

Down under





Concentrating on the brand

An upmarket approach to spring water: Nu-Pure Beverages in the Australian town of Yatala near Brisbane, with its eponymous Nu-Pure Spring Water, prioritises brand policy and a high-price strategy, giving preference to the horeca market (hotels, restaurants, catering), and is reaping abundant rewards. For its filling technology, the mid-tier privately owned Australian company prefers relatively small, flexible line units with high-tech solutions from Kosme. Following the installation of the firm's first Kosme line, rated at 12,000 PET containers an hour, in 2011, a second, identical line is going into operation during the late summer of 2013, at a new facility in Melbourne. At the same time, Nu-Pure has been upgrading its profile by means of a square bottle, by rigorous lightweighting and by the use of biodegradable plastics.

They had known each other for a quarter of a century, they'd been sandpit friends: Mark Holmes, his brother Matthew, and Barry Hamilton. As luck would have it, Barry and Mark had begun their careers in the same sector. Mark Holmes had for many years been responsible for operations at National Foods, while Barry Hamilton spent twelve years in marketing at Cadbury Schweppes. The two of them instinctively felt that there was significant opportunity with bottled water, in a market that up to then had proved rather slow to develop, with slumbering growth potentials. In 2005, they set up their own company, using their own funds. Their career backgrounds dovetailed neatly: Mark Holmes looked after the technical aspects of the business, while Barry Hamilton handled sales & distribution solutions.

They began in 2005 in Burleigh Heads, Queensland, to the south of Brisbane, on a small line rated at 3,000 containers an hour, filling 600-ml bottles weighing 29 grams with water they obtained from two springs near Mount Tambourine. "To be honest, it took us two years to really understand the market", admits Barry Hamilton today. "Back then, there were basically only three major bottlers of water on the Australian market, Coca-Cola, Schweppes and P&N Beverages, a subsidiary of Asahi."

Breakthrough with a square water bottle

Right from the start, their principal focus was on establishing the Nu-Pure brand. At first, they did this with rather moderate success in the market's customary round bottle. Still, by 2009, sales had climbed to around five million bottles. Then they attempted to raise their profile with a square 600-millilitre bottle, the first and only one on the Australian market. Result: within three months, sales had tripled.





The square water bottle had proved a veritable sensation on the market. Today, in 2013, Nu-Pure Beverages produces around 70 million fills a year.

This increase in output was made possible, of course, only by investing in higher bottling capacities. For this purpose, the two owners and managing directors erected a new plant on a 6,000-square-metre site in Yatala, half-way between the springs and the metropolis of Brisbane, with its two million people. “We built the plant in line with our own ideas”, says Barry Hamilton. “We’ve put the offices some way away from the production hall. And the plant has to be able to run without us. We don’t continuously monitor our people, they have to be able to breathe, that leads to more individual responsibility and entrepreneurial thinking.” Here, Nu-Pure initially installed the small bottling line from the old plant, plus an existing manual line for filling 110-millilitre beakers, which are a popular choice for airlines.

The blow-moulding machine is monobloc-synchronised by a worm with a Kosme Graviblock level-controlled filler for still beverages.

The filled PET containers are blow-dried, so that they can be reliably dressed on the Kosme Rollstar labeller, which is fitted with a Krones Controll wrap-around labelling station.



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A complete line from Kosme

Nu-Pure ordered a complete new line from Kosme rated at 12,000 containers an hour. For the first time, too, Nu-Pure began to produce its own PET containers inline from preforms, using a Kosme KSB 6R rotary blow-moulder, which is monobloc-synchronised by a worm with a Kosme Graviblock level-controlled filler for still beverages. The integrated modular base, with a tilted Tabletec tabletop, creates substantial advantages for the operators in terms of maintenance and cleaning. The filled PET containers are then blow-dried, so that they can be reliably dressed on the Kosme Rollstar labeller, which is fitted with a Krones Contiroll wrap-around labelling station. An automatic Divipack divider distributes the containers from one to several rows, whereupon they are fed to the shrink-packer, which assembles the 600-millilitre bottles into 12-bottle shrink-packs and 24-bottle tray shrink-packs. At the end of the line, the packs are placed on pallets and the stacks stabilised by a wrapper.

The line mainly fills the 600-millilitre containers, the most popular size, and almost exclusively the Nu-Pure brand, totalling around 300,000 litres of spring water a day in continuous operation.

“Technology is the future.”

“We took the decision on this line very quickly, because in this country the market changes with amazing speed”, explains Barry Hamilton. “The rating of 12,000 bottles an hour is perfect for our needs. It also makes us more flexible in terms of the technology involved. If some fundamental change occurs, we can install something quite different in five years’ time”, says Barry Hamilton. “What’s more, in a second step, we can if necessary put an identical line next to it, we’ve kept the space free for this.” In the adjacent storage

area, there is room for around 5,000 pallets, sufficient for about five days.

“Mark Holmes is the technical person, he is familiar with the machinery market. We wanted the best in class, and Krones is the best, and Kosme is now part of Krones”, he argues. “We also tell our customers that we bottle our water with Kosme and Krones kit, and they’re impressed. Krones’ training programmes, too, are the best-structured on the market. In our opinion, the operators have to be trained when the line is already up and running. With good training, we can improve the process concerned. And for this we’re quite prepared to pay the Krones Academy something.” Barry Hamilton is convinced “that technology is the future. We were the first from the second echelon of Australian bottlers to have brought Krones’ technologies to Australia. We’re sure that the other producers are going to follow suit, because this technology provides you with fast access to the market.”

Already the second-strongest brand on the horeca market

“Our business is to establish a brand and provide the appropriate technology for it”, is how Barry Hamilton sums up the firm’s philosophy. And he does this in two different marketing channels: firstly through the wholesalers, with ties to more than 200 of them nationwide, and secondly on the horeca market, where Nu-Pure is meanwhile the second-strongest water brand. “I could go into the retailing sector tomorrow with dealer’s brands, but do I want to?”, he asks himself. “Then I can control only the price I sell the product at, not the retail price for the consumer. Our strategy is focused on the brand. We are a production and marketing company pure and simple. Distribution is not our metier, we don’t have any trucks of our own.” The average retail price for a 600-millilitre bottle of Nu-Pure in the shop is around 2.50

Australian dollars (about two euros). “And basically it’s just good water!”

Nonetheless, he also sees opportunities for a house-brand presence, not least with the Aldi and Costco chains. But the Nu-Pure brand accounts for more than 90 per cent of total sales, and there are no plans to alter this. “Contract bottling is a marginal business for us”, he emphasises. “The most important thing is that our business runs sustainably for us and our staff, for whose families we’re responsible. We’re dedicated to our brand.”

Using biodegradable material

Nu-Pure is also seeking sustainability in another area – by lightweighting its bottles. In comparison to the previous version, Nu-Pure has reduced the container weight after installing the Kosme line by around 34 per cent.

Since the end of 2012, Nu-Pure has also been offering the square 600-millilitre bottle in a biodegradable version, using material from the English company Wells Plastics Ltd., which, they say, will decompose by ox-

The staff are happy with the new Kosme technology.

A shrink-packer assembles the 600-millilitre bottles into 12-bottle shrink-packs and 24-bottle tray shrink-packs. At the end of the line, the packs are placed on pallets and the stacks stabilised by a wrapper.



idation within ten years at most. “An additional benefit for the image”, is Barry Hamilton’s verdict. In the first four months since the launch, Nu-Pure has already sold five million bottles. The 600-millilitre container is the traditional size for water bottles in Australia, and accounts for more than 70 per cent of Nu-Pure’s total volume. The bottler also fills a wide range of different sizes from the 110-millilitre beakers, plus 250-millilitre, 390-millilitre, 1-litre and 1.5-litre PET containers with flatcaps or sportscaps, to 3-litre and 10-litre large-size containers for offices and households.

A new addition is the portfolio of carbonated “Lightly Sparkling” Nu-Pure, contract-bottled in both PET and glass containers. Its share of total sales is as yet marginal, but the profit is all the more substantial.

The 100-per-cent Australian ownership is emphasised

“Australia’s water market is expanding rapidly, with double-figure growth rates. We’re seeing a generational change here. So far, most people have been drinking tapwater. But today’s 10-to-25-year-olds are growing up with a convenience-oriented mindset, our market frequents the cafés and restaurants. That’s where we need to be present”, says Barry Hamilton. Nu-Pure also emphasises the 100-per-



cent Australian ownership, deliberately distinguishing itself from imports and foreign conglomerates. The Aussies like this sort of thing. Most recently, sales were boosted by a joint initiative with the country's biggest daily newspaper "The Australian". In line with the slogan "Quench your thirst and feed your brain", every purchaser of a newspaper got a bottle of Nu-Pure free of charge.

Goal: Number One on the Australian spring water market

As for all of Australia's beverage producers, the huge distances constitute a limiting factor. It takes one day for the products to reach Sydney, five days to Adelaide in the south, and no fewer than seven days to Perth in the west. So Nu-Pure took action, and built a second plant in Melbourne on a 7,000 square-metre site. The factory went into operation in August 2013. With a 12,000-bph Kosme line identical to the one in Brisbane, but this time with a Krones Variopac Pro for end-of-the-line packaging. There, Nu-Pure intends to concentrate on a smaller number of variants, to reduce the amount of change-overs required. "The products keep moving then", says Barry Hamilton. And: "We're staying with the 12,000-bph line size. It makes us flexible and rapid-responsive."

The next vision involves building a third plant in Perth on the west coast, and if necessary installing a second 12,000-bph line at the original facility in Brisbane. Because the way forward is clear: "We want to become the Number One in Australia's water market."

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