

How to Start a Small Business Promoting and Selling Pure Drinking Water

by Nicole LaMarco; Updated June 12, 2018



As one would expect of something so essential, pure water is one of the most popular beverages on the market. It's especially popular with those among us who don't have access to drinking water that hasn't been treated or those who are health conscious. That said, pure water offers other advantages, such as convenience. This beverage is distributed easily via water jugs and bottles. With demand for the product rising, there are plenty of opportunities for owners of small businesses to cash in from the promotion and sale of the beverage. So how do you start this kind of business?

Plan it

You need to start conducting research. There are a lot of things that go into starting a successful pure drinking water business. First, where and on what scale do you intend to operate? Are you going to be operating in your local neighborhood, town, city, or on a state or national level? Since we're talking about a small business here, we can forget about operating on the state or national level for now. Depending on the scale of operations, you'll need to buy equipment of varying size and price. It's best to start with your local neighborhood and start with a few essential equipment. You can grow slowly from there as your market expands. Draw up a business plan based on how much your equipment will cost as well as initial staffing costs. The smaller your range of operations, the fewer staff you'll need. You don't have to allocate a significant part of your budget to advertising for now as you can wing that later on. Spend as much time as you need on this step because it is virtually the most important. Your business plan will act like a road map that guides your business forward.

Licensing

You need to get all of the necessary licenses to get your business running. These include business licenses from the local authorities, health permits from the health department, and tax compliance certificates from the IRS. Your biggest concern here is health, since you're selling a consumable product. Make sure you visit the health department's website for your local area to find out all the necessary permits you need. You should also open a bank account for your business.

Secure Funding

You now need to secure funding for your startup. The exact amount of money you will need depends on many different things, including the overheads associated with running your physical headquarters, how much inventory you'll buy at the beginning, and other expenses, such as getting equipment for your office, training your employees, getting insurance for your company, and so on.

As a small business, you have plenty of options available to you, as far as funding is concerned. One way to go for factoring, where you sell our receivables in return for cash. This can be a great option when you secure a large wholesale order for your water at the beginning but have no cash on hand to service the order. You can also get a bank loan or you can tap into your savings, such as your 401(k).

Location

You need to pick out a physical base of operations for your business. Here what matters is centrality. Your base of operations should be as close to the delivery points as possible. In the pure drinking water business, distribution costs are typically much higher than packaging costs. The product itself costs virtually nothing. You should therefore seek to minimize your transport costs as much as possible by picking a central location.

Hire Employees

You need to interview candidates, hire new employees, and train them in preparation for the job. Your staff will be the face of your business so this is an important part of the process. For starters, when you're selecting the marketing and branding staff, go for younger females between 22 and 40, as they will relate the easiest with your target demographic. A large part of your customer base will consist of these women so it only makes sense to use the same demographic to market to them. You have a lot more wiggle room when it comes to selecting production and distribution staff. However, do not let the two mix, so as to discourage them from colluding to form a competing business until you are well established.

Market

Find out as much about the state of the pure drinking water market as you can, and whether or not there are any unexploited niches you can take advantage of. When it comes to the pure

drinking water business, your strategy will make or break you. Do you plan to invade another brand's market? Do you plan to differentiate your product? Differentiation can be achieved in a variety of ways, such as having a catchier brand, or openly touting the health benefits of your water, or being cheaper than the competition, or even something as simple as personally developing a rapport with your customers, as the owner of your business. This last one is especially powerful if you operate in a small area, where you can personally get to know all of your customers.

Advertising

You need to have a comprehensive advertising plan for your business. Start by creating convincing promotional messages that speak of the benefits of your water, especially the health benefits. You can buy ad space on the internet and ads in other forms of media, such as television, radio, magazines and billboards. You don't need to splash at the beginning. Just start small, and increase your investment in whichever marketing channel has the best conversion.

Partnerships

Be a participant in health fairs that enable you to promote and sell your pure drinking water. Also, foster partnerships with businesses, schools, grocery stores and retail outlets, to become a vendor of your product. If you're operating in a small area, focus on larger volume water, such as the five liter and 20-liter bottles. Focus on getting wholesale deals with offices and schools. You can keep the smaller bottles for restaurants and supermarkets, where you can form partnerships to have them expose your product to their customers.