

Water Wise

Water wise is a concept platform for the latent needs of urban middle- income households.

It constitutes living experiences for families around water and health. It seeks to bring to light, a scenario that would cater across the entire spectrum wholistically.

The terrain map for water, suggests the wide aspirations and motivations of users and what activities are governing the terrains for them.



"Water supplied by municipality is not good and has mud. I collect water from ground floor as there is no direct water connection and overhead tanks are not cleaned frequently."

"I do not drink sufficient water, generally forget. It happens so that I end up drinking 2-3 glasses of water at once."

"I do not like time consuming kitchen activities and look for solutions."

HYPOTHESIS:

There are a number of activities around water involving multiple utensils and devices. An activity becomes further strenuous, when one's basic expectations of water infrastructure and quality of water supply are not met.

Routine essentials

"Maintenance cost of Rs. 800 every 8 month and Rs. 500 in 2 years seems higher to me."

"In case my Pure-it (water filter) is not working, we will order packaged water."

"I would like to have a system which gives continuous water with least recovery expenses."

HYPOTHESIS:

People continuously search for the best configuration for their unique constraints, in order to customize their ideal solution for themselves.

Smart Living

"For eight months we use filters, but in summer we are using earthen pot, we are not using filter."

"We use alum for cleaning water and use liquid chlorine during rainy season."

"We do not drink water from a refrigerator, we prefer drinking water from an earthen pot."

"We do not want RO, as it will reduce our immunity."

HYPOTHESIS:

Over-filtration and over chilling raises health concern for many and people adopt just right solutions as per their perception.

Just Right

I start my day with tea, followed by coconut water occasionally, followed by afternoon tea/ Kokum sharbat and then a glass of milk by day end. Carry my water to work and keep drinking water.

"We use refrigerator water only for making drinks."

HYPOTHESIS:

The plethora of experiences that exist around water, plays an important role in the family and their social life.

Pleasurable experiences

"I am member of a senior citizen club and health is a primary agenda."

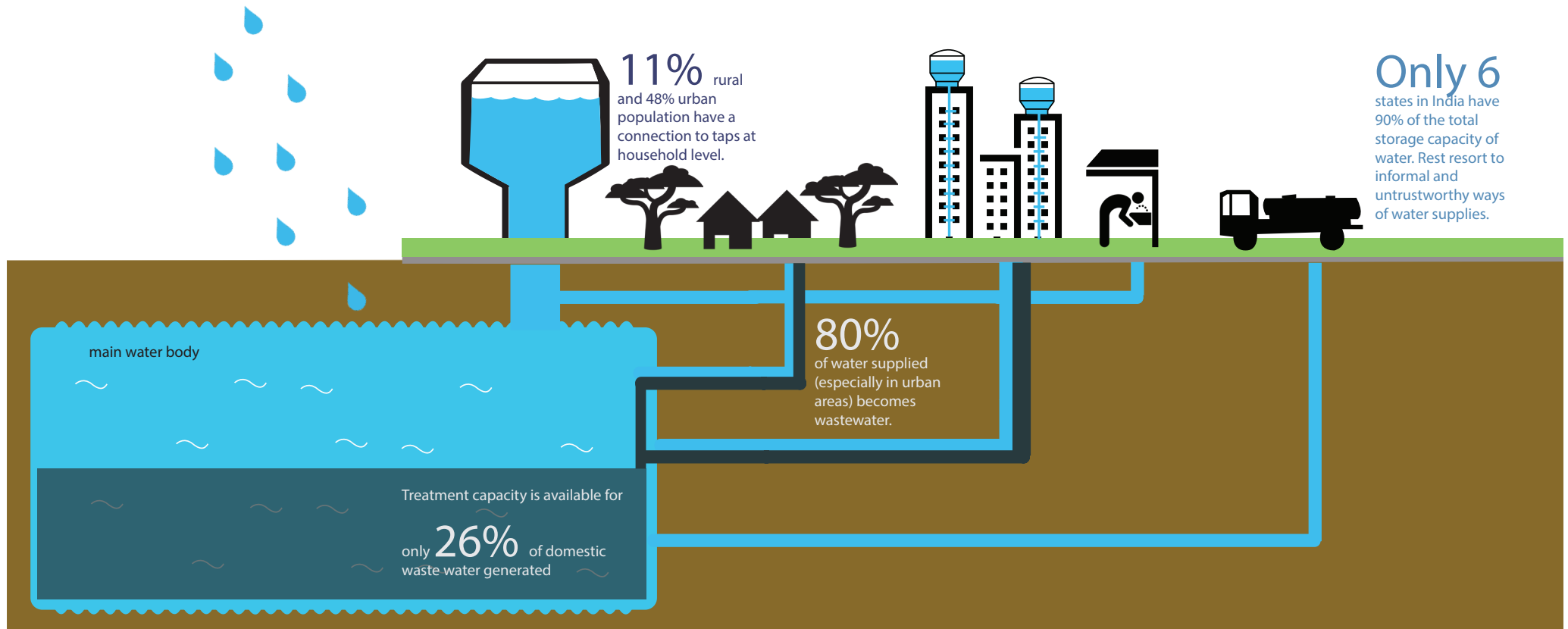
"High blood pressure went undiagnosed for long time. I was suffering from this challenge, which could have been dangerous. I was also hospitalised due to health issues last week."

"Though I feel using purifiers makes water absolutely clean and plan to buy kent filter, my husband deeply feels using filtered water will reduce immunity."

HYPOTHESIS:

People try to adopt a healthy lifestyle to put the threat of diseases at bay, being completely unaware that water is a major ingredient for primary health.

Health





Routine Essentials

Established practices in daily life



Smart Living

Creative solutions for constraints of modern life



Just right

Feeling of just right for the purpose which leaves the user with a sense of fulfilment



Pleasurable Experiences

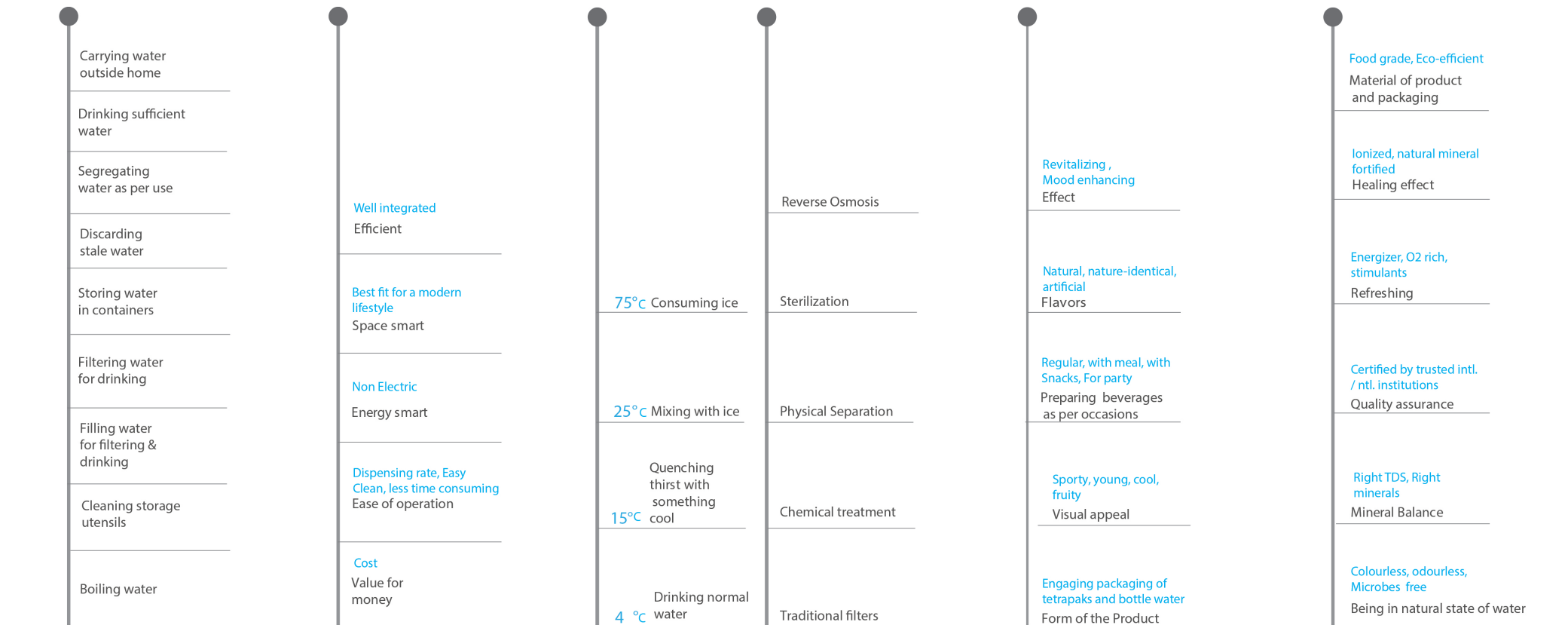
Breaking away from mundane activities and adding element of excitement



Healthy

Promotes best state of living


Mapping opportunities across the terrains and activities for drinking water solutions




Routine Essentials
 Established practices in daily life


Smart Living
 Creative solutions for constraints of modern life


Just right
 Feeling of just right for the purpose which leaves the user with a sense of fulfilment


Pleasurable Experiences
 Breaking away from mundane activities and adding element of excitement


Healthy
 Promotes best state of living

Terrains and Activities map

Current Market Offerings across terrains



Routine Essentials

Established practices in daily life

- The available solutions around drinking water are primarily locally purchased traditional options
- As current systems are not integrated, users end up making lot of self-adjustments



Smart Living

Creative solutions for constraints of modern life

- Smart users look for integration of devices to get desired experience
- Current solutions provide limited opportunities to configure a smart alternatives



Just right

Feeling of just right for the purpose which leaves the user with a sense of fulfilment

- Most of the cases, Refrigerators are not ideal device for cooling drinking water
- Adoption of specialized solutions like coffee makers for just right experiences is increasing



Pleasurable Experiences

Breaking away from mundane activities and adding element of excitement

- Pleasurable experiences as beverages has wide and deep market, flooded with choices and options
- Essential part of daily routine, it is indulging category and growing market.



Healthy

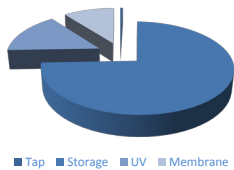
Promotes best state of living

- Health centred products are generally high-end solutions and commands 60%-70% premium
- However, as an category, it is growing at three times rate compared to carbonated drinks

Water Purifier market in India

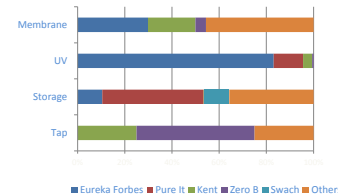
Penetration of purifiers is estimated to be ~8% and projected to reach 12.5 % by 2015.

Top 5 players i.e. HUL, Kent, Eureka Forbes, Tata Chemicals, Ion exchange and accounts for 60% market share.



Categorywise share of purifiers
Market Size - 75 Lac units +

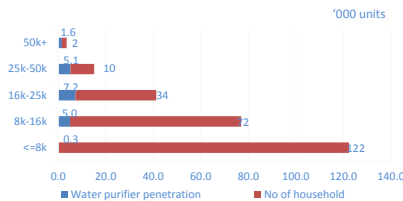
Product segment wise market share of leading companies



Urbanization, media penetration, direct –reach-out by the companies and higher awareness about health are key drivers of growth.

Purification technologies are commoditized and availability has increased significantly due multiple global and Indian technology suppliers

Income group -wise penetration of Water Purifiers



Market growth is dominantly driven by sales of low cost storage filter.

Dominant market strategies of key players are :

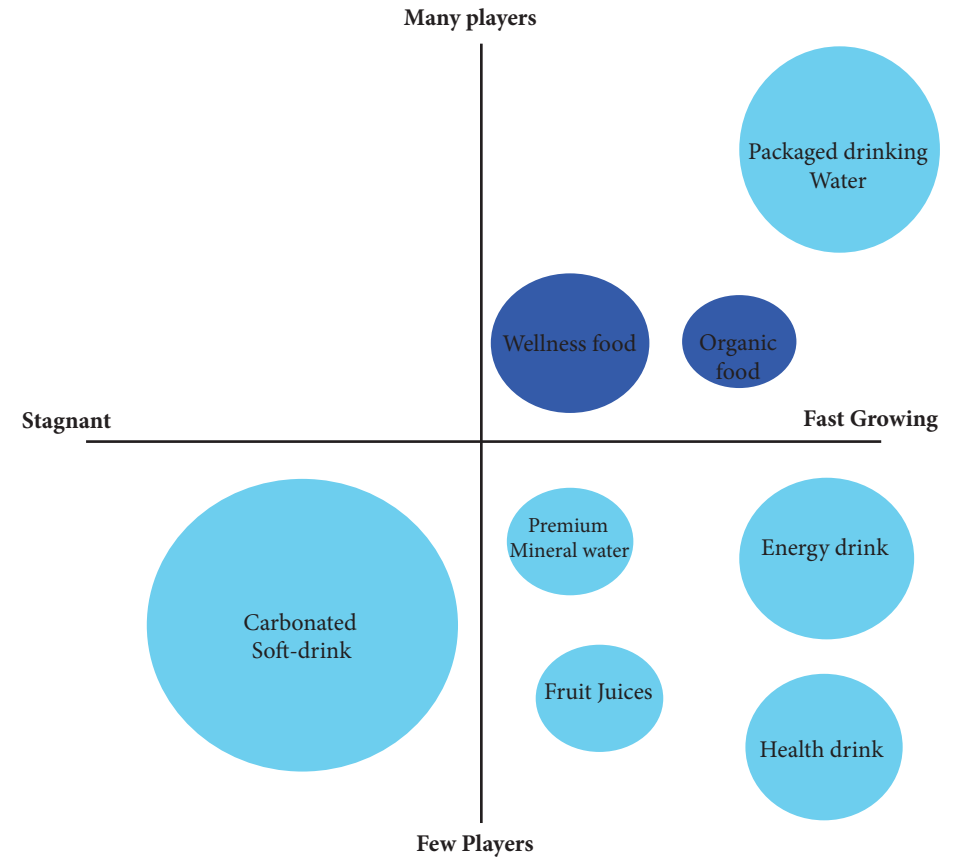
- Developing portfolio of products
- Deepen market penetration and achieve scale by investing in brand building
- Market pioneers like Eureka Forbes are also looking at new reach-out models like service delivery

Water purifier market is highly competitive and there are a few players with established household brands. Any new entrant will have higher gestation period to get reasonable returns.

Health is a becoming prominent driver in the space of Indian Non-alcoholic Beverage Industry

The global energy drink market grew 14-15% in 2011 to ~USD 4.1 billion, accounting for 8-9% of the global soft drinks industry. Indian market for energy drink category is close to Rs. 500 cr and dominated by brands like Red Bull, Cloud 9, Gatorade and Tzinga. Most of these trends are supported by the consistent high growth rates of these categories with very defined market, which is urban youth. Though the organized market is dominated by a few players, i.e. brands like Pepsi, Coca Cola, Parle, Dabur, Red Bull India,

	Market	Size (Rs. Cr)	Growth rate
1	Carbonated soft drink	20000	10 %
2	Health drink	4000	25%
3	Packaged drinking water	9000	19%
4	Premium mineral water	1000	~
5	Energy Drink	900	30%
6	Organic Food	2000	20-30%
7	Fruit based drinks	1100	30%
8	Wellness food	10000	33%



“Customers today realize the need for nutritional interventions in their daily routines. Water provides an apt opportunity for hydration with nutrition.”- Mr. Pratik Pota, (CEO, MD), Nourish Co. Beverages, a 50:50 joint venture between Tata Global Beverages Ltd and Pepsi Co. India holding Pvt. Ltd. -June 09, 2013. *India Express*

Mr. Ramesh Chauhan, Chairman of Bisleri International is planning to launch a fortified aerated drink in the functional drink category and believes that, “We expect it to evolve into a category of its own.” - March 27, 2014. *ET Bureau*

In India Red Bull, it is the undisputed champ, accounting for about 80 per cent of sales in a Rs 350-500-crore energy drink market that is growing at about 25 per cent annually, according to industry experts. -February 25, 2013, *Business Standard*



Business Details

A brand that stands for exceptional quality, luxury and a lifestyle experience.

The Nespresso concept was the brainchild of a Swiss coffee pioneer and inventor who was determined to create a preparation system that would enable discerning coffee consumers to prepare excellent quality coffee at home.

Launched in 1986 Nespresso, it revolutionised in-home coffee cup quality and pioneered the entirely new home use of portioned coffee. The company has continued to innovate in various areas, and even developed specific formats tailor-made for businesses like high-end hotels, restaurants and offices.

The Nespresso business model is based on three pillars: highest quality coffees, innovative stylish machines and personalised services. The brand's story positions it as ultra premium. In addition to machines and coffee capsules, Nespresso sells coffee-related accessories created by top designers.

Turnover: \$ 5 Bn

Market Cap: a subsidiary business of Nestle

Growth Rate: 20% YOY

Distribution: Present in 65 Countries through Nestle network, Nespresso Clubs and Boutique stores.



**Combining experience with product
created a rewarding business model**



Business Details

The company's central product, the SODA Fountain Jet, magically transforms ordinary tap water into delicious soda. The device cost \$ 80 to \$ 200 depending on variant. However, the business returns is linked to sale of concentrates which is sold at premium. The company has posted decent growth in last 5-6 years, mainly by expanding beyond its native market i.e. Europe to America and CEMEA. Though, the company is more than 111 year old, the growth trajectory of the firm significantly changed post 2010 after change in management.

Turnover: \$500 mn

Market Cap: >\$ 1.0 Bn

Growth Rate: 47% CAGR

Distribution: 60000 outlets across 5 countries

Notes: Estimated market size for soda is \$ 260 bn globally. The company is also strong in partnerships and current partner company including Kraft, Samsung, Breville etc.



'Coca Cola on Feb 05, 2014, announced that they are buying 10% stake in Green Mountain Coffee Roasters for \$ 1.25 bn. It is not a move to enter coffee market. Rather coke will be first company to feature its brand in Keurig's Cold Machines set to debut in 2015.'

- www.businessweek.com

The business proposition of Soda Stream has made the Cola giant to relook at this emerging market.



Business Details

An Indian Company started by ex-employees of leading cola companies. The company is targeting Non-carbonated beverage market. Flavours and packaging design are key differentiator from the competitive products in the market. In three year span company sales volume has doubled and is growing.

The Venture is funded by Foot Print and Catamaran with total equity investment of Rs. 30 Cr.

Current volume of business has reached to 2.0 mn units a month. The company is following two pronged strategy, while in energy drink category its brand 'Tzinga' is economic alternative to the leading brands like Red Bull and Cloud 9, "Paper Boat", fruit beverage enjoys premium price.

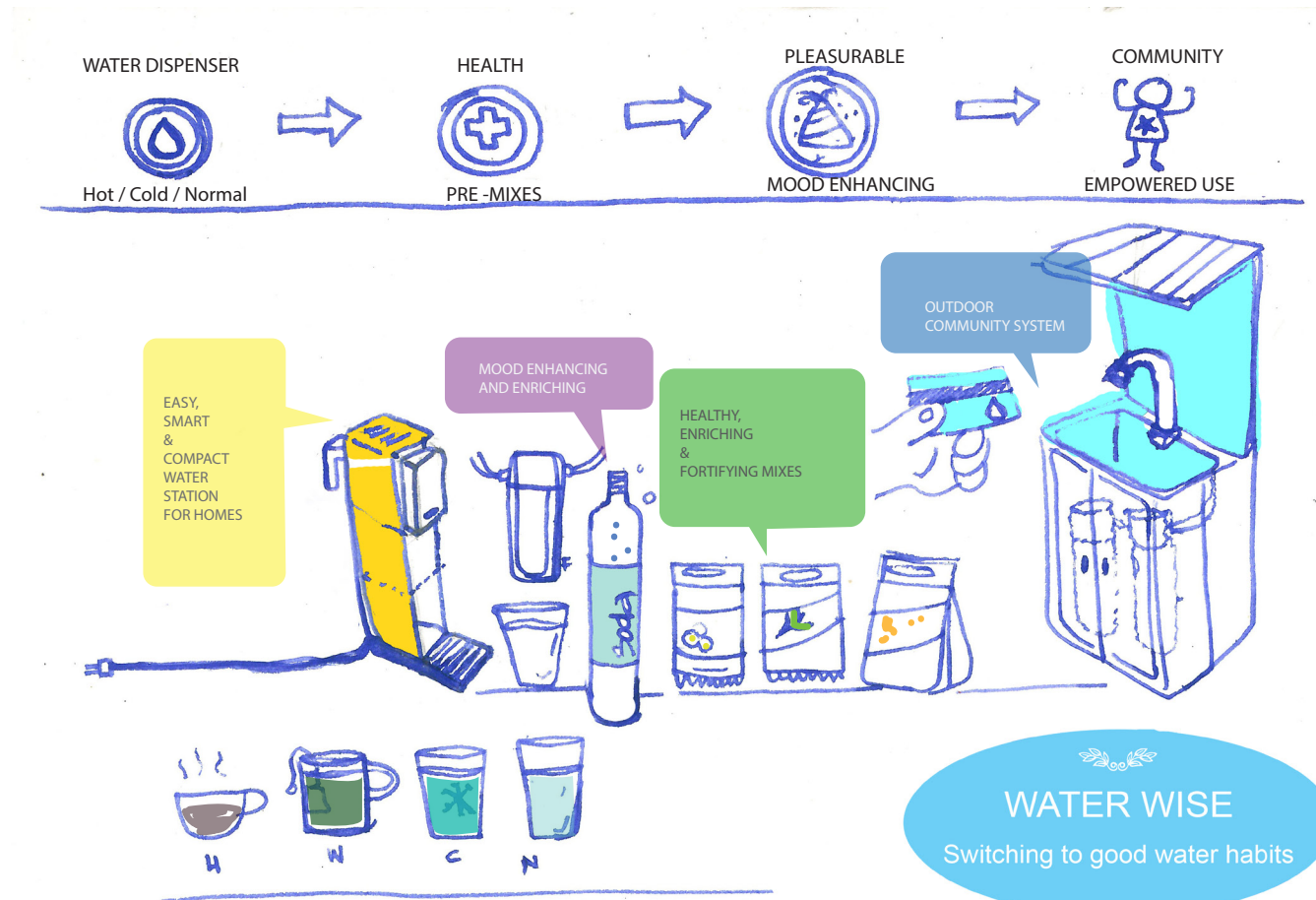
The story which is still unfolding, is definitely an inspiration that how a small firm is challenging the market currently dominated by global giants with deep pockets and wide distribution reach.



With niche products and differentiated value promise, an Indian player is drawing interest of users in the emerging non-carbonated beverage segment..

Water-Wise Concept

Offering water which supports good health and makes drinking water a fun and fulfilling experience inside and outside home.



User criteria

1. Making drinking good quality water as a prominent social behaviour
2. Providing instant gratification for encouraging a change in water habits
3. Simplifying repetitive transfer & storage of drinking water
4. Allowing customization for the level of purity and desired experiences

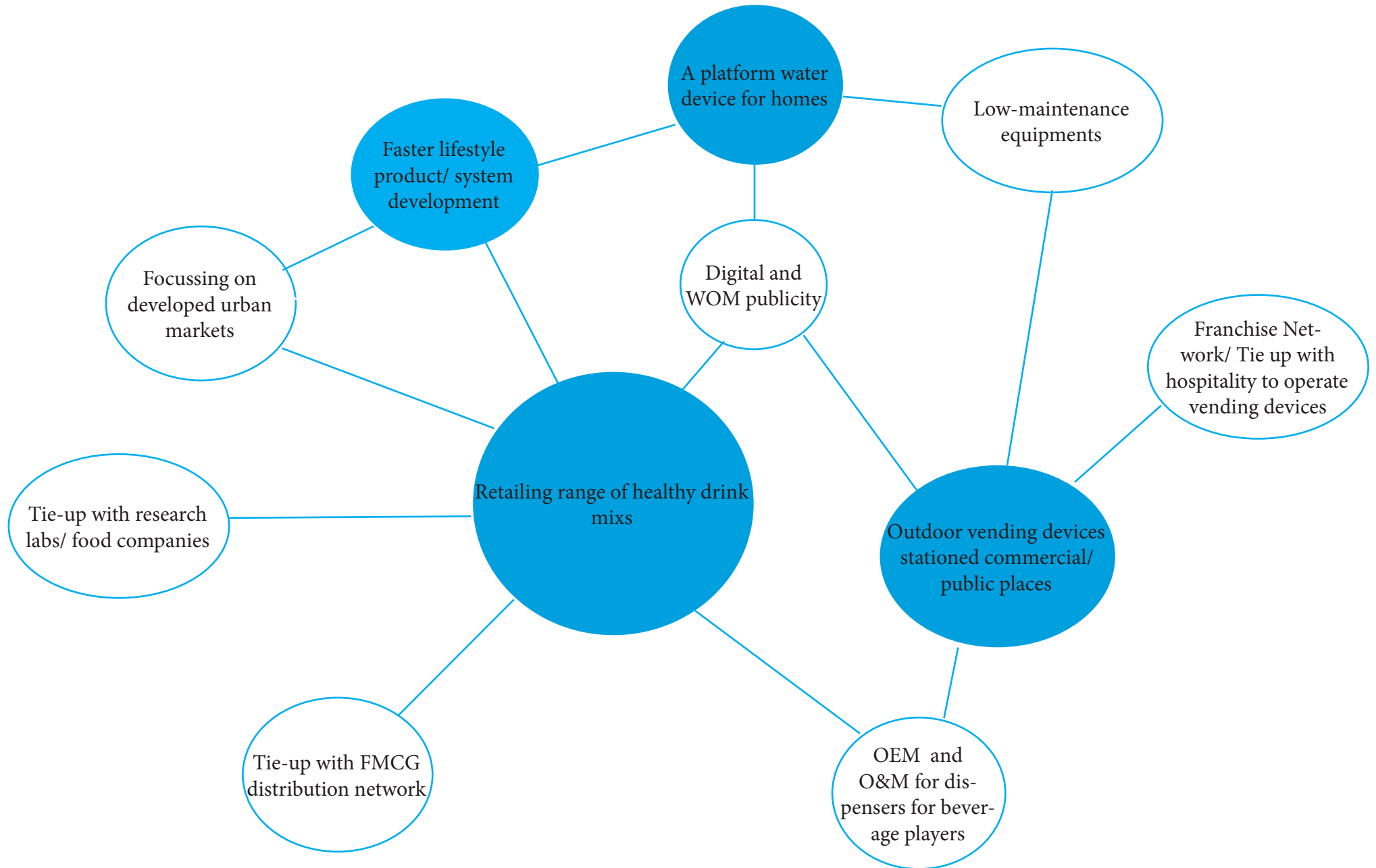
Design criteria

1. To allow modular configuration of various filtration systems
2. Small and compact, such that it can fit in constrained spaces
3. To have an interface that controls and customizes the end experience for the user
4. To empower the users to handle and care for their device on their own: Smart automation to simplify load bearing hassles for the user and easy cleaning of device.
5. To provide storage space such that the user can create a complete station or a unit for their personal use of water and beverages.

Business criteria

1. Introducing new category of product offering to avoid direct competition with existing players.
2. Differentiated business model with low capital investment
3. Creating multiple revenue sources
4. Promoting good and sustainable environmental benefit through efficient technologies and business processes

Activity System of Water-Wise



Innovation Strategy for Water-wise

