

# THIENSURAT LOOKS FORWARD TO CLEAN, CLEAR FUTURE IN WATER PURIFICATION

*Thiensurat Plc, which listed on the Stock Exchange of Thailand last June under the symbol TSR, makes and distributes water purification systems to provide safe and clean water to households. Managing director Viruch Wongnirund discusses the company's strategy and outlook.*

## What is Thiensurat's history?

In 1976, our founder, Werawat Changyoo, was working for the Metropolitan Waterworks Authority as head of the Bang Khen district water quality control division. Because the water system was not at the level of quality we see today, he saw an opportunity to help households have access to better-quality drinking water by using water purifiers.

Thiensurat was incorporated in 1992 and has grown through our single-level direct-sales business model ever since. Today we have three plants with a combined capacity to produce 30,000 purifiers a month. To ensure quality, our factories have received ISO 9001 2008 certification.

## What is your business model?

We develop and make our own branded water purifying systems with multistage filtration processes to offer drinking water that meets the highest quality

## EXECUTIVE Q&A

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and safety standards. We have nine different types of products, ranging in size, benefits and price for different market segments.

Our products are sold mainly via single-level direct sales, but we're expanding further into modern trade outlets with HomePro, local dealers, agents, telemarketing and online sales. To fulfil our company's mission that every household should be able to afford a water purifier, we provide our clients with the option of instalment payments in addition to cash.

## What are Thiensurat's distribution channels, and who are your target customers?

Direct sales has been our core distribution channel for 30 years and represents 90% of our revenue today. We currently have more than 800 sales staff and 100



**Mr Viruch expects Thiensurat will become a regional leader in five years.**

trucks. Each truck is a mobile outlet that is used to introduce and demonstrate our product quality to customers at their residences.

However, in recent years we've

expanded our channels to include telesales, starting with 20 seats. We now have 70 seats and are targeting 100-150 this year. We've also begun expanding to more new channels starting in modern trade with HomePro, with our own booths in 18 branches. We're also in the process of expanding to other channels including local agents, local chains and online sales.

Our target customers in the past were low- and middle-income earners, mostly in Greater Bangkok. However, with our expanded product range and distribution channels, we'll be targeting multiple segments, be they individuals, small families, large families, low-income, high-income, in Bangkok or upcountry.

#### **What differentiates Thiensurat from its competitors?**

The main differences are our product quality, service, sales force and our company mindset. Since we make our own products, we can control quality at every step. We also have our own research and development centre to analyse everything from water quality in each area of the country to how to improve the quality of purifiers and techniques to increase pH levels. We use only the best materials such as food-grade plastic and carbon

with the internationally recognised NSF standard.

Our service is a strong differentiating factor. Our products have a warranty of one to three years depending on the model, and we provide service at a customer's residence free of charge. We now have more than 100 service staff and plan to open three more service centres this year, in Rangsit, Thon Buri and Samut Prakan.

Finally, we place high importance on ensuring our staff are well trained, compensated and taken care of. For new sales staff with no place to stay, we offer free accommodation in our own apartments for the first month, per diem, training and even clothing and shoes if needed.

#### **What are the biggest risks facing your business?**

The recent economic slowdown is a concern but not that much, as our product is a necessity for people who need good-quality drinking water, which is good for their health.

We consider our product a cost-saver since the monthly payments are lower than for similar-quality bottled drinking water. Therefore, the biggest risk is in terms of our ability to continue expanding our customer base throughout

Thailand and the region while still maintaining our high customer-service quality.

#### **How will the Asean Economic Community (AEC) affect your business?**

We're planning to expand throughout the region in the coming years because it is an opportunity we must grasp. However, our main focus for now is on Thailand because household water purifier penetration is still very low and we want to strengthen our base here further.

#### **Where do you expect to see Thiensurat in five years?**

I hope to see Thiensurat as the leader in water purifier production and sales in Thailand and one of the leaders in the AEC. We hope to build our Safe brand to be the brand of choice for purifiers and become a major distributor and lessor of household electric appliances.

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