



# ALAB, LLC

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## Business Projections for the QuickPure™ Counter-top Water Purifiers.

### DATA and ASSUMPTIONS

1. **Bottled water sales still growing at around 10% per year.** 2006 US wholesale value of **bottled water** was \$11 billion; Global wholesale value was over \$50 billion... Wikipedia
2. **Residential** US water treatment equipment sales at \$1.6 Billion and growing... Wall St Journal 9/9/04
3. Drinking water **problems** greater, and often health threatening, in less developed countries
4. Direct cost of manufacturing will be \$25 per unit. Replacement filter cost will be \$2.50.

### MARKETING

**Direct to consumers in developed countries through mass merchants, department stores, specialty retailers, DIY stores, TV shopping channels, catalogs, internet, etc. Substantial advertising and PR needed initially.**

Many consumers will switch from bottled water for lower cost, greater convenience, reliable supply in emergencies, OR will upgrade from cheap filters to gain the health benefit of purification and faster, more effective water treatment. Marketing will be aided by adverse bottled water publicity about environmental impact of used bottles

#### **Main advertising claims:**

- Only water purifier on market (only one meeting EPA legal requirement of killing all germs)
- Taste improvement using same process as bottled water
- Reduction of dissolved water contaminants such as iron, sulfide, arsenic and oxidizable organic chemicals,
- Much less expensive and more convenient than bottled water.
- No installation required, very quick and easy to use, fun to watch.
- Filter replacement only once a year.

### BUSINESS PLAN

**Annual wholesale sales around \$300 million for the US and \$900 million total world wide.**

**Proprietary position and breakthrough consumer benefits** enable a unit wholesale price of \$100 (75% gross margin) for the purifiers with a \$149 retail list price (33% discount) in developed countries. The filter cartridges should wholesale for \$9.95 (75% gross margin), with a retail list of \$14.95 (33% discount). Lower cost designs with similar gross margins could be sold in less developed countries, and after several years in developed countries to broaden the market.