



duurzame horeca nederland



**Are Dutch consumers
prepared to pay for
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Are Dutch consumers prepared to pay for tap water at cafés and restaurants?

Our latest study, in collaboration with [Duurzame Horeca Nederland](#) (Sustainable Dutch Hospitality) indicates that they are.

The results show that under certain conditions restaurants can ask a reasonable fee for tap water without fear of losing revenue or putting off their guests.

Consumers might need to get used to the idea of paying for tap water. However, restaurant patrons are already mostly aware of the environmental benefits of tap water and understand that it costs restaurants money to serve it.

Under the right conditions and with the right messaging, restaurants and cafés can start charging for tap water.



The study

To help the restaurateurs make solid decision about what to charge and how to 'sell' the new charge for tap water, we dove into the condition under which consumers are willing to pay.

With the right story, it might be possible to not only charge an amount for tap water, but also to increase the feeling of hospitality that the customers experience and at the same time send out a clear message that the restaurant cares for the environment.

We tapped into our **Food Forum** to ask nearly 200 consumers if they would be willing to pay for tap water, how much and under which conditions they would be willing to do so.

The heated debate in our community shows that the subject is important to (the price sensitive) Dutch consumers.

What we set out to find out is:

- What share of consumers is willing to pay for tap water (under different conditions)?
- How much are they willing to pay?



The dilemma: Sustainability vs Profits



In Dutch cafes and restaurants, it is quite common to be offered branded, bottled water. However, bottled water comes with its disadvantages, particularly in the area of sustainability. Sourcing, packaging, and transporting water (internationally) causes a much larger strain on the environment than tap water does. And tap water is of very high and consistent quality in The Netherlands.

Consumers are not surprised when restaurants, cafés and hotels charge for bottled water: due to its packaging it is clearly a 'product' and not just a service. On the other hand, serving tap water at restaurants can be perceived by consumers to be a service, or even a human right, rather than a product to be paid for. This has created a norm in which many Dutch restaurants do offer free tap water, but don't actively promote or communicate this.

A calculation by [HorecaInfo](#) shows that serving a glass of tap water costs restaurants approximately €0.73. So, if restaurants wish to serve the more sustainable option, they may lose money if they are unable to charge for it. They also risk being seen as thrifty if they don't offer it for free. These concerns might make restaurant owners think twice before making the sustainable choice of serving tap water only.

With concern for sustainability as a driving force, we wanted to know if hotels, cafes, and restaurants can switch from bottled to tap water, without losing profit margins.



Positive attitudes towards tap water

Dutch consumers generally hold positive attitudes towards tap water in the Netherlands.

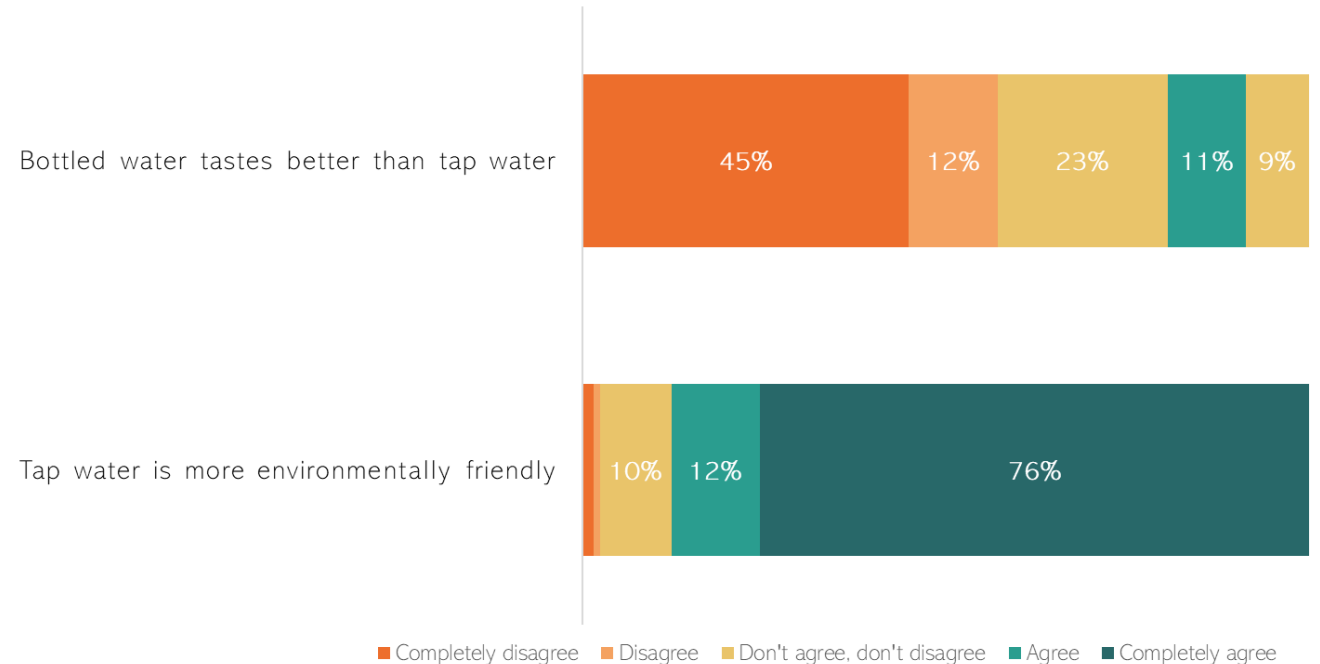
For one, most consumers find the taste of tap water to be just as pleasant as that of bottled water. Only 20% think bottled water tastes better. Besides flavour, generally Dutch tap water is recognized to be of high quality.

At the same time, most consumers (88%) know tap water is more environmentally friendly than bottled.

"It is good that tap water is offered for little money or free with food in the hospitality industry. Our tap water is very good to drink, unlike in some other countries."

"I don't mind paying for tap water if it prevents me from getting a plastic bottle. Better for the environment and better for my conscience and that doesn't have to make the restaurant owner worse off."

Attitudes towards tap water (I)



Reluctance to pay

When it comes to paying for tap water at restaurants, many Dutch consumers are reluctant.

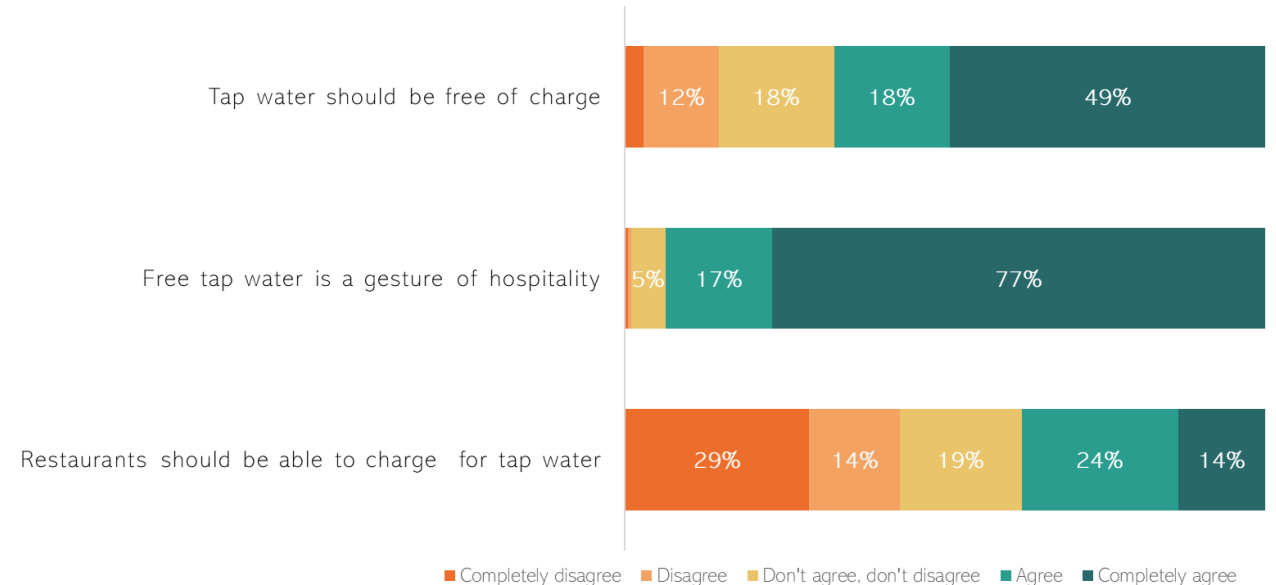
Three quarters of consumers completely agree with the statement that free tap water is a gesture of hospitality and part of the service a restaurant offers. And when asked directly whether they believe that tap water should be served without additional charge, two thirds agree.

However, when asked whether they believe that restaurants should be able to make revenue off serving tap water, only 40% of consumers agree. Paying for tap water is something new that people need to get used to. This explains the initial reluctance to pay for tap water generally.

"The gesture: 'free' water is so welcoming, the price should be included in all the other things on the menu, so that the entrepreneur does not have to pay for it. A glass of water with your coffee, or offered automatically upon arrival, as is customary in the USA, then you will come back!"

"Water should always be free, no matter in which restaurant. It is a basic necessity of life."

Attitudes towards tap water (II)



"I do think it's a service item. That's also the nature of the industry: hospitality."



Paying for a glass of water

We asked our community directly what they consider to be a reasonable price that they would be willing to pay for a glass of water.

If a restaurant or bar charges money for a glass of tap water that is served next to a meal or another drink, **nearly half (45%)** of customers are **not** willing to pay for this. Making customers pay would alienate a large share of the clientele.

But is very reasonable to charge for a glass of tap water when nothing else is ordered, **86% of Dutch consumers find it acceptable to pay**. In that case 71% willing to pay between an amount between €0,50 and €1,50.

On average, the participants were willing to pay €0.90 for a glass of water if they do not order another drink – surpassing the minimum price of €0.73 which is necessary to make it financially feasible for cafés and restaurants. If we exclude the respondents that are unwilling to pay for their glass of water, the average among consumers find reasonable is even above 1 euro. (€1,06).



"If you order a meal and want water with it, I think it's best to charge a small amount or be served for free. If you don't order a meal at all, then I think it's okay to charge an amount, but not the price you pay for a bottle."



Adding value

A carafe (about 1 litre) of water is a different story. It costs less to serve (particularly because it's less work for the staff) and it offers more value. 83% of consumers are willing to pay on average €2,43 for a carafe of tap water with unlimited refills.

Willingness to pay goes up significantly if the restaurant adds a little value or flavour, like lemons, mint, or carbonation. With this addition 96% of consumers are willing to pay an average of €2,55.

"I do find it very welcoming if the tap water is free, but if you get a nice chilled bottle with a nice slice of lemon in it I don't mind paying a little for it either. This goes for both a fancy and budget restaurant."

A second way to offer additional value, is by making a donation to charity. This way it's not the restaurant that benefits, but an NGO. If part of the profit goes to a charity which provides water to people in a developing country, participants are more willing to pay for a carafe of tap water (93%). In this situation, the average price people consider reasonable goes up to €2,81.



Telling a story can help

The willingness to pay can possibly be influenced by how the price for tap water is presented. We investigated two options:

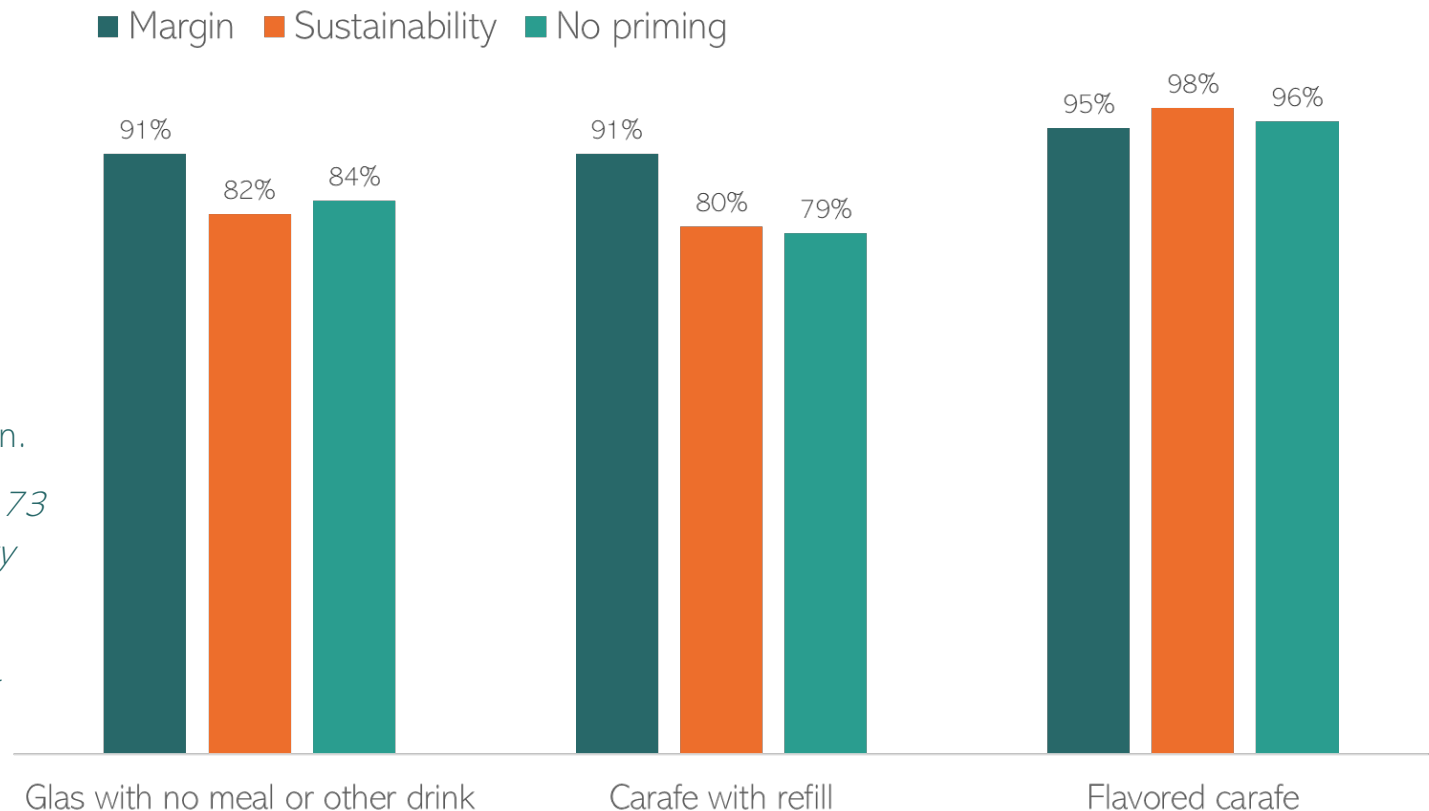
1. Explaining why tap water is better for the environment.
2. Explaining that the restaurant must make costs to serve water.

In order to get an idea of which story works best, we compared these two options with the option where we asked for willingness to pay without any prior information.

"I was shocked to find that a glass of tap water costs 0.73 euro cents and then I can understand why the hospitality entrepreneur charges money for it."

It turns out there is a difference. Willingness to pay for a glass of water or a carafe with unlimited refill is highest when the guests are explained that serving water costs money. Telling that tap water is more sustainable than bottled water does not increase willingness to pay.

Willingness to pay for tap water under different conditions



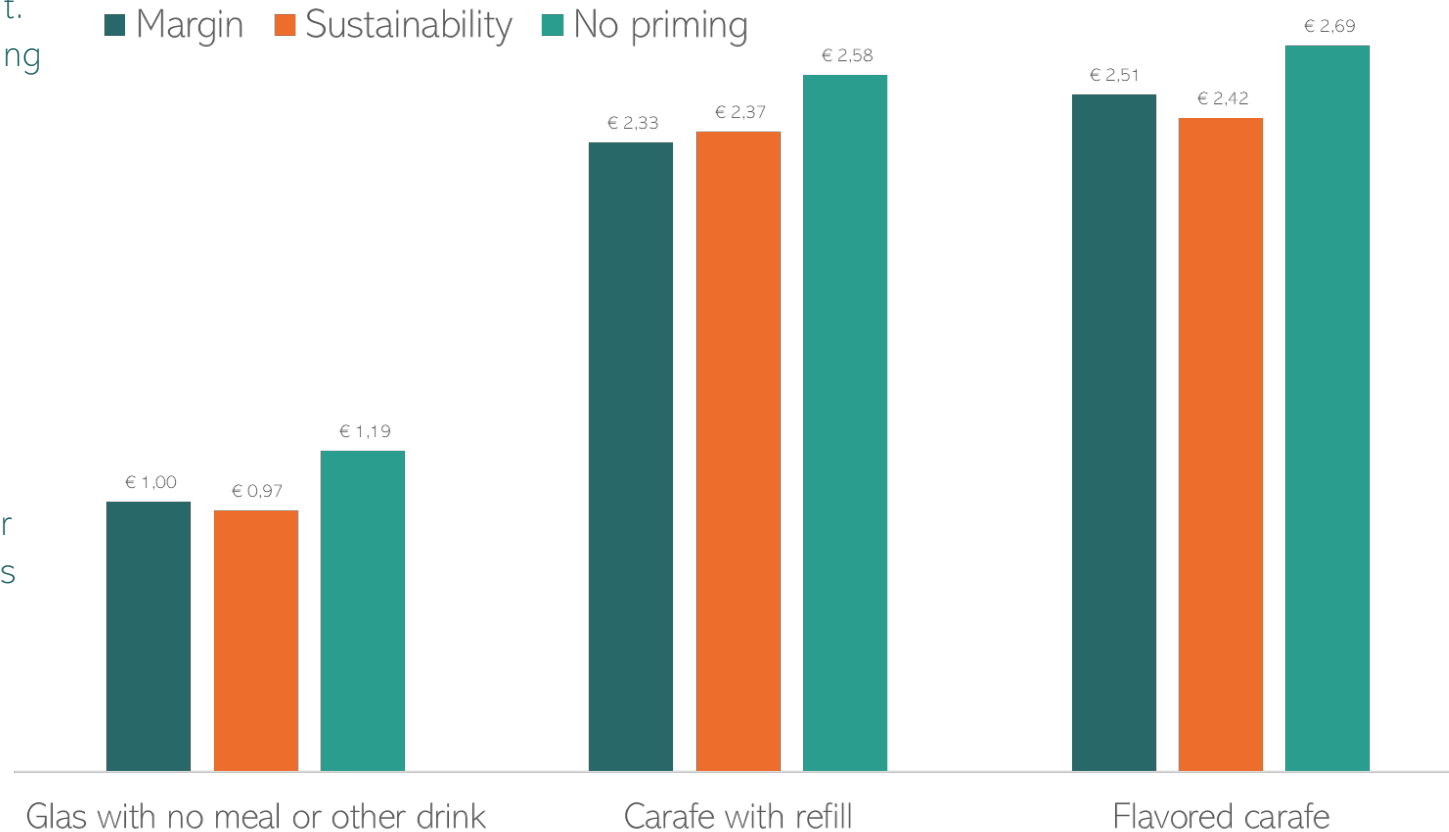
But which story?

There is a catch though. On the previous page we saw that more people are willing to pay for tap water when explained that restaurants actually make costs to serve it. But when looking at the average amount guests are willing to pay, we see a different story emerging.

The participants that were not primed with any prior information and are willing to pay, have the highest average amount that they consider reasonable. The difference is up to 20%.

Our study is inconclusive about how to 'sell' charging for tap water. Every restaurant needs to find a way that suits their branding and clientele.

Amount willing to pay for tap water under different conditions



Alternative ways to pay

Other consumers have suggested alternative ways for paying for tap water, for example on a basis of voluntary donations or tips. Some participants suggested a link between tipping and the fact that tap water is offered for free.

"I believe that if you are eating out and you are asked if you want tap water or mineral water, you don't have to pay anything extra for tap water. I would give a tip for the service though."

"A restaurant owner is naturally afraid that people will drink tap water instead of ordering a drink from which they can earn. I am also thinking of the possibility of a donation to the tip jar."

It would mean that even without directly charging for water, revenues go up when "free" tap water is actively promoted.

Possibly also the other way around, which would mean that the revenues from charging for tap water would be offset by lower revenues from tipping.



Another option would be for the price of tap water to be simply factored in the total price.

"It doesn't have to be free, but should be factored into the prices, other things are factored into the price, right? Rent, wages, energy, tax, furniture etc.."

"These are things that should be factored into the 'normal' selling price. After all, you don't put it on the bill when a guest asks for salt or pepper. Or charge more for coffee to someone who puts a cup of milk in their coffee?"



Our advice: When to charge for tap water?

We found clear indications that restaurant and café guests are willing to pay for tap water but only if some kind of value is added to it. But it will take Dutch patrons some time to get used to the idea of having to pay for something that is often offered for free..

A simple glass of water is considered to be included in service and not valuable enough to pay for, unless it is the only drink a guest wants to order. In that case, cafés and restaurants can charge a small amount (up to €1.50) without putting off a significant proportion of their clientele. But the decreased perception of hospitality might offset these revenues.

However, a refillable carafe with an added flavour, such as a slice of lemon, is perceived as a product and service worth paying for. A refillable carafe with additional flavour can be priced between €2,50 and €3,00.

There are different ways of communication about (charging for) tap water. Our small-scale study did not reveal whether margins or sustainability are most persuasive.

In order to know for sure what the actual effects are in terms of revenue, an experimental research design is needed in which the different conditions are tested in a real-life environment.



About Food Forum

Our 'Conscious Consumer Community'

The easy and approachable way to really get to know the sustainable food consumer



Accessible, fast and in-depth consumer insight at the front lines of making the food chain more sustainable

- Give consumers a prominent and guiding role in product development and communications
- Explore a variety of topics with the help of a group of engaged and motivated consumers
- Involve the frontrunners who determine the success of innovation and communication

Food Forum, Future of Food Institute's 'Conscious Consumer Community', is an easy and accessible solution that delivers the consumer insights you need.

Within the community, a variety of research types are possible, both quantitative and qualitative. Our platform allows the use of all kinds of rich and proven techniques such as photo assignments (e.g. store checks), collages and all kinds of projective techniques. These possibilities are widely used in co-creation and idea generation but also for developing and testing communication and product concepts.

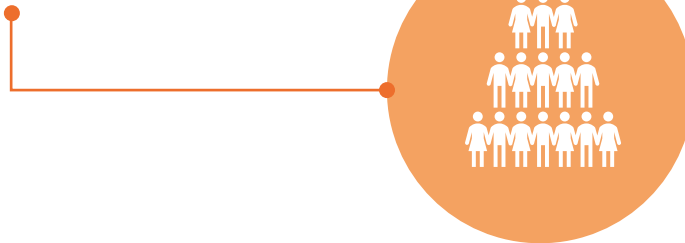
Our community of conscious consumers is also challenged to discuss topics initiated by the members themselves. So without prior specific research questions. These discussions yield unique insights, simply by listening and observing. This way we learn which topics are relevant and which opinions, attitudes and perceptions play a role in driving consumers.



Research Capabilities

Quantitative online research

- Samples up to n=500
- Selections possible on background characteristics known in advance
- Fully nationally representative sampling possible by means of external panels



Individual interviews

- Via chat
- Live interviews with built-in video facilities



Qualitative group assignments

- Forum discussions & assignments
- Live sessions with built-in video facilities



Creative assignments

- Foto-assignments
- Writing-assignments
- Store visits



Possibilities and specifications

Areas of Expertise

- Communication and branding
- Concept testing
- Exploration of innovation opportunities
- Idea generation/co-creation
- Product testing
- Packaging research
- Journal studies



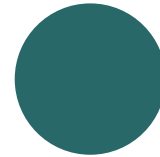
Specification 'Conscious Consumers'

- Panel of > 1,000* highly engaged consumers, willing to help food brands become more sustainable
- Early adopters of sustainable innovations, representatives of a growing consumer segment of sustainability pioneers
- Research among specific target groups possible, such as vegans, vegetarians and flexitarians
- Known demographic member profiles
- Classified into personas based on attitude and behavior (from our 2019 research)

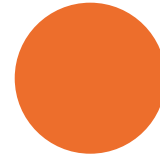
* By mid 2021.



Our promise



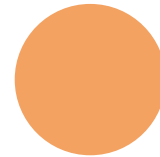
Fast, cost-effective and crystal-clear consumer insights



Access to frontrunners, early adopters and followers in the field of sustainable food



Fast turnaround time for qualitative and quantitative research projects



Senior research experts with specific knowledge in the field of sustainable nutrition



Case study: Meal Matchers

Qualitative research consisting of 8 assignments and discussions.

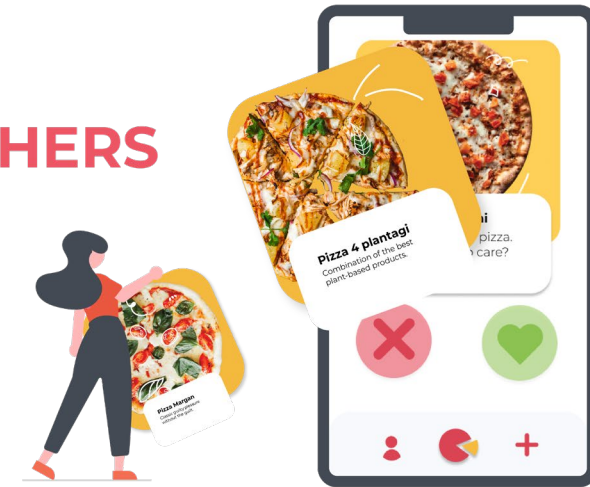
- 44 participants
- Goal: concept sharpening

Quantitative concept test

- N=125
- Goal: determine the potential of the concept and choose the target group with the most potential

Total lead time: 2 weeks

MEAL MATCHERS



Pascalie van Hemert (product owner):

"The insights from the Food Forum community have helped tremendously to develop our idea further and position it more sharply. Without the members' input, we would be using the wrong communication to appeal to consumers. I was very surprised by the richness of feedback and enthusiastic discussions in the community..."



Attractive and clear pricing

	Budget*	Lead Time**
 Qualitative		
<i>Online assignments & discussions</i>		
Small (\pm 4 days***)	€2.500	1,5 week
Larger (\pm 6-8 days***)	€4,500	2 weken
Foto-assignment/Store check	€850	0,5 week
<i>Online live sessions</i>		
Small (e.g. 6-8 interviews)	€2.500	1,5 week
Larger (e.g. 2 group discussions)	€4.500	2 weken
 Quantitative		
Small: (n=75-150): (max 10 questions, 5 min)	€2.200	0,5 week (fieldwork during weekend)
Larger : (n=225-300): (max 20 questions, 10 min)	€4.500	1 week

For (larger) and different projects that do not fit the options in the menu, we provide a transparent and customized proposal with budget overview.

* Prices are exclusive of VAT and include a brief highlights/summary report.

** Includes design, programming, analysis and reporting.

*** Respondents complete one online assignment each day of the study. This could e.g. be participating in a discussion, evaluating an advertisement or a creative assignment.





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