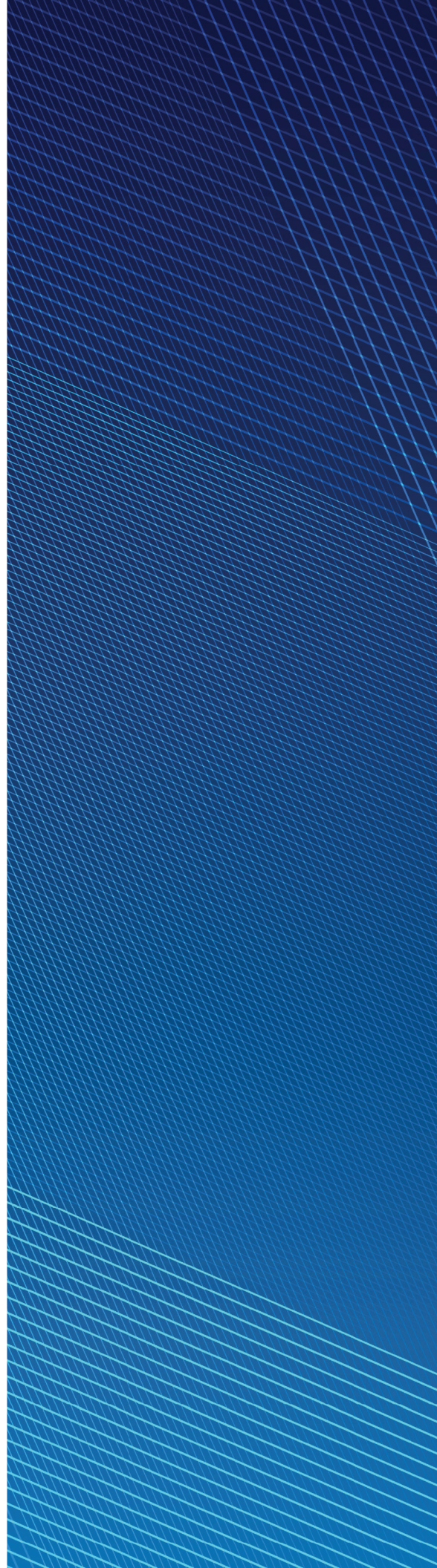




AMWAY RECEIVES THE 2023 COMPETITIVE STRATEGY LEADERSHIP AWARD

*Identified as best in class in the Asia-Pacific home
water treatment industry*



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Amway excels in many of the criteria in the home water treatment market.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

A Rich History of Customer-centric Development

Founded in 1959 and headquartered in Ada, Michigan, United States, Amway provides industry-leading home water treatment solutions, effectively eradicating numerous contaminants while consuming less energy. Due to their compact design, users can adapt these solutions to any kitchen environment while tracking their performance and filtering in real-time via smart devices. As a result, they help clients achieve clean and safe drinking water for their families and friends.

“The company’s solution combines cutting-edge UV-C LED technology and an e3 carbon filter, demonstrating a 99.9% efficiency in destroying over 170 contaminants, viruses, bacteria, microplastics, perfluorooctanoic acid and perfluorooctane sulfonate chemicals.”

— Janice Wung
Program Manager,
Energy & Environment

Amway outpaces competitors in the Asia-Pacific (APAC) home water treatment market by leveraging its expertise and maintaining an excellent standing among users in residential, retail and many other segments.

Excelling in Growth Strategy

Amway delivers optimal customer value. In 2022, the company experienced growth in Southeast Asia (e.g. Malaysia, Singapore and Indonesia).¹ Overall, the company developed various financing programmes and improved ways of buying, making its products more accessible to the general public in the region. Particularly, Amway excelled financially

¹ Frost & Sullivan Interview with Amway, September 2023

in Malaysia due to offering affordable home water systems and opportunities for financing to the booming Muslim population in the country.

The company focuses on constant innovation, with over 1,150 patents for various products and over 75 scientific laboratories worldwide.² Simultaneously, Amway continuously invests in advancing its home water technologies to aid the more effective production of healthier home water treatment products. For instance, in April 2023, the company invested \$90M in 5-year-long upgrade works at its production facilities in Guangzhou, China.³ Amway plans to upgrade the basic infrastructure and incorporate modern production techniques, strengthening the company's research and development capabilities and cooperation with companies in APAC.

Frost & Sullivan recognises that Amway meets customers' needs (e.g. purity and taste of water) and exceeds their expectations as multiple customers value its home water treatment solutions' top performance and business impact:

"A couple of my friends have eSpring, and every time I visit them, I am amazed at how clean and tasty the water is. I purchased it last month. It was easy to install, I got all the customer support I needed, and the water tasted like spring water! I ditched the bottled water and started drinking more water in general now. Coffee, tea and even soup taste so much better. Love it and recommend it!"

– Amway Customer⁴

"We are so happy with our purchase of the eSpring system. We are in a new home with a well. The water was less than desirable for drinking or cooking. This system allows us to drink and cook with pure water. No more plastic bottles. Now eSpring is the filter, and our bodies no longer are."

– Amway Customer⁵

Delivering Best-in-class Home Water Treatment Solutions to Customers

With its customer-focused strategy, the company continuously delivers new solutions to meet versatile customer needs. For instance, in September 2024, Amway launched the new eSpring Water Purifier, which leverages the latest ultraviolet-c light-emitting diodes (UV-C LED) technology and combines high efficiency, reliability and sustainability unmatched by the competition. Amway is the first company in the world to have a water treatment system with UV-C LED technology certified by the National Sanitation Foundation International Standard 55 for Class B microbial reduction.⁶ This ground-breaking solution helps clients eliminate water pollutants and viruses while retaining beneficial minerals. Specifically, this solution offers several benefits:

- **Efficiency.** The company's solution combines cutting-edge UV-C LED technology and an e3 Carbon Filter, demonstrating a 99.9% efficiency in destroying over 170 contaminants, viruses, bacteria,

² <https://www.amway.pl/en/about-amway>

³ <https://www.nutraingredients-asia.com/Article/2023/04/04/Amway-China-invests-nearly-US-90m-to-upgrade-Guangzhou-production-base>

⁴ https://www.amway.com/en_US/eSpring%E2%84%A2-UV-Water-Purifier-Below-Counter-Model-p-100189

⁵ https://www.amway.com/en_US/eSpring%E2%84%A2-UV-Water-Purifier-Below-Counter-Model-p-100189

⁶ eSpring 2023 PR Kit, September 2023

microplastics, perfluorooctanoic acid and perfluorooctane sulfonate chemicals. At the same time, the eSpring Water Purifier also helps users to retain beneficial minerals in the water.

- **Reliability.** Amway’s solution applies its UV-C LED technology to actively filter water while moving it through the system instead of storing treated water. The solution helps provide customers with drinkable water.
- **Design.** The eSpring Water Purifier has a new design, allowing users to change filters in less than two minutes without requiring specific tools once a year. This solution also comprises an enhanced unit display indicating filter life, connection and UV-C LED status, and users can easily install it against the wall or backsplash.
- **Connectivity.** The company offers seamless connectivity via the Amway Healthy Home application that equips eSpring Water Purifier users with various real-time updates, such as the status of water and filter change alerts. Users can also access data on usage statistics, video instructions and manuals.
- **Sustainability.** The UV-C LEDs that Amway uses in its solution can last up to a decade without requiring annual UV lamp disposal while consuming 25% less energy than previous models.⁷ In this regard, the e3 Carbon Filter can also treat up to 5,000 litres of water annually, equivalent to 10,000 half-litre plastic water bottles that would otherwise be subject to discarding.⁸

Amway’s industry-leading solutions eliminate toxic substances and pollutants in the water while preserving valuable minerals, positioning the company for further market success.

Offering Versatile Customer Support

The company offers crucial resources (e.g. case studies, newsletters, white papers and critical consumer data) on its website to help clients gain current information on the main advantages and features (e.g. health benefits of utilising the eSpring Water Purifier solution) of its home water treatment solutions.

“The UV-C LEDs that Amway uses in its solution can last up to a decade without requiring annual UV lamp disposal while consuming 25% less energy than previous models.”

— **Maksym Beznosiuk**
Best Practices Research Analyst

Simultaneously, Amway actively strives to meet and exceed customer expectations. During the purchasing phase, the company’s experts consult with clients to assess their particular needs. At this stage, the company supports customers by discussing better utilisation of its solutions. Post-deployment,

Amway provides responsive and continuous follow-up support, ensuring clients leverage the full capabilities of its solutions.

Amway provides industry-leading solutions and unmatched customer support. Furthermore, Frost & Sullivan finds that the company has excellent potential to capture market share due to the launch of a new ground-breaking home water treatment solution.

⁷ Ibid.

⁸ Ibid.

Conclusion

Frost & Sullivan believes that innovation opportunities facilitate future success; multiple factors contribute, yet having a competitive strategy is critical. Amway understands this core concept and leads the market due to its focused home water treatment strategy, helping outpace competitors.

Amway leads the way by offering an industry-leading home water treatment portfolio that places clients at the heart of its mission. To this end, the company pursues continuous innovative practices to excel in the market. For instance, in September 2024, the company launched the new eSpring Water Purifier, which leverages the latest ultraviolet-c light-emitting diode technology to eliminate numerous viruses, bacteria and contaminants while preserving essential water minerals.

With its exceptional overall performance, Amway earns Frost & Sullivan's 2023 Asia-Pacific Competitive Strategy Leadership Award in the home water treatment industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognises the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision.

Strategy Execution: Company strategy utilises Best Practices to support consistent and efficient processes.

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages.

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organisation's mission, vision and strategy.

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors and employees.

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings.

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints.

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service.

Customer Service Experience: Customer service is accessible, fast, stress-free and high quality.

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty.

About Frost & Sullivan

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

