

Executive Summary

Business Overview

Phurest Water is a start up water purification and bottling plant based in Naas, Mpumalanga, South Africa. We plan to operate both online and through a physical location, providing convenient access to our high-quality purified water products and services. With a team of 3 knowledgeable and skilled employees, we plan to be committed to delivering the purest and most reliable drinking water to our customers.

Business Origins

The concept of Phurest Water was brought to vision to address the growing demand for clean and safe drinking water in South Africa. Recognising the importance of water purity and its impact on health, we set out to create a business that prioritises quality and convenience. Our journey begins by investing in state-of-the-art water purification and bottling equipment, ensuring that our customers can trust each refill to be free of harmful contaminants.

Competitive Advantage

Our competitive advantage will lie in our unwavering commitment to providing the purest and highest-quality water products and services. Unlike many other water suppliers, we prioritise the health and well-being of our customers by implementing rigorous purification processes and applying long standing knowledge within the water industry to a new and innovative approach. Our team of experts will ensure that every bottle of water we produce meets the highest standards of purity, giving our customers peace of mind. Furthermore, our diverse customer segments will give us a competitive edge. We strive to cater to health-conscious individuals who prioritise their well-being and seek the purest water available. Additionally, we plan to serve office buildings and corporate clients who understand the importance of providing their employees with clean drinking water. Lastly, we will offer our services to small business owners who require regular access to purified water for their operations.

Financial Summary

With an expected revenue of R 240 000 per month, Phurest Water is poised for success in the South African market. We anticipate a future growth rate of 20% as more individuals and businesses recognise the importance of consuming clean and safe drinking water. Our diversified product and service offerings, including water bottle refills, customised water bottles, water delivery services, and water dispenser rentals, provide multiple revenue streams and cater to a wide range of customer needs. In conclusion, Phurest Water aims to be an established brand within the water purification and bottling plant business with a strong focus on quality, convenience, and reliability. With our dedicated team, state-of-the-art equipment, and commitment to customer satisfaction, we are well-positioned to meet the increasing demand for pure drinking water in South Africa. Join us in our mission to provide the highest standards of water purity and improve the well-being of our customers.

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Situation Analysis

Industry Overview

Phurest Water plans to operate in the water purification and bottling industry in South Africa. With our extensive market research and the concept being birthed from extensive knowledge of the industry, we have poised ourselves with a strong foothold to break into the market and thrive in providing high-quality purified water to our future customers. The industry is characterised by a growing demand for safe and clean drinking water, driven by increasing health awareness and concerns over water pollution. In South Africa, access to clean drinking water remains a challenge for many communities. The government has implemented various initiatives to improve water quality and ensure its availability to all citizens. However, the demand-supply gap still exists, creating opportunities for private players like us to contribute to the solution. The added stresses to the supply of water imposed by the current energy crisis in South Africa means the demand for fresh drinking water will increase. Our distribution channels include both online and physical locations, allowing us to reach a wider customer base. Online platforms provide convenience and accessibility, while physical locations cater to customers who prefer face-to-face interactions. This multi-channel approach enables us to serve diverse customer needs and expand our market reach.

Key Market Trends

- ☒ **Increasing Health Consciousness:** Consumers are becoming more health-conscious and are actively seeking purified water to ensure their well-being. This trend is driven by rising awareness of waterborne diseases and the importance of hydration for overall health.
 - ☒ **Rise in Sustainable practises:** There is a growing emphasis on sustainability, with consumers opting for eco-friendly products and services. Our customised water bottles offer a sustainable alternative to single-use plastic bottles, aligning with the market's preference for environmentally friendly options.
 - ☒ **Convenience and Accessibility:** With busy lifestyles, consumers are looking for convenient and reliable access to purified water. Our water delivery services and water dispenser rentals promise to cater to this demand, providing hassle-free solutions for customers who require regular access to purified water.
 - ☒ **Increasing Demand for Customization:** Personalization is a key trend across industries, and the water industry is no exception. Our customised water bottles will allow customers to showcase their company or personal branding, adding a unique touch to their drinking water experience.
- Overall, the water purification and bottling industry in South Africa presents a promising landscape for Phurest Water. We are well-positioned to capitalise on the increasing demand for purified water, offering a range of products and services that cater to the evolving needs of our customers. With our commitment to purity, quality, and sustainability, we are confident in our ability to thrive in this dynamic market.

SWOT Analysis

Strengths:

We prioritise quality and purity in our products and services. Our water purification and bottling process ensures that each refill is free of harmful

contaminants, providing customers with clean and safe drinking water.

Our team is knowledgeable and skilled in water purification and bottling. With their expertise, we can ensure that our products meet the highest standards of quality and purity.

We focus on providing convenient and reliable access to purified water. Our water delivery services and water dispenser rental options will make it easy for customers to have regular access to clean drinking water.

Our planned online distribution channel will allow us to reach a wider customer base, expanding our market reach beyond our physical location in South Africa.

We have already established a potential customer base and have a good understanding of the market dynamics in South Africa. Making our positioning highly competitive.

Weaknesses:

We have a limited marketing budget. To overcome this, we will focus on cost-effective marketing strategies such as social media marketing, influencer partnerships, and targeted advertising to maximize our reach.

Our physical location limits our reach to potential customers. To mitigate this, we will invest in efficient delivery systems to ensure that customers in remote areas can also access our products.

Being a new brand it will be challenging to compete competitively on price with the larger established brands like Oasis and Bonaqua.

Opportunities:

The increasing awareness of the importance of clean drinking water presents a significant opportunity for our business. We can capitalise on this by emphasizing the quality and purity of our products.

The growing demand for sustainable and eco-friendly solutions provides an opportunity for our customised water bottles. By offering personalised branding options, we can cater to the needs of environmentally conscious customers.

The rising trend of home and office water delivery services creates an opportunity for us to expand our customer base. We can leverage our reliable delivery service to provide convenient access to purified water for households and businesses.

The market for water dispenser rental is expanding as more businesses and households seek cost-effective and convenient solutions. By offering rental services, we can tap into this market and provide a hassle-free solution for customers.

Threats:

Intense competition from other water purification and bottling companies in South Africa poses a threat to our market share. To counter this, we will differentiate ourselves by emphasizing our commitment to quality and providing exceptional customer service.

Changes in government regulations and policies regarding water purification and bottling can pose challenges to our business operations. To mitigate this, we will stay updated with the latest regulations and ensure compliance to avoid any disruptions.

Being outpriced larger established brands already reaping the advantages of quantity force us to consider manufacturing of inhouse bottles and printing options, this requires ongoing advancement and development.

Marketing

Business Objectives

Short-term Objectives

- ☒ Increase brand awareness through targeted online marketing campaigns, reaching a minimum of 10,000 potential customers within the first year.
- ☒ Expand our physical presence by opening two additional retail locations in high-traffic areas within the next two years.
- ☒ Establish partnerships with local spaza and retail shops to promote our water bottle refills as a healthy hydration option, resulting in a 20% increase in refill sales within the first year.
- ☒ Implement a customer loyalty programme to encourage repeat purchases and referrals, aiming for a 15% increase in customer retention within the first year.

Medium-term Objectives

- ☒ Develop a mobile application for easy online ordering and delivery tracking, increasing online sales by 30% within the next three years.
- ☒ Launch a marketing campaign targeting corporate clients to promote our customised water bottles, resulting in a 25% increase in corporate orders within the next three years.
- ☒ Expand our water delivery services to neighboring countries, establishing partnerships with local distributors and achieving a 50% increase in international sales within the next four years.
- ☒ Implement a customer feedback system to gather insights and improve our products and services, aiming for a 20% increase in customer satisfaction ratings within the next four years.

Long-term Objectives

- ☒ Establish Phurest Water as the leading brand in the water purification and bottling industry in South Africa, achieving a market share of 40% within the next seven years.
- ☒ Invest in research and development to introduce innovative water purification technologies, positioning ourselves as industry pioneers and achieving a 30% increase in revenue from new product lines within the next eight years.
- ☒ Expand our distribution channels to include partnerships with major supermarket chains, increasing our market reach and achieving a 50% increase in retail sales within the next ten years.
- ☒ Contribute to water sustainability efforts by implementing eco-friendly packaging solutions, aiming to reduce our carbon footprint by 20% within the next ten years.

Segmentation

☒ Segment 1: Health-Conscious Individuals (low-income) Customer Needs: Health-Conscious Individuals prioritise the quality and purity of water they consume. They are concerned about harmful contaminants and seek reliable sources of purified water. Demographics: This segment includes individuals who are health-conscious and have a low-income level. Purchasing behaviour: They are likely to be cost-conscious and seek affordable options for purified water.

☒ Segment 2: Office buildings and corporate clients (medium-income) Customer Needs: Office buildings and corporate clients require a convenient and reliable source of purified water for their employees. They prioritise convenience, quality, and sustainability. Demographics: This segment includes businesses and organizations with a medium-income level. Purchasing behaviour: They are likely to prioritise long-term contracts and value-added services such as customised branding options.

☒ Segment 3: Small Business Owners (medium-income) Customer Needs: Small business owners require regular access to purified water for their operations. They prioritise convenience, affordability, and reliability. Demographics: This segment includes small business owners with a medium-income level. Purchasing behaviour: They are likely to seek cost-effective solutions and value flexibility in terms of delivery and rental options.

☒ Segment 4: Eco-Conscious Consumers (medium/high-income) Customer Needs: Eco-conscious consumers prioritise sustainability and environmental impact. They seek products and services that align with their values and contribute to reducing plastic waste. Demographics: This segment includes individuals with a medium to high-income level who are environmentally conscious. Purchasing behaviour: They are likely to pay a premium for eco-friendly products and services and prefer reusable options.

☒ Segment 5: Event Planners and Caterers (high-income) Customer Needs: Event planners and caterers require a reliable source of purified water for their events. They prioritise quality, convenience, and professional service. Demographics: This segment includes professionals in the event planning and catering industry with a high-income level. Purchasing behaviour: They are likely to prioritise long-term partnerships, customised branding options, and timely delivery.

Targeting

We choose to target the Health-Conscious Individuals, Office buildings and corporate clients, and Small Business Owners segments. These segments have specific needs related to convenience, affordability, reliability, and quality. By focusing on these segments, we can tailor our products and services to meet their requirements and establish long-term relationships.

Positioning

We position Phurest Water as the trusted provider of purified water for health-conscious individuals, office buildings, and small business owners in South Africa. Our emphasis on purity, quality, and affordability appeals to the low-income health-conscious individuals. For office buildings and corporate clients, we highlight the convenience of our delivery services and the option for customised branding on water bottles. Small business owners are attracted to our flexible rental options and

cost-effective solutions. By catering to the specific needs of each segment, we establish ourselves as the go-to choice for reliable and affordable purified water.

Feasibility study:

PHurest water would require a R 460 000 start up capital to acquire the

Assets		Cost
bottle molding machine 300ml/25l		R65 000,00
website development		R15 000,00
		R130 000,00
branding and marketing		
shop signage	R4 000,00	
road-side signage	R3 000,00	
label development – design	R12 000,00	
Uniforms	R3 000,00	
fridge signage	R10 000,00	
shop display x 3	R18 000,00	
patent of Phurest	R80 000,00	
office equipment		R44 500,00
point of sales systems	R20 000,00	
Laptop	R8 000,00	
Phone	R8 000,00	
Stationary	R1 000,00	
company registration	R7 500,00	
automatic refilling machine		R60 000,00
ice machine		R45 000,00
walk in freezer		R60 000,00
glass display fridge x 3		R39 000,00
		R458 500,00
Total		

Monthly Expenses

Buisness Expenses		Totals
procurement of raw materials		
	Plastic	R20 000,00
	Water	R10 000,00
	Potassium	R1 500,00
	magnesium	R1 500,00
labour x 1		R3 500,00
Manahgement and administration (owner)		R6 000,00

Electricity	R1 800,00
Rent	R3 000,00
Transport	R3 400,00
Phone	R800,00
1400mp monthly instalment	R3 800,00
Maintenance	R2 800,00
Total	R58 100,00

Monthly income expected sales

product	cost	sales price	Profit	target sales	GP	Net Profit
500ml	R6,37	R8,00	R1,63	8000	R64 000,00	R13 040,00
1,5l	R7,78	R10,00	R2,22	1000	R10 000,00	R2 220,00
1,5l	R7,78	R20,00	R12,22	3000	R60 000,00	R36 660,00
	R17,75					
5l	5	R20,00	R2,25	800	R16 000,00	R1 800,00
Refil	R0,59	R2,00	R1,41	8000	R16 000,00	R11 280,00
ce	R4,20	R15,00	R10,80	5000	R75 000,00	R54 000,00
monthly total					R241 000,00	R119 000,00

expected sales

product	cost	sales price	profit	target sales	GP	Net Profit
					R64	R13
500ml		R6,37	R8,00	R1,63	8000	000,00 040,00
					R10	
1,5l		R7,78	R10,00	R2,22	1000	000,00 R2 220,00
					R60	R36
1,5l		R7,78	R20,00	R12,22	3000	000,00 660,00
					R16	
5l		R17,75	R20,00	R2,25	800	000,00 R1 800,00
					R16	R11
Refil		R0,59	R2,00	R1,41	8000	000,00 280,00
					R75	R54
ce		R4,20	R15,00	R10,80	5000	000,00 000,00
monthly total					R241 000,00	R119 000,00

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
R119 000,00	R119 000,00	R119 000,00	R124 950,00	R131 197,50	R137 757,38
					R88 100,00
R88 100,00	R88 100,00	R88 100,00	R88 100,00	R88 100,00	

R16 954,00	R16 954,00	R16 954,00	R16 954,00	R16 954,00	R16 954,00
R13 946,00	R13 946,00	R13 946,00	R19 896,00	R26 143,50	R32 703,38

Nkomazi Branch

Year 1	Year 2	Year 3	Year 4	Year 5
R2 892 000,00	R3 181 200,00	R3 499 320,00	R3 849 252,00	R4 234 177,20