Customer Problem

Water filtration pitchers can significantly improve the taste of tap water. However, pitcher owners must replace their filter every 2 months. Most don’t. Here’s why:

- They don’t know when to replace.
- They don’t have time to buy new filters.
- They lack transportation to reach retail locations selling filters.
- They share filtered water and are unwilling to purchase new filters for the group.
- They forget to buy filters when at the store.
- They are unsure how to dispose of expired filters.

Customer Research

350+ Survey responses
50+ Interviews
1 Focus group
2 Websites w/analytics
3 Social media campaigns

Key Learnings & Facts:

- Filtration pitchers are the most popular type of in-home filtration product (~60% of POU users).
- Brita dominates the pitcher market (>80% of users).
- Filtration pitchers are very popular with collegiates.
- Less than 1/3 of surveyed filter owners replace their filter within the recommended time frame.
- Only 8% of surveyed filter owners recycle old filters, but most would pay $2 more for a recyclable filter.

Solution

By bringing replacement filters to the customer, DROPcycle helps consumers overcome traditional inhibitors to regular filter replacement and recycling. DROPcycle targets college campuses and other areas where tap water quality is poor, water filter use is high, delivery is feasible, and sustainability is valued.

1. Order
Customers place orders and receive confirmation via text message.

2. Process
Orders are aggregated, organized, and used to plot delivery routes.

3. Delivery
DROPcycle couriers efficiently deliver filters by bicycle.

4. Transaction
Customers pay courier for new filters, provide expired filters for a discount.

5. Recycle
Recycling facility converts old filters into toothbrushes, razors, & energy.

6. Repeat
Every two months, customers are reminded of need to replace filter.

Environmental Problems

Plastic Waste

30 billion water bottles enter landfills each year, where they take thousands of years to decompose.¹

Only 3 to 5 percent of #5 plastic is recycled in the municipal solid waste stream.² Polypropylene filtration products reduce bottle waste, but few cities recycle this material.

Broken Recycle Loop

Brita water filters can be recycled... but few ever are. The process is too difficult:
1) Deposit used filters in one of 200 “Gimme 5” recycling containers, or...
2) Pay $5+ shipping to mail expired filters to an authorized recycling facility.

Impact

Financial

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>5000 customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$36,673</td>
<td></td>
</tr>
<tr>
<td>COGS</td>
<td>$19,956</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$16,717</td>
<td></td>
</tr>
<tr>
<td>Fixed Expenses</td>
<td>$6,830</td>
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<tr>
<td>Marketing</td>
<td>$2,302</td>
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<tr>
<td>Fees/Taxes</td>
<td>$549</td>
<td></td>
</tr>
<tr>
<td>Annual Profit</td>
<td>$7,036</td>
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Environmental

<table>
<thead>
<tr>
<th></th>
<th>Landfill diversion</th>
<th>7.5 tons of waste</th>
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<tbody>
<tr>
<td>Energy generation</td>
<td>4.3 MWh</td>
<td></td>
</tr>
<tr>
<td>Avoided virgin polyester production</td>
<td>54% less water</td>
<td></td>
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<tr>
<td></td>
<td>64% less GHGs</td>
<td></td>
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<tr>
<td></td>
<td>46% less electricity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>77% less natural gas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>48% less coal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>75% less oil</td>
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</tr>
<tr>
<td>Bottles avoided</td>
<td>7.68 million bottles</td>
<td></td>
</tr>
</tbody>
</table>

Pilot Study

Launched: January 9th, 2012
Service area: Isla Vista, CA + UCSB campus
Goals:
- Identify effective marketing strategies.
- Determine acquisition and retention costs.
- Improve operational efficiency.
Marketing Strategies:
Website, Facebook, Twitter, AdWords, face-to-face, promo stickers, stickers

Key Learnings:
- Back-end operations are simple and seamless
- In-person marketing is effective, but inefficient
- Delay exists between impression and conversion

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