

The Watershop Naivasha (Purefresh)



Country: Kenya

Location: Naivasha (80.000 inhabitants, 90 Km NW of Nairobi)

Start of Operations: 2010

Sector of activity: Extraction, purification and sale of drinking water (sold in bottles or refills)

Size / Revenues:

The Company manages 4 shops, and serves 2.000 families every week
2014 turnover amounted to roughly EUR 100.000

Problem / Opportunity:

In Kenya, 17 million people (43% of the total population) do not have access to safe clean water. For decades, water scarcity has been a major issue in Kenya, caused mainly by years of recurrent droughts, poor management of water supply, contamination of the available water, and a sharp increase in water demand resulting from relatively high population growth. It has been estimated that by the year 2025, Kenya's per capita water availability will amount to 235 cubic meters per year, about two-thirds less than the current 650 cubic meters.

In addition to the above-mentioned problems that are common to all Kenya, the Naivasha area is plagued by very high level of fluorides concentration in water, which has serious health consequences, such as skeletal fluorosis and dental fluorosis.

The Solution proposed by the Company:

The Water Shop sources water from a leased central borehole and treats it in an attached water treatment facility, with subsequent distribution by truck to 4 water shops located in different areas of Naivasha. Water is sold under the PureFresh brand, and can be purchased i) in bottles and /or sealed tanks (size ranges from 0,5 to 20 liters) or ii) in refills: customers bring their own tanks and purchase water at a flat price per liter.

Key elements of the Company's overall value proposition are:

- **High-quality drinking water:** The Water Shop provides treated water and ensures high-level quality standards throughout the whole water supply chain: the company applies reverse osmosis and UV treatment. PurFresh water has obtained the authorization from Kenyan Bureau of Standards.
- **Affordable access to safe water:** The Water Shop offers a competitively priced option if compared to the alternatives currently available, with prices which are even 50% lower than competition.

PureFresh extends the access to safe and clean water to segments of the population that were previously excluded.

- **Strong and well-known brand:** The status associated with buying branded purified water is a key aspirational driver for low and middle-income consumers' choice. PureFresh water is recognized as a valuable good on the the Naivasha market.

The Company plans to expand through a Vending Machines model: the machines will be installed into already existing shops, whose owners will act as Agents for the Water Shop: this innovation will allow to increase efficiency and - as a consequence - to increase affordability of safe water for low income groups, also in the neighboring town of Nakuru.



The Entrepreneur

The Water Shop was founded and is fully owned by the Kenyan entrepreneur Antony Kamotho and his wife Njambi. Antony is a former agronomist and has significant experience in the flower industry (Kenya is world's third largest flower exporter). They became passionate about water after the birth of their children, as they realized of the problems related to the lack of clean water, and they decided to start a business active in that sector. During the first years of operations they were assisted by Aquaya, US-based NGO specialized in the support of water-related businesses in the developing world.

The Impact Model

At the beginning of 2015 the company was operating 4 water shops in Naivasha, and since its inception it had sold over 3 million liters of drinking water, serving 2.000 families every week.

The Company plans to expand via a vending machine based model: first, the Company will target the Naivasha market (where they estimate to reach 15.000 families every week) and then it will expand to Nakuru (70 kms from Naivasha), with a population of nearly 200.000 inhabitants.

Data of Opes Investment: March 2015

The Investment: tipology, amount, and Opes role

Opes has first supported the Water Shop with pre-investment Technical Assistance, finalized at defining the details of the new expansion model based on the installation of vending machines.

In a subsequent phase, Opes has structured and led a 80.000 USD investment (20.000 USD coming from a co-investor) aimed at funding a 12-months pilot to test new expansion model.

During the execution of the pilot, the Company will also benefit from additional operational and strategic assistance – provided by local consultants in partnership with Opes - in the framework of the [PACE](#) project, aimed at supporting promising early stage social enterprises in East Africa.