

PRESS RELEASE

Blue Star launches 34 new models of water purifiers with RO, UV, UV LED, RO+UV, and RO+UV+UF technologies including variants that enriches water with essential minerals

Blue Star has launched a premium and differentiated range of residential water purifiers comprising 34 models across various price points with RO, UV, UV LED, RO+UV, and RO+UV+UF technologies including colour variants and select models with Immuno Boost technology. The range includes nine series called Stella, Prisma, Imperia, Eleanor, Majesto, Genia, Aristo, Eternia, and Pristina with price points varying from Rs 10,900 to Rs 46,900 in the RO and its variants range; and price points from Rs 7,900 to Rs 9,900 in the UV range. When the Company forayed into the business, it was with 13 models in limited price bands. The Company has now extended the range in order to have products across various price points.

Most of the models offer double stage RO+UV protection such that the entire water passes through the RO membrane first and then the UV lamp thereby ensuring that the water is absolutely safe and pure. These purifiers are highly differentiated and offer attractive features such as hot and cold water, touch sensors, electronic dispensing, speech assist, taste enhancer, filter change alerts, aqua taste booster, super-efficient RO membrane, child lock function and aqua mineral infuser, amongst several others.

The Company is also test marketing a range of commercial water purifiers to cater to the growing demand of purified water in offices, restaurants, clinics, and other commercial establishments.

Blue Star, which completed 75 years of its existence in 2018, had entered into the residential water purifier business in October 2016 with the conviction that it would make deep inroads into this business by leveraging the trust that it has built over the years. Since then, the Company has steadily expanded its offerings and the dealer network. With around 70,000 installations across the Country, Blue Star is one of the significant players in this product category.

Now that the entry phase has been successfully accomplished, the Company intends to scale up its Water Purifiers business faster and towards this end, Blue Star has integrated the sales and service functions of Water Purifiers with that of room air conditioners to leverage the strengths of its room air conditioners business in these areas.

Industry size

The market for pure drinking water has been on the rise mainly due to deterioration in the quality of water, resulting in a spurt in water borne diseases. There is an over dependence on ground water which has significant levels of dissolved impurities. The electric residential water purifiers market in the country is pegged at about Rs 5000 crores, increasing at a CAGR of 8-9%. Interestingly, around 15-20% of the overall market comprises replacement market. About 4 million units sold every year are electric viz RO, UV, RO+UV and its variants. In terms of value, due to their higher price points, electric purifiers contribute to about 85% of the market whilst the balance comprises gravity-based purifiers.

Immuno Boost Technology

The premium models of Stella, Imperia and Eleanor series offer an innovative Immuno Boost Technology which provides alkaline antioxidant water that strengthens the defense mechanism of the human body and helps the body to stay healthy and function perfectly. The water that is purified with Immuno Boost Technology is abundant in alkaline minerals and hydrogen which help balance the metabolism. It can help in boosting one's immunity and keeping away from diseases by nourishing the body with clean, wholesome ingredients adding essential minerals, raising the pH and making the water antioxidant.

The body tries to naturally maintain the acid-alkaline balance of the blood. But when the body is overly acidic, the system has to work even harder to maintain that balance and can lead to interference with the activity of all the cells in the body. Alkaline water helps by neutralizing the acid levels of the body.

Immuno Boost Technology has an antioxidant effect that slows down or prevents oxidation thereby delaying the aging process and keeps the body healthy with a spark of life.

Sales, Distribution & Service

With regard to distribution, Blue Star water purifiers are already available in 138 towns in over 2800 stores coupled with a strong online presence through e-commerce platform. Plans are on the anvil to increase the presence to over 5000 stores in the current year by penetrating more into Tier 2/3/4 markets as well as by leveraging the Company's existing room air conditioners network.

Further, the Company has been exerting enhanced push at the point of sale with increase in the number of 'Store Sales Representatives' to 1000 due to the addition of the room air conditioners ground force. This time of the year being an off season for the room air conditioners business, these 'Store Sales Representatives' are dedicatedly generating leads for the water purifiers. In addition, Blue Star's Room AC customers are being leveraged for cross-selling and referrals. Demonstrations of Blue Star water purifiers along with easy EMI options have been made available across major outlets to help customers buy the right product with extended payment options. Visual merchandising at high footfall outlets is made available across major outlets, to help in generation of enquiries.

Since this business is service intensive, a robust customer-centric service network is the backbone. Considering that Blue Star is India's largest AC&R service provider, it believes that it can offer differentiated service in this business too and create new benchmarks in the industry. It has appointed over 300 service franchises that are being supported by a team of trained Company engineers to lead the installation and service requisites, and strong service processes have been set up. This count is expected to reach over 500 by the mid FY20.

Advertising and Sales Promotion

In terms of advertising and sales promotion, the Company has plans to invest about Rs 30 crores on water purifiers in FY20. The value proposition for the segment has been identified as 'Purity you can Trust' which has been highlighted in the Company's TV commercials. This is being supported by ads in television channels, mainline dailies, as well as digital. Just like other businesses, Blue Star will be persistent with its strategy of integrated marketing communication comprising mass media, field promotions, digital platform, Press, events and social media, apart from one-to-one marketing.

Water Digest Award 2019

In February 2019, Blue Star water purifiers, for the third time in row, were awarded as the 'Best Domestic RO+UV water purifiers' in the country at the Water Digest Awards 2019. Introduced in 2006, these prestigious awards are supported by UNESCO and the Ministry of Water Resources in India. Blue Star emerged a winner after clearing a rigorous evaluation process by an eminent jury comprising heads of several NGOs involved with the water industry apart from TERI and UNESCO.

Blue Star's Research & Innovation Center (R&I) for Water Purifiers was also awarded the 'Best Water R&D and Technological Breakthrough' for its product, 'Eternia', India's first Point-of-Use Instant UV LED water purifier.

Way forward

Speaking to the press at a conference held in Chennai, B Thiagarajan, Managing Director, Blue Star Limited adds, "With a comprehensive product portfolio across various price points and a vast distribution network including a strong online presence through the e-commerce platform, we have made good progress in this segment. The building blocks are already in place. Further, with intent to unlock synergies and upscale this business, we have integrated the sales and service functions of water purifiers with that of room air conditioners to leverage the wider distribution footprint and to enhance customer experience."

Place: Chennai

Date: June 12, 2019.

For additional information, please contact: R S Priya, General Manager-Corporate Communications & Marketing Services, Blue Star Limited. Email: rspriya@bluestarindia.com Telephone: +91 44 43444009/ +91 98401 99941