

COMPETITOR ANALYSIS OF WATER PURIFIERS AN EMPIRICAL STUDY WITH REFERENCE TO PURE-IT (HINDUSTAN UNILEVER LTD) AT WARANGAL-ANDHRAPRADESH

MR. NAREDLA SUMAN KUMAR* ; MR. DEVAMBATLA VEERABHADRA RAO**

*Associate Professor,
Department of Business Management,
S. R. Engineering College,
Anathasagar, Warangal – 506371.

**Associate Professor,
Department of Business Management,
Avinash Institute of Management,
Waddepally, Hanamkonda – 506370,
Warangal, Andhra Pradesh.

ABSTRACT

Globally more than one billion people lack access to safe drinking water. Approximately 80% of diseases in India are caused by water borne micro organisms. However, awareness of health risks linked to unsafe water is still very low among the rural population. With more & more number people are becoming conscious about contaminated drinking water; the demand for water purifiers has seen an exponential growth of 22% CAGR. The UV segment of Water Purifiers constitutes more than 55% of the industry and water purifier manufacturers focus on this segment because of higher margins it offer. This paper is a primary data based, collected from Warangal (a tier -3 city), to assess the salability of Pure-it brand Water Purifier, Market Potentiality, and Competitor analysis of this segment.

KEYWORDS: Water purifiers, Competitor Analysis, Market potentiality, Average sales, Germ kill kit, Kiosks.

INTRODUCTION

“The next world war-if ever-will not be over land, but on WATER. Globally more than one billion people lack access to safe drinking water, nearly all of them in the developing countries, including India”. Nearly one-third of the population worldwide live in areas which are water-stressed. This figure is expected to increase further by a fold by 2025. Approximately 80% of diseases in India are caused by water borne micro organisms. This is true in rural as well as urban India. However, awareness of health risks linked to unsafe water is still very low among the rural population. The few who treat water resort to boiling or use domestic candle filters. With more & more number people are becoming conscious about contaminated drinking water; the demand for water purifiers is rapidly rising especially in India. In the past few years, Indian water purifier industry has seen an exponential growth of 22% CAGR (Compounded Annual Growth Rate).

There are three types of Water Purifiers in the market:

- Ultra Violet Based
- Reverse Osmosis Based
- Chemical Based

The UV segment constitutes more than 55% of the industry and has its key focus area for water Purifier manufacturers because of higher margins it offer. The Indian water purifier market has tremendous potential with a market size of approximately INR 1400 Cr ore. It is more evident from the fact that global majors such as Philips and Hindustan Unilever have stepped in the area. In the years to come, we can expect to see others entering the battle.

FEATURES OF A GOOD PURIFIER

- It should retain natural quality of water.
- Absolutely safe for drinking purpose as per WHO standards.
- User friendly features.
- Long Life.
- In-built storage tank.
- Avoids all contamination with last point purification.
- Low Maintenance.

ABOUT THE PRODUCT

WATER PURIFIER - PUREIT

Pure-it is the world's most advanced in-home water purifier. Pure-it, a breakthrough offering of Hindustan Unilever (HUL), provides complete protection from all water-borne diseases, unmatched convenience and affordability. Pure-it's unique Germ kill Battery technology kills all harmful viruses and bacteria and removes parasites and pesticide impurities, giving you water that is "as safe as boiled water". It assures your family 100% protection from all water -borne diseases like jaundice, diarrhoea, typhoid and cholera. Pure-it not only renders micro-biological safe water, but also makes the water clear, odorless and good-tasting. Pure-it does not leave any residual chlorine in the output water. The output water from Pure-it meets stringent criteria for microbiologically safe drinking water from one of the toughest regulatory agencies in the USA, EPA (Environmental Protection Agency). The performance of Pure-it has also been tested by leading scientific and medical institutions in India and abroad. This patented technological breakthrough has been developed by HUL. Pure-it runs with a unique, Germ kill Battery Kit

that typically lasts for 1500 liters of water. Consumer will get 4 liters of water that is as safe as boiled water for just one rupee. Pure-it in-home purification system uses a 4 stage purification process to deliver “as safe as boiled water” without the use of electricity and pressurized tap water. Pure-it purifies the input drinking water in four stages, namely;

1. **MICRO-FIBER MESH**- Removes visible dirt.
2. **COMPACT CARBON TRAP**- Removes remaining dirt, harmful parasites & pesticide Impurities.
3. **GERM KILL PROCESSOR**– uses 'programmed chlorine release technology' and its Stored Germ kill process targets and kills harmful virus and bacteria.
4. **POLISHER** – Removes residual chlorine and all disinfectant by-products, giving clear odorless and great tasting water.
5. **BATTERY LIFE INDICATOR** -Ensures total safety because when the germ kill power is exhausted, the indicator turns red, warning you to replace the battery.

MICRO FIBRE MASH PROCESSOR



COMPACT CARBON TRAP



GERMKILL



COMPETITORS

Eureka Forbes Ltd	Aqua guard	Kent
Zero B	Tata Swatch	Ken star

OBJECTIVES OF THE STUDY

- How the HUL “Pure-it’ and other companies placing their product in to the market.
- To Study PURE IT off take and vis-à-vis other storage water purifiers (Competitor analysis of ‘PURE IT’)
- To analyze the market of water purification systems / equipments.

- To analyze the PUREIT sale ability in market.

LIMITATION OF THE STUDY

Time is the major constraint along with other resources and confined to only 42 respondents of tire-3 city called Warangal.

METHODOLOGY

TYPE OF RESEARCH – Administered is Descriptive & Exploratory research. Mainly designed to gather descriptive information and provides information for formulating more sophisticated studies.

DATA COLLECTION

PRIMARY DATA

(A).QUESTIONNAIRE: - A set of questions related to the research topic was formulated. Response for each question included in the questionnaire has been collected from the outlets.

(B). INTERVIEW: - Apart from collecting different responses from the outlets some extra information has been obtained through face to face interviewing activity.

SECONDARY DATA

- Secondary research was done to build an in-depth understanding of the kiosk (outreach).
- Information from various published resources like 'India stat' and other research bodies were also used to validate the market figures and cross-validate the data.

SAMPLING METHODOLOGY: The sampling methodology used is Non Probability sampling technique -Convenience sampling

SAMPLE SIZE: 42 samples

DATA INTERPRETATION & ANALYSIS

1. TYPE OF WATER PURIFIERS STOCKED IN OUTLETS

Water Purifier Type	No. of outlets	Percentage
Storage	34	81.00
Inline	00	00.00
Both (Storage & Inline)	08	19.00

Total	42	100
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INTERPRETATION

It is observed from above table that, 81% (34) of outlets have stocked only storage water purifiers and 19% (8) outlets have stocked both Storage and Inline water purifiers.

2. BRANDS OF STORAGE WATER PURIFIERS STOCKED IN OUTLETS

Brand	No. of outlets	Percentage
Only HUL Pure it	19	45.00
Pure it & Aqua sure	07	17.00
Pure it & Others	16	38.00
Total	42	100

INTERPRETATION

It is evident from above table that, 45% of outlets are preferred to stock only Pure-it Storage water purifiers, 17% of outlets preferred for Pure-it & Aqua sure, remaining 38% of outlets preferred for Pure-it & others like Tata swatch, Kent, Usha, Philips, Whirlpool.

3. AVERAGE SALE OF THE STORAGE WATER PURIFIERS IN OUTLETS PER MONTH

Particulars (in Rs.)	No. of outlets	Percentage
1,000-10,000	08	19.00
10,001-20,000	14	33.33
20,001-30,000	12	28.66
30,001-40,000	04	09.50
40,001-50,000	02	04.75
Above 50,000	02	04.75

Total	42	100
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INTERPRETATION

The above data presents average sales of storage water purifiers in a month.

The percentage of respondents, whose average sales amount of Storage water purifiers between 1,000-10,000 was found 19%, between 10,001-20,000 was found 33.33%, between 20,001-30,000 was found 28.66%, between 30,001-40,000 was found 9.5%, between 40,001-50,000 was found 4.75%, and above 50,000 was found 4.75%.

4. BRAND WISE QUANTITY OF WATER PURIFIERS STOCKED PER MONTH

Name of the Brand	(Units stocked by outlets)	Percentage
Pure it	681	63.00
Aqua sure	062	06.00
Tata swatch	090	08.00
Kent	005	00.50
Usha	005	00.50
Rama & Ganga	240	22.00
Total	1083	100

INTERPRETATION

The above data elicits the frequency and percentage of Purchases of different brands of water purifiers by the outlets. The percentage of units stocked by outlets were, Pure it water purifiers @ 63% (681), Aqua sure @ 6% (62), TATA Swatch water purifier @ 8% (90), Kent & Usha water purifiers stocked @ 0.5% (5) each, and the traditional Rama & Ganga steel water purifiers were stocked to an extent of 22 % (240).

5. BRAND WISE SALES OF WATER PURIFIERS PER MONTH

Name Of The Brand	(Units stocked by outlets)	Percentage
Pure it	553	64.00
Aqua sure	034	04.00
Tata swatch	062	07.00
Kent	002	00.25
Usha	002	00.25
Rama & Ganga	215	24.50
Total	868	100

INTERPRETATION

The data above elicits a lucid picture on sales of different water purifier brands in outlets. Market share of Pure it water purifiers was found 64% (553), Aqua sure was found 4% (34), Tata Swatch is about 7% (62), Kent & Usha water purifiers 0.25% (2) each, and traditional Rama & Ganga steel water purifiers has a share of 24.50%.

6. THE AVERAGE SHELF LIFE OF PURE IT

Average Shelf Time (In Days)	No. of outlets	Percentage
1-5 days	26	62.00
6-10 days	14	33.33
11-15 days	02	04.67
Above 15 Days	00	00.00
Total	42	100

INTERPRETATION

As per above analysis, The average shelf time of Pure-it between 1-5 days was found 62%, The average shelf time of Pure-it between 6-10 days was found 33.33%, The average shelf time of Pure-it between 11-15 days was found 4.67% and above 15 days was 0%.

7. RATING THE SALABILITY IN MARKET ON A 3 POINT SCALE

Salability Rating	No. of outlets	Percentage
Low (1)	19	45.00
High (2)	21	50.00
Very high (3)	02	05.00
Total	42	100

INTERPRETATION

The above data has given frequency and percentage about salability of water purifiers in market.

From the data 45% of outlets are given rating on salability as LOW, 50% of outlets are given rating on salability as HIGH, and 5% of outlets are given rating on salability as VERY HIGH.

CONCLUSION

- The retail outlets which ever stock water purifiers, almost all the stores place storage type of water purifiers, and quarter of them do store Storage & Inline water purifiers together. But none of the outlets have stored Inline water purifiers alone.
- All the outlets have stocked Pure-It brand water purifiers both in Storage and Inline segment, and Vis-à-vis other brands were seen only in half of the stores.
- Almost 3/4th of retail outlets were selling storage water purifiers worth of Rs. 10,000 to 30,000 per month averagely and on the other hand only 1/3rd of the retail outlets were contributing to the sale to Rs. 10,000 per month
- Approximately 2/3rd of water purifier retailers stocked Pure-It brand and Pure-It brand has a market share of 64% & i.e. 2/3rd of the total water purifiers' sale in Warangal urban market.
- 2/3rd of the stores liquidate Pure-It water purifiers stock within 4 days from date of purchase. i.e., the shelf occupancy time of Pure-It water purifier is only 4 days.

- 3/5th of the respondents (i.e., outlets) were rated Pure-It water purifier as high salability product in Water purifiers' market.

RECOMMENDATIONS

- All models should be displayed in retail outlets (Merchandising) and also brochures should be made available for customers, helps in providing valuable information.
- Sales person at the outlet counters should have proper knowledge about the product to take advantage of its strengths over other water purifiers.
- To restore and enhance market share further, Brand extensions should be made frequently.
- Technological & other aspects should be re considered and re-christened.
- Battery (Consumable) prices of Pure-it is high when compare to other brands and hence try to maintain the prices at par with competitors.
- Improve the Germ Kill Kit (GKK) capacity, as most customers may not call the executive for purchase of batteries.
- More kiosks to be arranged in major centers of city, to demonstrate and educate the customers.
- Most of the customers were complaining of delay in delivery of batteries and hence company has to rectify and address it carefully.

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