

# **Indian Water Purifier Market Outlook 2013**



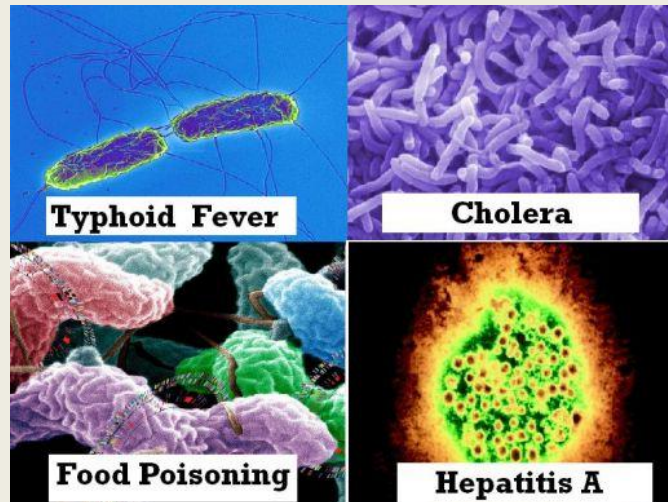
# Safe drinking water

- Safe drinking water is linked closely to the well-being of human life.
- In India, the primary sources of drinking water, that include surface water and groundwater, are contaminated by different physical impurities, agricultural and industrial wastes and underground chemicals and minerals.
- Water borne diseases are widespread, especially among the low income class of the society.



# Indian Water Purifier Market Scenario

- Today, in India, around 500,000 children under five years of age die each year due to waterborne diseases like diarrhea.
- 75 per cent of India's rural population does not have access to safe drinking water and over 80 per cent of diseases and 33 per cent of deaths are caused primarily due to unsafe drinking water.
- Low-cost gravity water purifiers catering to the majority of the market will see maximum growth between 2012 – 15 & will improve the market penetration.

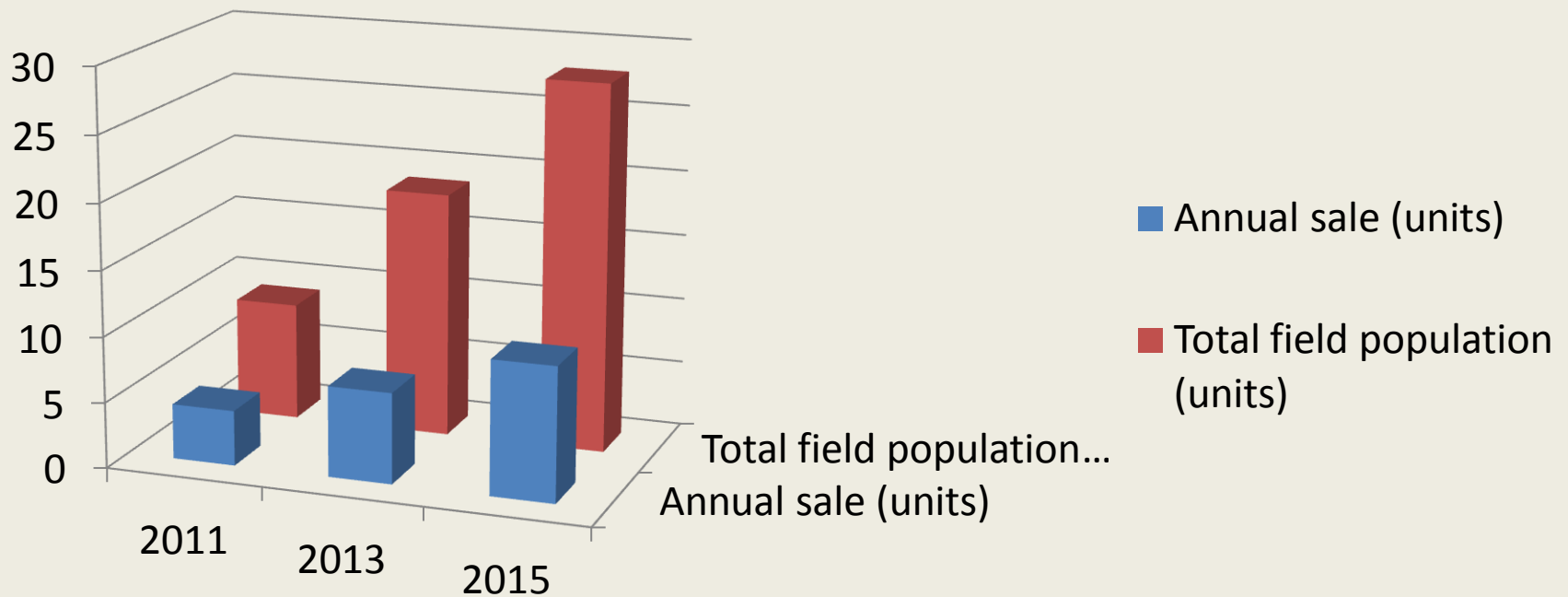


# Water Purifier Industry in India

- According to the industry reports and the secondary data available from report titled 'India Water Purifier Market Forecast & Opportunities, 2017' the water purifier market in India has shown tremendous growth opportunities in last couple of years.
- The water purifier market in India is estimated to witness compounded annual growth rate of 25% till 2017 to make it a whopping USD 760 Million market by 2015.



Around 9-10 Million homes own water purifier out of 220 Million Indian Households (~5% penetration)

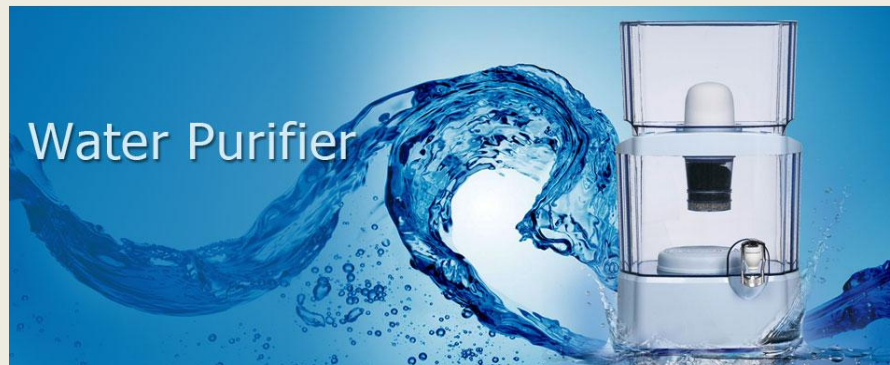


Estimated total sale of 10.2 million units, in 2015  
(estimated penetration ~ 12.7 % ,almost 28 mo units population)

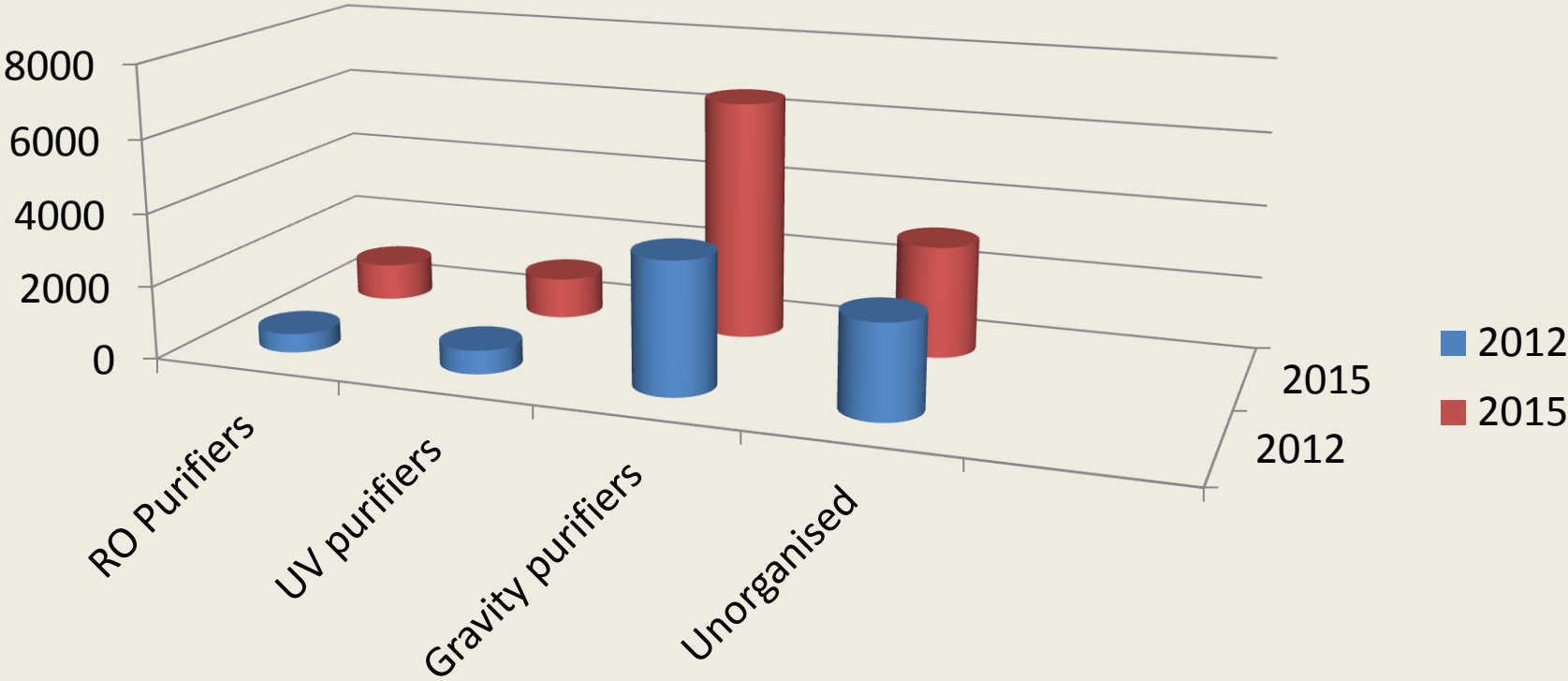
# Water Purifier Industry in India

Water purifier segment in India is growing at a compounded annual growth rate (CAGR) of about 25 per cent and is likely to touch Rs 7,000 crore by 2015 from the current level of about Rs 3,200 crore.

According to industry studies , the sales of water purifiers across India are likely to cross 1.5 crore units by 2015 from the current level of over 78 lakh units.



# Indian Water purifier industry to reach Rs 5K -6K crore (USD 1 -1.2 billion) by 2015



New entrants in the gravity purifiers segment have increased the opportunity size for the water purifying market as it has been able to envelop the Bottom of the Pyramid (BOP) segment of the population as a target market for the water purifier. This segment of the population was not considered a target market by incumbent water purifier makers.



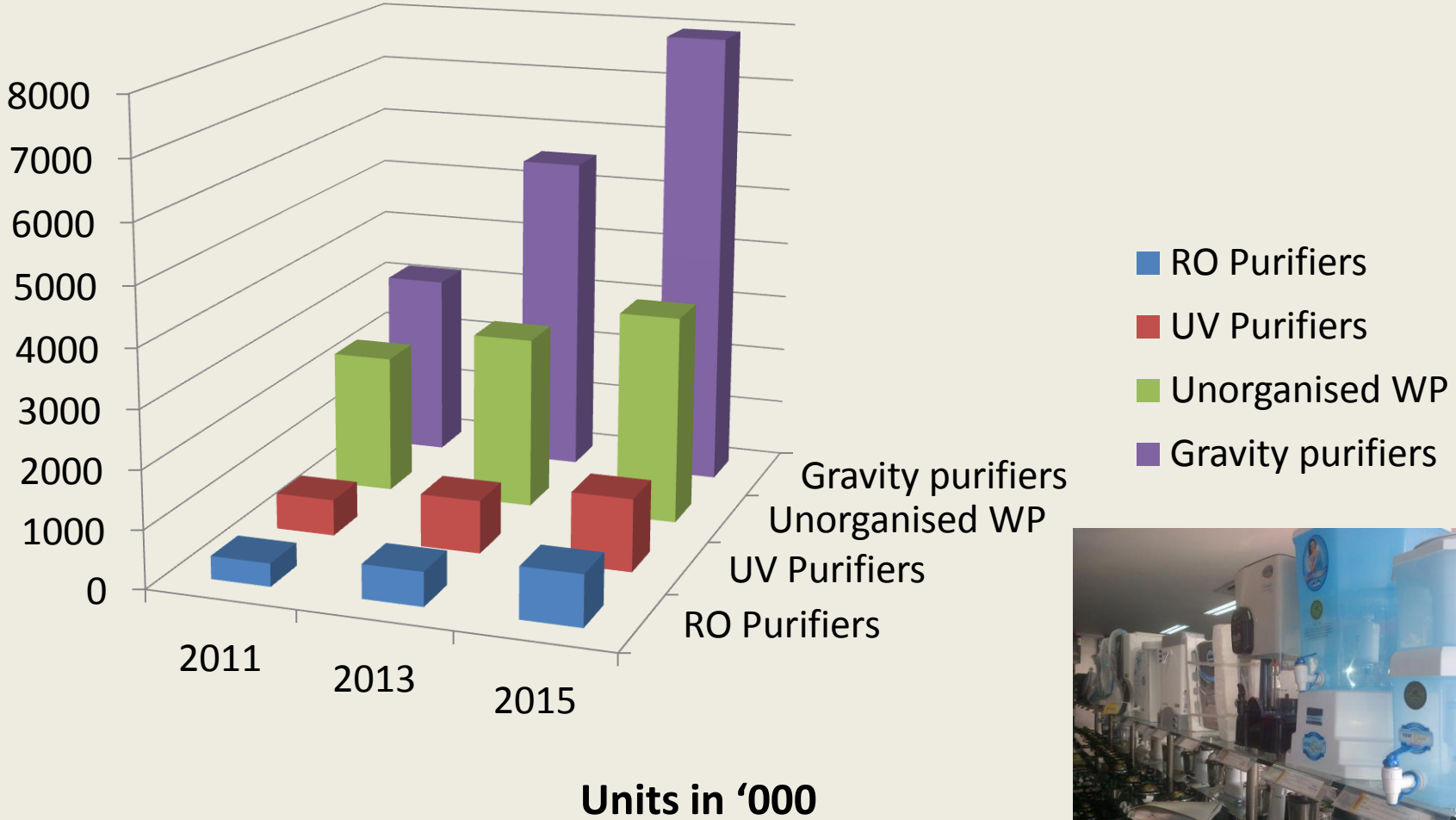
# Water Purifier Industry in India

There are three types of water purifiers marketed in India – the ultra-violet, reverse osmosis (RO) and resin-based one. RO-based purifiers are the most expensive - priced at Rs.13,000 and above, while UV-based purifiers are priced between Rs.5,000 and Rs.9,000. Non Electric water purifiers are more affordable at Rs.1,500 onwards.

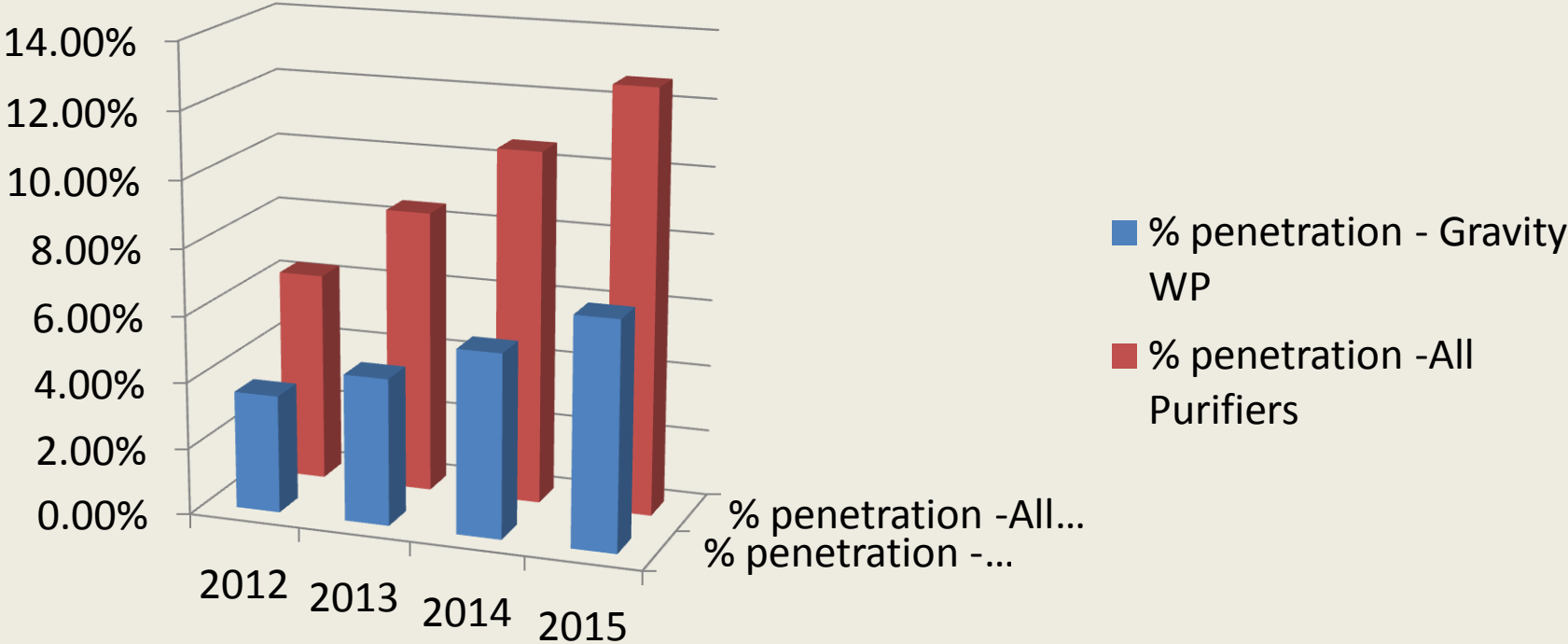




# Water Purifiers growth for different Technologies/segments



# Market Penetration growth for Water Purifiers in India



**Estimated total sale of 10 million units, in 2015**

**(estimated penetration ~ 12.7 % ,almost 28 mo units population)**

Source : ASSOCHAM study, TV Journal , slideshare.net , India water review , Water Industry Fraternity

# Water Purifier Industry in India

The offline water purifier segment will account for 38% (2011: 20%) of the total market space in 2016. The growth of the offline segment will primarily be attributed to low pricing (i.e. US\$19 per unit) enhanced penetration across rural population and households.



# Gravity Water Purifiers - India

- Chemical based purifiers, Aquasure and Pureit are the largest selling brands of water purifiers sold in India. Both are becoming increasingly popular because they are effective and affordable.
- Also, they do not run on electricity and are ideal for locations where power supply is unpredictable. Neither do they demand continuous water supply.
- Power and water are still scarce even in urban India.



# Factors affecting penetration: Technology , Reach & Pricing

When it comes to providing clean drinking water, low –middle income households rate quality (adjusted for local conditions), price, easy to use, water taste and lesser maintenance cost as important criteria while deciding to buy a water purifier.

Availability , distribution , retail network, visibility, direct sales & awareness campaign plays an important role in above.



# Water Purifier Industry in India

The fast-growing water purifier market is set to see a handful of new entrants, including home-grown Luminous Water Technologies and Japanese multinational Panasonic, offering a range of products, especially in the reverse osmosis (RO) category.

While Luminous Water Technologies is betting on its strong distribution, Panasonic is likely to bank on its brand recall. However, both Luminous and Panasonic will have to fight it out with established players like Eureka Forbes, Kent, Hindustan Unilever (HUL), Whirlpool and LG in the RO water purifier market in India, where companies like Tata Chemicals have a strong presence in the entry level category.





# Water Purifier Industry in India

After-sales services is expected to remain as the most important non-product competitive factor in the POU water purifier market, as consumers are very particular about the maintenance cost.

The market participants have started focusing on innovative and cost-competitive technology, with better quality and third-party certified products meeting international standards.

The degree of competition appears to be intensifying specially for the non-electric product category.

The share of revenues from after-sales services and replacement filters is showing an increasing trend.



Thank You

