With increasing proliferation of TV channels, and consumers becoming aware of implication of impure water, there is a huge market waiting to be tapped.

Water Purifiers

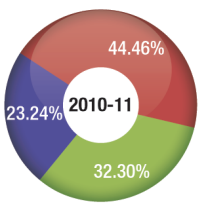
The water purification business in India is undergoing major changes, not just in terms of technology, but also in terms of pricing and competition. Innovation and product differentiation seem to be the key mantras in the business. The drivers include scarcity of clean drinking water, low penetration of water purifiers, increasing urbanization, and waterborne diseases, while challenges faced are the lack of standards and low awareness levels. There would be tie-ups for enhancing distribution, increasing product portfolio, and rural expansion. Competitive landscape identifies major players in the market. The market has also started evolving in the offline category for consumers who do not have access to running water and electricity and at a lower price point. With the market opening up, it is only helping a larger base of India get water purifiers.

As per World Bank, 80 percent of communicable diseases in India are water related. With the population size of 1.17 billion, only less than 15 percent people have access to safe drinking water. It is estimated that about 10 million illnesses and 700,000 deaths in India could be attributed to diarrhea of which 400,000 are children under the age of five. Moreover, due to over exploitation of ground water, the levels of mineral contaminants such as arsenic and fluoride in water drawn from wells have increased dramatically.

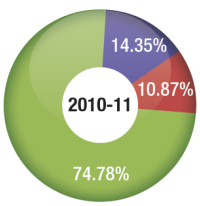
About 50 million people in West Bengal are presently affected by arsenic poisoning while an additional 70 million people are affected in neighboring Bangladesh, which according to the World Health Organization (WHO) is the largest mass poisoning in human history. In addition, about 60 million people across India, mainly in Rajasthan, Gujarat, and Andhra Pradesh, consume water with high fluoride content. Given the gravity of the situation, there is an urgent need for deploying technologies for removing microbiological, arsenic, and fluoride contamination from drinking water before it is consumed.

Indian Water Purifier Industry
Top 5 Brands

Value-Wise



Quantity-Wise

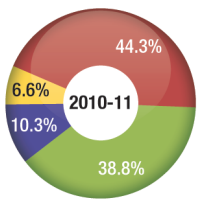


Total ₹1,142.44 crore | Total 3,627,759 units

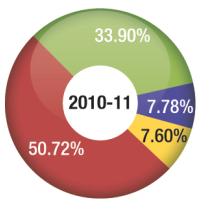
Segment	Value (₹Cr.)	Sales (Units)
RO Purifiers	507.94	394,259
Offline Purifiers	368.97	2,713,000
Inline/UV Purifiers	265.53	520,500

RO-Based Water Purifiers Market
Top 4 Brands

Value-Wise



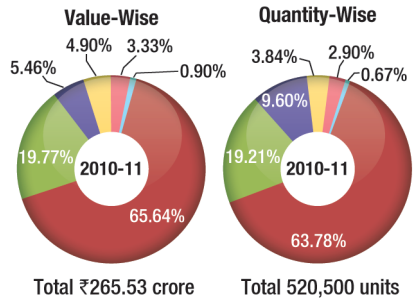
Quantity-Wise



Total ₹507.94 crore | Total 394,259 units

Segment	Value (₹Cr.)	Sales (Units)
Aquaguard	225.00	200,000
Kent	197.00	133,559
Zero B	52.19	30700
Whirlpool	33.75	30000

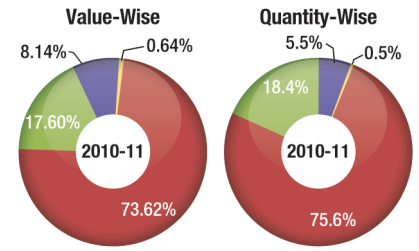
Inline/UV-Based Purifiers Market Top 4 Brands



Total ₹265.53 crore | Total 520,500 units

Segment	Value (₹Cr.)	Sales (Units)
Aquaguard	174.30	332,000
Aquasure	52.50	100,000
HUL-Autofill	14.50	50,000
Kent	13.00	20,000
HUL-Marvela OGT	8.85	15,000
Zero B	2.38	3500

Offline-Based Purifiers Market Top 4 Brands



Total ₹368.97 crore | Total 2,713,000 units

Segment	Value (₹Cr.)	Sales (Units)
HUL	271.63	2050000
Aquasure	65.00	500000
Kent	30.00	150000
Zero B	2.34	13000

Nearly 30 percent of rural India has no access to safe drinking water. Awareness of health risks linked to unsafe water is still low among the rural population. But the rising prosperity in rural India means people may be willing to pay more for safe water. One clear indicator is the thrust that conventional packaged water companies such as Parle Bisleri and Coca-Cola are giving to rural distribution.

Governments too are now willing to work with private parties. For instance, California-based WaterHealth International is in the process of setting up 225 water treatment plants for panchayat blocks in Andhra Pradesh on a build-own-operate-transfer (BOOT) basis. WaterHealth will make its money from user fees.

There certainly exists an opportunity. But it is a long haul. A number of things from the business model to community acceptance of safe water for a price have to fall into place for these ventures to turn into stable, sustainable operations. The period and amount of returns are uncertain and most companies are still nascent.

As more households switch to water purifiers, there is an urgent need for stringent standards for the equipment. In India, unlike producers of natural mineral water and packaged drinking water, who are required to meet Bureau of Indian Standards (BIS) norms, there is no such mechanism for ensuring safety of potable water purification devices.

Some leading consumer organizations in India observed the World Water Day in Delhi to attract the attention of the government, policy makers, and media to ensure access to safe potable drinking water to the citizens and take immediate steps to bring reforms in its distribution in an equitable manner.

They believe the domestic water purifier market is aggressively marketing the chemical-based technology to purify water, which is a serious public health issue. There is also a huge unorganized market in India, which is misleading the consumers. There are no regulatory mechanisms mandated to check the standard of water consumed by the ignorant and helpless consumers.

The use of chemicals including chlorine in these purifiers should be carefully governed and regularly monitored to ensure that the dosage is administered under safe level. Also some other chemicals used in the cleaning process by these purifiers decompose themselves during filtration and treatment of water and produce products which when combined with other routinely used material can be harmful to health.

There is also a growing fear that water will be cornered by the highest bidder to be sold to those who can afford to pay, leaving large parts of India outside the net. Does this mean that people who cannot afford are destined not to get safe water?

Market Dynamics

The Indian water purifier market is on a high growth trajectory. It is estimated at ₹2000 crore with total sales of about 5 million units. *TV Veopar* for the sake of total accuracy has considered top 5 brands, which together constitute 3,627,759 numbers, estimated at ₹1142.44 crore. The five brands are Aquaguard, Hindustan Unilever Limited, Kent, Zero B, and Whirlpool.

Eureka Forbes has the highest turnover in the segment, estimated at over ₹510 crore. It is present in all the three categories – RO based, inline/UV based, and offline purifiers – through its brand *AquaSure*.

Hindustan Unilever Limited dominates the offline water purifiers market and has some presence in the inline category with *Marvella* OGT and *Autofill* purifiers. Its turnover from water purifiers division is estimated at ₹300 crore.

Kent with its focus primarily on the premium RO-based purifiers had a sales turnover of ₹240 crore in 2010-11. Kent moves ahead with its vision toward making the world a healthy and happy family.

Ion Exchange had sales of ₹54.57 crore in 2010-11 from its direct sales and retail counters for Zero B water purifiers for domestic use. The company is present in all the categories, with inline being solar-based purifiers. Ion Exchange is a specialist and offers total water solutions for industry, homes, and communities. Integrating process technology, design engineering, and project management capability, Ion Exchange takes end-to-end responsibility – planning, integrating and managing water supply, quantity, quality, discharge, and environmental fronts. The company has provided installations for diverse industries in India and abroad, from nuclear and thermal power plants, fertilizer, refinery, automobile, electronics, and textile industries.

Whirlpool, Tata Chemicals, Usha Brita, Bajaj, and Philips are the other aggressive brands. Many other brands are making a foray into this segment. Some regional ones have a stronghold in their respective areas. These include LG, IFB, Godrej, and Kelvin catering to the Delhi market; and Gilma, Moniba, Morf, and Nasaka from the Okaya Power group, and many more in the southern parts of India.

The Indian market has tremendous potential, which is evident from the fact that global majors in the water purifiers segment have stepped in and are looking to increase their share of the market. The principal players today are Hindustan Unilever, Kent RO, Eureka Forbes, Ion Exchange (Zero B), Whirlpool, Philips, Tata Chemicals, and Usha Brita. Many regional brands are successful in their respective geographical areas. In the years to come, many others may enter the fray.

The low-cost offering of high-end durables targeted at households in small towns and rural India are the water purifiers from the house of Eureka Forbes and Hindustan Unilever. Both are becoming increasingly popular because they are effective and affordable. Also, they do not run on electricity or require continuous water supply and, therefore, are ideal for locations where water and power supply is unpredictable. Other aggressive brands available in the offline category are Kent, Zero B, Bajaj, and Tata.

The Global Scenario

The market for water purification was USD 85 billion in 2010 (only equipment and products) and is growing on an average over 6–10 percent per year depending on the country. The highest growth is to be expected in China with an annual growth rate of over 15 percent followed by Brazil, South-East Asian countries, and the Middle East. The European market is generally on a high level and is dominated by membrane technologies, accounting for approximately 50 percent of the total market in Europe.

Breakthrough in Technology

Researchers at the North Carolina State University have developed a new material that can remove radioactive contaminants from drinking water, a discovery that could help Japan deal with its unfolding water crisis.

The new material is made of forest byproducts and crustacean shells. The material works like foam. It absorbs water and can soak up contaminants in water and salt from seawater. In future, the new material could be packaged in a small bag or it can be used as a filter to clean up large areas.

As we are currently seeing in Japan, one of the major health risks posed by nuclear accidents is radioactive iodide that dissolves in drinking water. Because it is chemically identical to non-radioactive iodide, the human body cannot distinguish it – which is what allows it to accumulate in thyroid and eventually lead to cancer. The newly developed material binds iodide in water and traps it, which can then be properly disposed of without risk to humans or the environment.

Not only can the new material remove radioactive iodine, but can also strip heavy metals like arsenic from drinking water. If the material is eventually used in disaster situations, it could help clean water when there is no electricity source to tap. The current situation in Japan is a good example of how this material might help clean up the water supply.

Water availability is a major issue in many parts of the world; not only drinking water demands are increasing but also water is invaluable for the industry and community uses. Currently in India, every company is striving to make its products available at different price brackets, thus making it possible to provide safe drinking water to every Indian. ■

Based on research conducted by TVJ in July 2011

The rising **prosperity** in **rural India** means people may be willing to pay more for **safe water.**