Market share of top 5 firms = 65%
Output in organized sector = 75%

Macros Data: Market size, growth, market shares of key players, customer segments, key industry metrics

Micro Data: Segmental market size & growth, financials of key players

Completeness: All data points is available
Quality: Accuracy of data
Recency: Latest period data is available
Market Size and Growth
- The home water purifier industry in India is valued at INR 34bn (~USD 567m) in FY 2014 and has been growing at CAGR 20% for the last three years
- The industry is expected to grow at CAGR of 22% up to FY 2019
- ValueNotes estimates that the home water purifier industry will be worth approximately INR 91.9bn (~USD 1.53bn) by FY 2019

Drivers and Challenges
- Drivers:
  - Scarcity of clean drinking water, low penetration of water purifiers, and increasing health consciousness of consumers have led to growth in the industry
- Challenges:
  - The industry lacks government standards for purifiers, and the awareness about the products is low

Industry Segmentation
- The RO segment water purifier has the highest contribution i.e. 39% share by value in home purifiers market, as they are expensive compared to the offline and UV purifiers
- The offline water purifiers units are sold more in volume since they are the most economical units available in the market. This segment is also growing at a fast pace i.e. more than 25% per year, being the most cost effective way to safe drinking water and better health

Key Players
- More than 75% of the industry is currently organized with Eureka Forbes, Kent RO, HUL, Tata Chemicals and Ion Exchange being the market leaders. The market share of organized players is expected to grow in the next five years as water purifiers is a research oriented industry with high capital costs

Executive Summary
- The home water purifier industry in India has been given an Industry Attractiveness Rating of 7.5 as per the ValueNotes Industry Attractiveness Rating Evaluation System.
Home appliance industry in India

**Brown Goods** (Small appliances)
- Microwave/Ovens
- Televisions
- Water Purifiers
- Others (Heaters, dryers, mixers etc)

**White Goods** (Major appliances)
- Large household appliances like refrigerators, washing machines, etc.; formerly finished with white enamel, but now often colored

**Shiny Goods** (Consumer electronics)
- These are electronic equipments for everyday use. This segment includes devices like phones, computers, cameras, etc.

Relatively light electronic consumer durables such as TVs, radios and ovens, which are distinct from heavy consumer durables such as air conditioners and refrigerators
The home water purifier industry has undergone a shift in technologies

**Earlier**
- The earliest recorded attempts to generate pure water date back to 2000 BC. Sanskrit writings have also outlined water purification methods like boiling or placing hot metal instruments in water before drinking it.
- Centuries later Hippocrates, designed water filter known as 'Hippocratic sleeve' - which is a cloth bag through which water can be poured after boiling.

**Late 1990s**
- Techniques like sand water filters, Electric UV water purifiers were used to purify water.
- As municipal water treatment facilities sought to increase the quality and purity of public water supplies, more and more cities began to implement chlorine into their water treatment process.

**2000 – 2010**
- It was discovered that even after water was purified at a municipal water treatment plant, it often picked up lead and other chemicals when traveling through a home’s plumbing system.
- This led to increased usage of Bottled water and RO purifiers.
- In the mid ’00s, a range of offline water purifiers were introduced.

**Current situation (2011 onwards)**
- Based on consumers expectation and needs, companies are innovating, and products like mobile water purifiers, ‘RO + UV’ purifiers have been recently launched in the market.
- Companies are shifting from the current direct supply chain and are experimenting with different channels such as retail.
- Entry of new MNC players in the market is being witnessed.
Definition of home water purifiers

The water purifiers are machines which aid in the process of eliminating undesirable chemicals, contaminations and sediments from water. The objective is to produce water fit for a specific purpose.

**Home water purifiers**

**Reverse Osmosis (RO)**
- RO is a method of producing pure water by forcing saline or impure water through a semi-permeable membrane across which salts or impurities cannot pass. Reverse Osmosis is used for water filtration, desalination of sea water and in kidney dialysis machines.
- The pressure of water is used to push across the membrane and the impurities and dissolved solids are left behind in the membrane.

**Ultra Violet (UV)**
- UV water purifiers use ultra violet rays. Ultraviolet systems use special lamps or bulbs that emit UV light of a particular wavelength.
- Now companies add UV based purification stage after the initial RO filtration to the water purifiers. The RO purifiers are good at removing impurities in water but it may not be capable of removing microorganisms.

**Offline / Gravity**
- The storage water filters are the most economical way of purifying water and getting safe water to drink. The only drawback is that they are slow in purifying water. They use chlorine and carbon based techniques to purify water. Chlorine kills pathogens like bacteria and viruses by breaking the chemical bond of the molecules.

**This report covers:**
- *The current scenario for the domestic water purifier Industry in India including RO, UV and offline purifiers*

**This report does not cover:**
- Commercial / Industrial water purifiers
- Water treatment plants and equipments
- Water coolers
Direct sales plays an important role in educating the consumers in the Industry

- Eureka Forbes is regarded as the pioneer in the direct marketing when it comes to water purifiers in India. Direct marketing has helped the company gain market leadership position in the water purifiers industry. Later they shifted to retail marketing to increase product visibility and drive sales.

- Some companies sell certain products through retail stores, while others that require education or demonstration are sold through direct marketing.
Market Overview
Home water purifier industry is expected to grow at ~22% CAGR in the next 5 years.

Usage of “Three point analysis” to arrive at growth figures:

- xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- Xxxxxxxxxxxxxxxxxxxxxxxxxx
- xxxxxxxxxxxxxxxxxxxxxxxxxxxx

The estimated growth of ‘the home water purifier industry’ is based on various factors including:

- xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- xxxxxxxxxxxxxxxxxxxxxxxxxxxx
Though the contribution of RO segment is higher, the offline segment is growing fast

**Chart 3: Water purifier market in India for FY 2014 segmented by product type**

**RO Filters**
- xx%

**UV Filters**
- xx%

**Offline Filters**
- xx%

*Source: Trade interviews, ValueNotes Research*