

Native by Urban Company:

Strategic Breakdown of a 0→1 Product Launch

Case Repository Series | Rituja Bakshi | May 2025

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Abstract:

*In this paper, we examine **Native — Urban Company**'s October 2023 foray into the water purifier market — and evaluate whether its smart RO offering can disrupt a space dominated by legacy brands. With a 2-year no-service promise, an IoT-enabled model, and the backing of 50,000+ service partners, Native blends product innovation with UC's established service network. But my core insight and conclusion from analysis is this: **the company's real advantage may lie in something far less visible — years of appliance servicing data that offer unmatched visibility into consumer pain points, failure patterns, and replacement cycles.** Can Native turn that intelligence into a defensible moat and redefine how water purification is delivered in India?*

1. Introduction:

- **Product:** Native, Urban Company's first branded line of smart RO water purifiers, targeting urban households.
- **Launch Timeline:** Introduced in October 2023, marking Urban Company's entry into consumer goods.
- **Purpose:** Addresses urban India's need for reliable water purification amid water quality concerns, expanding Urban Company's service-based model.
- **Target Segment:** Middle-to-upper-income urban households in metro cities, leveraging Urban Company's 5.3 million customer base.
- **Founder Insight:** "One pain point we constantly hear is why water purifiers need filter changes every few months. We decided to address this head-on with Native," says Abhiraj Singh Bhal, CEO.

Case Study Goal: Analyse Native's launch strategy, market positioning, and financial impact using public data to provide strategic insights for stakeholders.

Product Features:

Features	Native M1	Native M2
Purification Stages	9-stage purification	10-stage purification
Storage Capacity	8 liters	8 liters
IoT Connectivity	Not available	IoT-enabled (real-time TDS, water consumption, filter life via UC app)
Filter Life	2-year no-service filter life	2-year no-service filter life
Warranty	2-year zero-cost (covers filters, membranes, parts)	2-year zero-cost (covers filters, membranes, parts)
Additional Features	Rapid reverse rinse technology, in-tank UV	Rapid reverse rinse technology, in-tank UV, 4-in-1 health booster
Price (2025)	₹12,500–₹12,999	₹17,000–₹17,499
Platforms	Blinkit, Zepto, UC app, Amazon	Blinkit, Zepto, UC app, Amazon

2. Industry Landscape:

Market Overview:

- The global water purifier market, valued at \$45.7 billion in 2024, is projected to reach \$88.8 billion by 2034, growing at a CAGR of 7.1%. [Global Market Insights, 2025]

- India's water purifier market, a key segment, is expected to grow from \$1.2 billion in 2023 to \$5.7 billion by 2032, at a robust CAGR of 18.4%, driven by urbanization, health consciousness, and water contamination concerns. [Custom Market Insights, 2024]
- While global growth is fueled by rising disposable incomes and smart purifier adoption (e.g., IoT, AI), India's market is uniquely propelled by government initiatives like the *Jal Jeevan Mission*, which aims to provide potable water to rural households, indirectly boosting purifier demand in urban and semi-urban areas. [Maximize Market Research, 2023]
- An overlooked dynamic is the interplay between India's e-commerce boom and purifier accessibility. Online platforms (e.g., Amazon, Flipkart) have lowered barriers for new entrants like Native, enabling D2C sales that bypass traditional retail's high margins.
- Globally, nanofiber and UV technologies are gaining traction, but India's preference for RO systems (60% market share in 2022) reflects its hard water challenges. [Custom Market Insights, 2024]

This suggests Urban Company can exploit digital channels and RO expertise to capture urban demand, a strategy less viable for global players focused on diverse technologies.

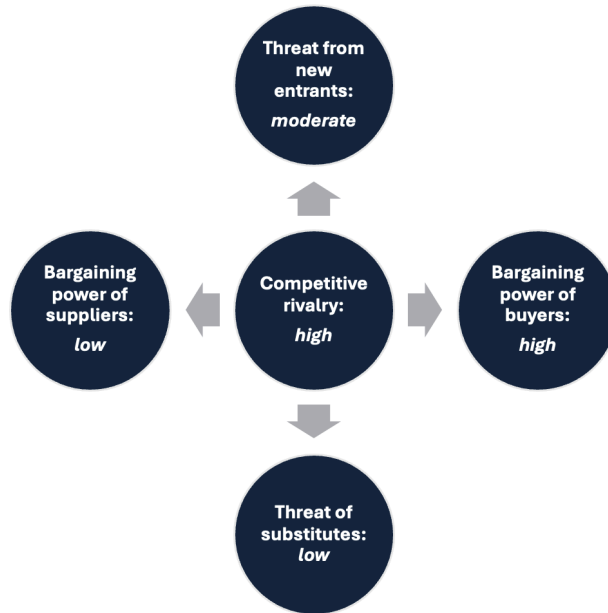
SWOT Analysis:

- **Strengths**
 - Access to 5.3M+ customers and 50K+ service professionals across UC's platform
 - Rich service data across multiple household appliances enables sharp customer insights- not just for water purifiers, but any segment Native would eventually venture into
 - 2-year no-service filter life offers strong product differentiation
- **Weaknesses**
 - Limited brand recognition in a segment dominated by Kent, Aquaguard, and Eureka Forbes
 - UC's identity as a service marketplace may limit credibility in consumer product categories

- **Opportunities**
 - Growing health consciousness and demand for clean water solutions
 - Increasing adoption of smart appliances and IoT-driven home tech
 - E-commerce-led distribution reduces dependency on high retail margins
 - Strong foundation to expand into other home appliances using existing customer base, service network, and data
- **Threats**
 - Heavy competition from established brands and aggressive low-cost players like Livpure

Porter's 5 Forces:

- **Competitive rivalry: *high***
 - Market is oligopolistic, with ~70% share held by a few dominant players
 - Native's service-integrated offering presents a potential edge in differentiation
 - Late market entry is a challenge, especially against strong brand loyalty
- **Threat from new entrants: *moderate***
 - High capital investment and brand trust act as natural barriers
 - E-commerce and low distribution costs reduce entry friction for digital-first players
- **Threat of substitutes: *low***
 - Alternatives like bottled water and municipal supply exist
 - However, inconvenience, recurring costs, and distrust in public water quality limit their appeal
- **Bargaining power of buyers: *high***
 - Multiple comparable alternatives available across price points
 - Native's premium positioning may alienate price-sensitive customers
- **Bargaining power of suppliers: *low***
 - Most purifier components are commoditized and widely available
 - Supply chain risk is limited due to multiple sourcing options



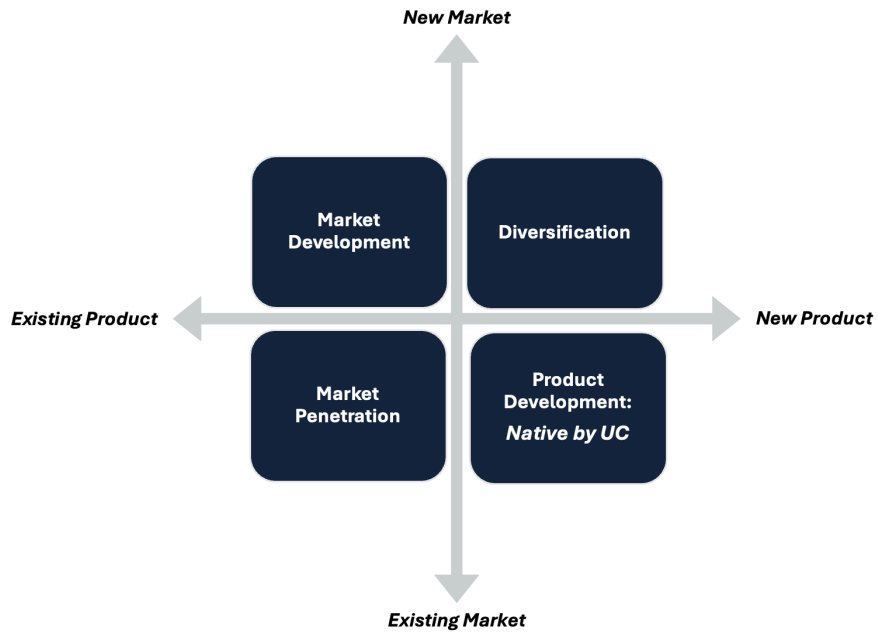
3. Launch Strategy:

Marketing Mix (4Ps):

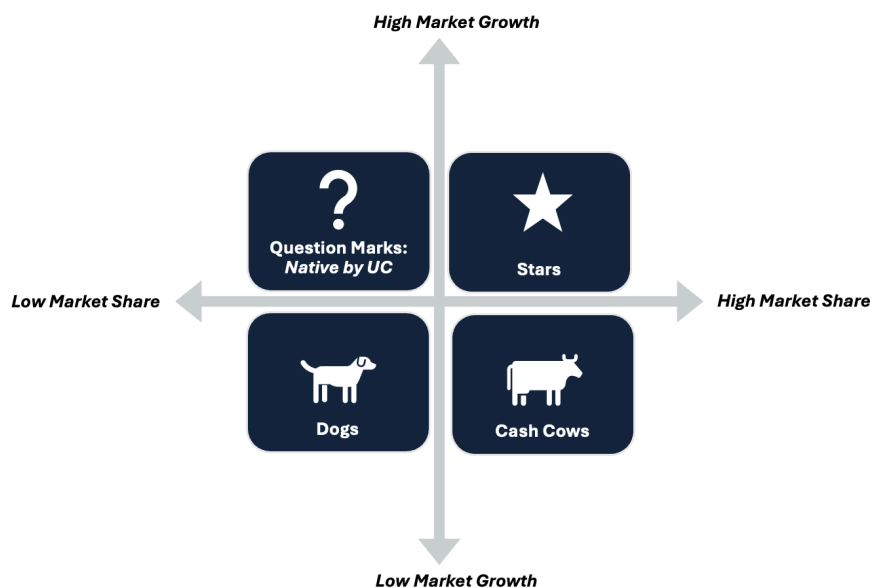
- **Product:** Native M1 offers 9-stage purification, while M2 provides 10-stage purification with IoT connectivity; both have 8L storage, 2-year no-service filters, rapid reverse rinse, and in-tank UV.
- **Price:** Native M1 ranges from ₹12,500–₹12,999, and Native M2 from ₹17,000–₹17,499, reflecting M2's advanced features.
- **Place:** Sold on Blinkit, Zepto, UC app, and Amazon for broad online reach.
- **Promotion:** Employs engaging advertisement (*'Lambi Juda'*), social media campaigns, and a 2-year zero-cost warranty to highlight reliability and build awareness.

Growth Strategies:

Ansoff Matrix: Native embodies **product development**, launching innovative water purifiers for Urban Company's existing urban customers, leveraging brand trust and the UC app for cross-selling opportunities.



BCG Growth-Share Matrix: Native is a **Question Mark** in the high-growth purifier market (~8% CAGR), with low share as a new entrant, but backed by UC's INR 827 Cr FY24 revenue for investment.



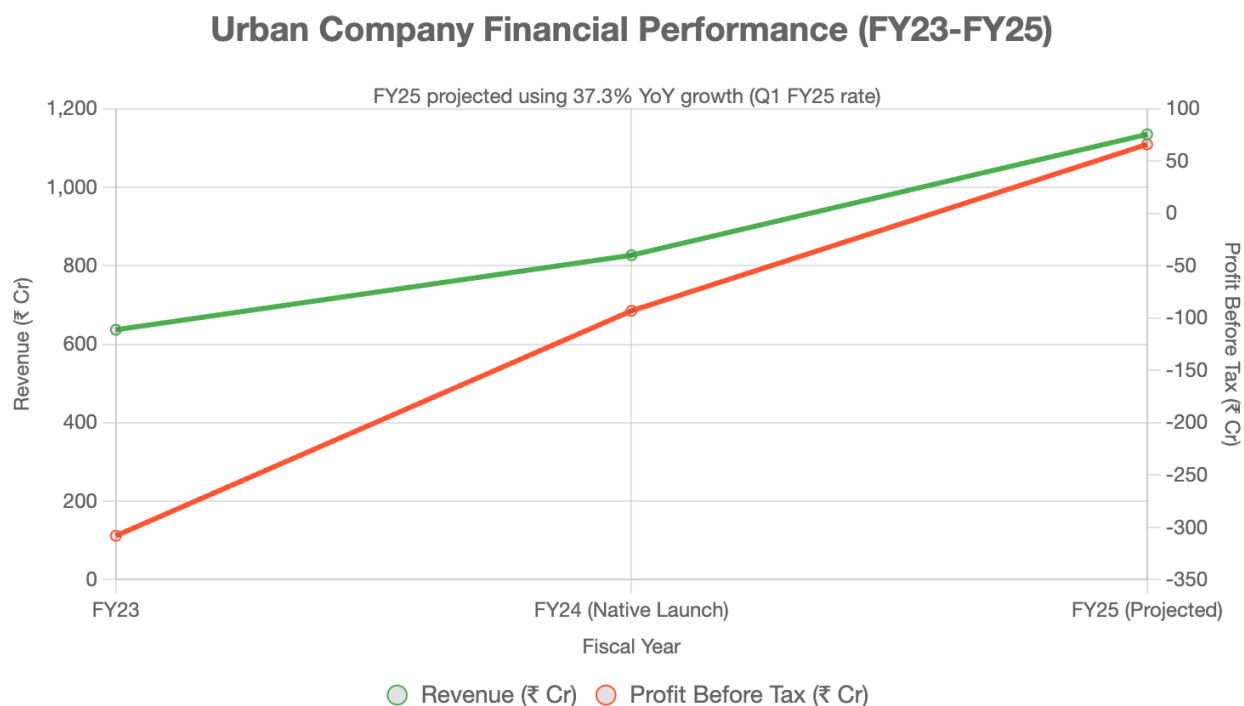
Blue Ocean Strategy:

- **Eliminate:** Frequent customer touchpoints for maintenance, as Native's 2-year no-service design removes the need for regular servicing.
- **Reduce:** Dependency on third-party servicing networks by embedding support within UC's ecosystem of 50,000+ professionals.
- **Raise:** Customer empowerment through transparency, with Native M2's IoT features providing real-time TDS, filter health, and consumption data via the UC app.
- **Create:** A subscription-like peace-of-mind model, where Native's 2-year zero-cost warranty and app-integrated support are marketed as a hassle-free ownership experience.

Native redefines purifiers as a managed service, using UC's app and service network to lock in customers, unlike competitors' hardware-focused approach.

4. Financial Snapshot and Key Insights:

- Revenue grew from ₹637 Cr in FY23 to ₹827 Cr in FY24 (30% YoY growth)
- Loss before tax reduced significantly: ₹(308) Cr in FY23 → ₹(93) Cr in FY24
- Q1 FY25 already profitable: ₹12 Cr profit before tax on ₹281 Cr revenue



FY25 Projection Methodology:

To ensure consistent full-year comparisons, FY25 revenue and profit before tax (PBT) are projected using the 37.3% year-over-year (YoY) growth rate observed in Q1 FY25 over Q1 FY24.

Revenue is calculated as FY24's ₹827 Cr \times 1.373 = ₹1,135 Cr

PBT is derived by annualizing Q1 FY25's ₹12 Cr to ₹48 Cr, then applying the same 37.3% growth to reach ₹66 Cr, reflecting UC's improving financial health post-Native's launch.

- **Unit Economics and Cost Control:**
 - Improved EBITDA margins through operational leverage and cost efficiency
 - India business broke even in Q1 FY24 at Adjusted EBITDA level
 - Strong cost discipline while investing in tech, training, and product expansion
- **New Product Launches (Including Native):**
 - Native smart RO water purifier launched in Oct 2023 with 2-year no-service lifecycle
 - Other launches: Bathroom cleaning subscription, Wall panel decor (1L+ installations)
 - Native positioned as high-quality, low-maintenance alternative to existing RO products
- **Partner Ecosystem:**
 - Top 20% of partners earned avg ₹42,792/month in FY24 (up from ₹40,000 in H1 FY23)
 - Average monthly earning of partners delivering 30+ services: ₹33,469 (FY24)
 - Partner Stock Option Plan (PSOP) extended to 500+ service professionals
- **ESG and Governance:**
 - Continued focus on partner safety, insurance, training, and wealth creation
 - Over ₹37 Cr disbursed as credit to partners in FY24 via NBFCs
 - Expanded training infra to 321k sq. ft. with 175+ training rooms across 14 cities
- **Implications and Analysis on Native:**
 - Financial health significantly improved since Native's launch (Oct 2023)
 - Native fits into UC's expansion into product + service integration
 - Profitability achieved despite investments in product innovation, including Native
 - Robust partner network and brand trust give Native a strategic GTM edge.

5. Key Strategic Takeaways:

- Native isn't competing on filtration tech — it's competing on frictionless ownership. Its strongest edge lies in how Urban Company wraps the product with service trust.
- Late market entry is not a weakness if Native reframes the problem. While legacy players sell water purifiers, Native is selling peace of mind — no maintenance, no follow-ups, no hidden costs.
- The UC platform is the wedge. Native doesn't need retail scale; it needs activation within UC's trusted ecosystem. The install-to-service loop is already in place.
- Native is UC's first test of product-led expansion — and it's playing long. Success won't be measured in units sold, but in whether it redefines how consumers think about UC beyond services.
- If Native works, UC won't just sell purifiers — it'll sell invisible infrastructure. And that opens the door to smart ACs, fridges, security, and more — all serviced, all seamless.

6. Conclusion:

Native marks a bold shift for Urban Company — from enabling home services to owning the hardware that powers them. While the purifier space is crowded and loyalty runs deep, Native's edge lies in turning ownership into a managed experience. If UC continues to merge its service DNA with product innovation, Native won't just sell devices — it'll redefine how Indian households think about water, maintenance, and trust.

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