lower prices. In 1921, the municipality created the «Spa Monopole – Compagnie Fermière des Eaux et des Bains de Spa» as the only company authorised to bottle and sell Spa water, further increasing the protection of the local springs. The protected area gradually increased to 3,400 hectares in 1934 (and 13,000 hectares in the new millennium). Sales increased and, by the end of the 1920s, 2,000,000 bottles were leaving Spa for France, the UK, Luxembourg, the Netherlands and African countries (Congo, Egypt and Tunisia), Asia (Palestine, British and Dutch Indies) and all American countries²¹.

At the beginning of the 1920s, the SpA, like San Pellegrino later, began the process of industrialisation that transformed the identity of the «queen of waters» from a medicine-water for high society to a premium product for middle-class consumption. Improving the marketing of the «queen of waters» *was therefore the main priority, especially for the du Bois family* who, in 1923, had acquired a stake in the Spa. The new concept of water that was to be promoted required a strong and innovative advertising campaign that was also able to withstand the growing international competition in the industry. In 1923, the company decided to launch a contest to find a new logo. The competition was won by the illustrator Jean D'Ylen, who proposed an image of a child playing the grasshopper: the «Pierrot» character was added above the Spa bottle and became the central feature of the Spa brand and is still the company's signature symbol today²².

The new bottling plant built behind the railway station was magnificently equipped: the most modern machines were lined up in a vast glass hall. Each machine processed 5,000 bottles per hour. It was possible to see the high chimney dominating it, the lively loading docks, the heap of broken bottles as well as the huge sheds of empty crates. Everything was bright, airy and clean. The washing, rinsing, bottling, labelling and capping operations were carried out quickly: a great care was dedicated to hygiene and cleanliness.

²¹ DUGARDIN, 1944.

²² See <<https://www.sparealites.be/les-origines-du-pierrot-de-spa>>; CRISMER, 1989.

2. MINERAL WATER BRANDS TOWARDS THE ERA OF MASS CONSUMPTION

New properties of Spa waters managed the difficult period of the 1930s and the improvement of the European citizens' quality of life of the 1950s and 1960s. During the 1930s the target was to maintain the existing strong links between the thermal bath and the sales concerning waters addressed to the social elites as well as the ill people. After the end of the Second World War (Spa was immediately invaded by German army when this last started its campaign against France in May 1940), the advantage to have a niche market of rich people allowed to Spa waters to resist until the 1950s when the Western European economic miracle increased the consume of bottled water enlarging it to middle classes and specialised workers who wanted to offer their children a good and healthy water²³.

Face to problems on the market related to the negative economic trend of the 1970s, managers created in 1980 a new company, Spadel: it bought relevant water brands (as Bru and Wattwiller) and diversified the Spa waters on the market. On the international market it arrived the Spa Reine, the Spa Barisart and the noblest and most historic Spa water, that Marie-Henriette, a homage to the second queen of the Belgians; this naturally slightly sparkling water (as the sovereign was, at least before her marriage to the king who often betrayed her) travels for 50 years in the Ardennes subsoil before being bottled. Most of new waters lost the traditional iron taste to meet the new customers who did not want to have the impression to drink a drug. Besides, new bottles in PET having different capacity (from 0.5 to 3 litres depending on the market) substituted those in glass and in some markets the «queen of waters» it was also distributed in cans having the traditional content of 0.33 litres. In the new millennium a further enlargement of the range led to the creation of Spa waters with fruit juice: the target was obviously represented by young customers and lovers of fitness too. These new products were launched under the main company brand, so they largely benefited of it to compete on international markets. Furthermore, in 2015 Spa started a new communication campaign for the whole range of Spa products. It aimed to reinforce for all Spa goods two main aspects: quality and values. Concerning this last aspect, it took up the idea launched by the company in the past: to be the protector of water and sources for future generations.

Facing the increase of the competition and the need to get the consumers' attention in the Belgian market, the managers of Spadel in fact tried to improve their brand equity dimensions, that is the brand loyalty, the brand perceived quality, the brand awareness and the brand associations. The problem was that new logo decreased the value of the water Spa brand, that is the blue Pierrot positioned behind the SPA remained customers' preferred logo. This evidently implied a great difficulty for the managers of Spa to improve

²³ CRISMER, 1989.

sales modifying the image of the product: if the traditional logo confirmed its success in a context where competitors seemed to improve their sales through a modern image, it was necessary to find new ways and to further diversify the offer in terms of tastes as other producers were doing.

The old logo continued to better represent the mission, the value, and the beliefs the company wanted to express to their customers: it was not a great surprise for a brand that it was *de facto* born in 1583. However, it was necessary to clearly diversify mineral water (Spa Reine) and the different sparkling waters (Spa «Intense», Spa «Touch of» and «Spa Fitness») as well as the «new entry» waters with their new tastes of Lemonade or aromatic («Spa Fruit Plat» and the sparkling «Spa Fruit Pétillant») entering in a segment in expansion among new generation. The idea was to communicate the values of the leading water group and to strengthen the relationship with the customers as a «loved brand»: managers were clearly enhancing the visibility of their actions to protect natural water for future generations. So, the new Pouhon put above the SPA inscription in different colors depending on the type of water was diffused. Every type of water highlighted shades of the same colour: the blue/cyan for the traditional water, the red/orange for the sparkling waters and the dark and light green for the aromatic waters. This allowed Spa water to maintain their shares in the traditional Belgian water market (20 per cent for the Spa Reine) and in the sparkling waters one (22%), and to open niche of the aromatic water where the markup was very interesting²⁴.

At the beginning of the «Economic Boom» in Italy, San Pellegrino in 1949 offered to the market the «Aranciata amara» (literally the «bitter orangeade», an alternative to the classic orangeade), in 1958 the «Chinotto» (derived by the homonymous citrus and Italian alternative to Coca-Cola) and in 1960 the «Limonata» (literally the «Lemonade»). The target was «refreshing and sparkling products», i.e., products for the new lifestyles of the bourgeoisie: «a class product for everyone». Besides that, in 2016 Spadel realised a new plant to produce «aseptic» bottles: this new aseptic production line allowed the filling environment to be completely protected and isolated from the bottling atmosphere. By this new relevant investment (17,5 millions of euros), Spa underlined its ability to respect of environment and to improve of the quality of products²⁵. During the years

²⁴ In 2015 the Belgians consumed 1425 millions of liters of bottled water, that is around 127 liters per person. Belgium represented the fourth bottled water consumer in Europe. The Belgian market of no-alcoholic beverages showed bottled waters (46%) narrowly exceed soda and lemonade beverages (45%). The market concerning only waters put in evidence the mineral ones with 75% and the sparkling ones with 25% (Fédération Royale de l'Industrie des Eaux et Boissons rafraichissante, *Chiffres et Tendances*. See <<http://www.fieb-viwf.be/fr/les-eaux/chiffres-et-tendances>>. Finally, about the new line production, see <http://www.spadel.com/userfiles/pdf/654_LIGNE_ASEPTIQUE_FINAL.pdf> and also see: Spadel Annual Reports 2015-2020. Available at <<https://www.spadel.com/en/governance>>.

²⁵ The path was similar to that of Cedrata Tassoni which, in 1921, proposed the syrup and later in the 1950s the Bibita Tassoni Soda (RASPADORI, 2002).

of the Golden Age, fragmentation led to the establishment of only «local brands» apart from a few cases, such as San Pellegrino²⁶.

On the death of Granelli in 1957, the presidency of the company passed into the hands of Giuseppe Kerry Mentasti, his son-in-law, who led it for the following forty years. The new management was characterised by a series of corporate acquisitions, starting with Acqua Panna in 1957, which allowed the sales network to be extended to the centre and south of Italy. At the beginning of the 1960s, the company's industrial growth was driven mainly by demand for soft drinks. The Mentasti group responded to the challenges of new tastes and also to national (e.g. Levissima or Tassoni) or international (Vittel or Coca-Cola) competition by continuing the strategy of product innovation linked to brand identification. At the end of the 1950s, to be precisely in 1958, there was a first surge in the number of trademarks registered by the company²⁷.

Moreover, in the early 1960s, the new advertising model imported from the Anglo-Saxon world, especially America, spread to Italy. San Pellegrino, like other large Italian companies, adopted advertising as a communication tool to support its brands²⁸.

A qualifying point was the marketing of a new product: the San Pellegrino bitter. Born in 1961, it was the first Italian non-alcoholic aperitif, and it was mainly placed in catering establishments. The bottling plants, even though they had been expanded and modernised several times, were no longer sufficient to meet the increasingly diversified production needs. In the mid-1960s a new plant was built in Ruspino, a village near San Pellegrino Terme and in the immediate vicinity of the springs. It featured modern bottling lines and a high production capacity, and most of the production was moved there. The new facility went into operation in 1965, and the administrative office area was completed the following year²⁹.

Since 1970 San Pellegrino took important steps in terms of corporate structure and production organisation. In 1970 the company name was changed to San Pellegrino S.p.A. Under the management of Bruno Mentasti, Giuseppe's son, San Pellegrino

²⁶ During the years of the «economic miracle», the mineral water industry was predominantly family-owned and fragmented, but it developed in terms of the number of employees and driving force. Some structural characteristics were confirmed: the companies had a family business origin; the activity was based on domestic consumption and a limited share of the product went abroad. Operators continued to be confronted with the high cost of finding raw materials and high transport costs. The structure of the market influenced operations, which were overall unprofitable. In continuity with the first half of the 20th century, the sector still had the distinct business form of an urban industry, with few relations with banks. On the Italian market, there existed a strong competition made by foreign producers, also due to the gradual removal of protectionist barriers. In this context, the difference in production and marketing with France was high (MARTY, 2013).

²⁷ LOCATELLI, SUFFIA, 2021: 118-119.

²⁸ GRANDI, 2005: 5.

²⁹ *San Pellegrino Spa*, Bilancio al 31 Dicembre 1965; Bilancio al 31 Dicembre 1966.

seemed to adopt a strategy common among family-owned food companies in Europe: diversification of investments and vertical and horizontal integration plans³⁰.

San Pellegrino created a major advertising campaign to launch the «One o one» drink, aiming to compete with products in the same market segment made by Coca Cola, Vichy and Recoaro (Ciarrapico group). An attempt was also made to launch a line of beauty products under the Panna brand name to be distributed in pharmacies. This strategy did not have great results, prompting the historic Val Brembana brand to create a holding company to achieve supremacy in the domestic market³¹. Moreover, in the 1980s, San Pellegrino was the protagonist of another general trend typical of the food sector in the 1980s: with the use of cross-shareholdings between operators in the same sector. The Swiss multinational Nestlé entered the share capital of San Pellegrino for 25% and distributed San Pellegrino bottles in France and Belgium. This partnership would prove to be the starting point towards the incorporation of San Pellegrino into Nestlé. In line with an overall trend in the food industry, the path to improving market position continued through horizontal integrations and alliances³². Nestlé's goal was to merge two winning brands on the international market, following an extensive horizontal integration campaign on the Italian market. It should be remembered that at the same time Nestlé would come to manage (1997) many brands and products in the Italian food sector: Buitoni, Perugina, Motta, Alemagna, Vismara, Locatelli, Orzoro, Olio Sasso.

CONCLUSIONS

The study shows that, in the long run, the two companies had very similar development paths and, in particular, it emerged that the process of alignment of the commercial strategies of San Pellegrino and Spa took place in the second half of the 20th century.

³⁰ For example, the Bergamo-based company diversified into the construction and tourism sectors by participating in the development of the Costa Smeralda in Sardinia. In Val Brembana, Professor Paolo Luni, who had previous managerial experience in the large-scale retail trade (Despar), arrived to manage the plants and attempted to outline a strategy for relaunching them to counteract the low profitability and stagnant sales levels. All the companies in the sector were faced with a drop in the consumption of bottled water and carbonated drinks, while many operators continued to operate in the market, and the trend was particularly marked in the southern areas. For example, there was a fierce competition between Ferrarelle and Acqua di Nepi (*San Pellegrino Spa, Relazione al Bilancio*, 1991).

³¹ The San Pellegrino conglomerate surpassed in turnover and asset values Italaquae (Ferrarelle and Boario) of the French family group Besnier, and also Nestlé's Perrier with Vera and San Bernardo brands.

³² In 1993, San Pellegrino S.p.a. decided to set up the Compagnie Financière du Haut-Rhin (CFHR) in partnership with Garma S.r.l., owner of Fonte Levissima, Recoraro, Pejo and distributor of Fiuggi, with a market share of 22% in the Italian mineral water sector and 34% in the aperitifs sector, becoming the leading Italian and second largest European producer of mineral water. The Compagnie was created following competition in 1992 between the Agnelli family's Ifil and BSN-Danone for control of Perrier. CFHR's subsequent capital increase of 250 billion lire was fully subscribed by Nestlé Sources International with the clear intention of acquiring control of the company, which took place in 1997 in Paris. The San Pellegrino group with its Levissima, Panna, Recoaro, Pejo and La Claudia brands held 20% of the market. Nestlé controlled 11% and with this acquisition rose to over 30%. San Pellegrino was sold by the Compagnie financière du Haut Rhin in an agreement whereby the Mentasti family held 51% of the capital and the Swiss multinational 49% (*San Pellegrino Spa, Relazione al Bilancio*, 1993).

Spa had an earlier start than San Pellegrino, demonstrating that it was among the forerunners in the sector. This early start also gave Spa a long-term competitive advantage, at least until the 1980s. In fact, up to this point, the strategies linked to the long tradition of Spa were able to counter competition, including international competition, allowing the company to remain among the leaders in the sector. In general, both companies initially exploited the idea of a water with special characteristics, especially related to health and wellness. However, it turns out that San Pellegrino identified the essential elements of its brand much earlier than Spa, back in the early 1900s; traits that, as said, included: the word San Pellegrino, the «red star» and the green «Vichy» bottle. On the contrary, Spa did not introduce its most famous symbol, the Pierrot character, until 1923.

After the Second World War, increasing competitiveness and changes in the market (meaning both innovation and technologies and lifestyles) led both companies to change their commercial and production strategies. In particular, diversification processes were implemented which, in the case of San Pellegrino, were more intense as it was a second mover in the mineral water industry. These new policies produced different results in the two cases. In the Spa case, the company was able to maintain and consolidate its market share through the use of its historical brand until the 1970s. From the 1980s onwards, the difficulties caused by international competition were countered by renewing the brand with a more straightforward and open communication with its customers, introducing the use of different colours in the logo. During the golden age, San Pellegrino also exploited its traditional brand, but the strategy proved to be a loser, mainly due to the costly and ineffective policy of product diversification. Instead, the recovery in the 1980s only took place with the identification of a market niche in which to reposition the brand.

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