

# Price Comparison Information

## **Enagic SD501 for \$4000 vs. Competition for \$2000**

By Lauri Tauscher

### Short Credential List For Lauri Tauscher

- National Merit Scholar
- BSME Oregon State University 1984, summa cum laude  
(Bachelor of Science Mechanical Engineering, with highest honors)
- Manufacturing Engineer for Tektronix 1984 – 1989  
Responsible for (among other things) Cost/Benefit analysis of large capital equipment purchases (~\$500,000). Worked with electroplating technology to make circuit boards.
- Regional Manager, Siegmund 1989 – 1991
- Lab Manager/Engineer, IMMMP 1991 – 1995
- Mom, heavily into nutritional therapy to recover health of son 1995 - present

### SUMMARY

- The Enagic SD501 sells for \$3,980. The Enagic Junior model is \$2,400. There are MANY machines available on the internet for \$1,500 to \$2,000 that claim to be equivalent to the Enagic SD501.
- Why the big price difference?
- There are multiple internet websites claiming the price difference is solely due to Enagic's compensation plan for referral sales.
- Is this the truth?
- The Enagic SD501 contains 4X the amount of titanium and platinum than any of the machines claiming to be equivalent.
- This makes the Enagic SD501 machine cost 4X more to make, but it only costs 2X as much.
- This means that the companies that are "pointing" at Enagic and saying that they are "overcharging" due to their compensation plan, they themselves have a markup 3X greater than Enagic's!
- Which do you think is the better "deal?"
- The reason Enagic uses seven 4.75" X 7" solid titanium plates, is that is what is necessary to transfer enough electricity into the water to accomplish fractionation (splitting the water into its acid and alkaline components), micro-structuring (making the water hexagonal), and Ionization (giving the water an ORP, oxidation reduction potential) in such a way as to create **STABLE** hexagonal water that is medically effective.
- A machine that uses a quarter of the titanium and platinum would **MELT** at the wattage (230 watts) used by the Enagic SD501. They are simply incapable of creating powerful, stable Kangen Water™ using the 80 watts or less that they are able to handle.

## A MORE DETAILED ANALYSIS

(This analysis was put together for Daisy, who purchased a Life Ionizer machine. So I refer often to the Life Ionizer machine, but I evaluated multiple other machines in the same price range, \$2,000, and they were all the same in terms of how much they cost to manufacture. I did this analysis when we had owned our Enagic Kangen Water machine for one month)

1) The technology involved in the electrolysis process used to ionize water is similar to technology I worked with at Tektronix electroplating circuit boards.

2) **Enagic Corporation is very upfront** about the percentage of the machine price that is allocated to marketing - it is 65% (which makes the **cost of manufacturing 35%**).

3) Enagic Corporation uses 7 solid titanium plates heavily coated with platinum, 4.75" X 7". The process used to "coat" the titanium plates with platinum is a plating process (I will come back to this later). The platinum is "medical grade". This is one of the reasons why the Japanese government has licensed Enagic as a "medical device". It is the ONLY machine of its kind that is certified as a medical device. See [www.Enagic.com](http://www.Enagic.com) for Photostats of this and other documents.

4) Life Ionizer Corporation uses a "new" technology incorporating a mesh plate design so they can use a smaller plate design and purportedly achieve the same contact surface area with the water to achieve the same ORP (Oxidation Reduction Potential) as Enagic. (In fact, when I spoke to a Life Ionizer representative, I asked about the plate size and he laughed, saying that was one of the questions everybody asks - his answer was he did not know, but that their contact surface area is the same as Enagic - why would he immediately compare to Enagic, not another brand? I experienced this same phenomena with Jupiter, Athena, Akai, Tyent, Hydroanalytics – they ALL compare themselves to Enagic, it seems to be the benchmark).

5) First, let's just look at the cost of the equipment, **because your concern is that the cost difference between the Enagic Leveluk SD501 at \$4000 and the Life Ionizer Life 7500 at \$2000 is the marketing concept used by Enagic Corporation.**

6) **Enagic SD501 cost of manufacturing: 35% X \$4000 = \$1400.**

With medical grade platinum in the range of \$1500/ounce and titanium also an expensive metal, the bulk of the cost of the machine is in these components.

7) Life Ionizer Estimate of Manufacturing Cost:

Let's assume for the sake of argument that they are using medical grade titanium and platinum (they would only be required by law to use food grade which is in the range of \$500/ounce for the platinum - and if they used medical grade you could be sure they would tout it with a copy of their certificate as Enagic does on the website listed in paragraph 3 above). Let's also assume that they are attempting to plate the same thickness of platinum used by Enagic.

Life Ionizer uses seven 3" X 5" mesh plates which will require ~22% of the material that Enagic's seven 4.75" X 7" solid plates will, resulting in a **manufacturing cost** of:

**Life 7500 cost of manufacturing = 22% x \$1400 [SD501 mfg cost] = \$308.**

[how did I get 22%? Enagic surface area = 4.75 " X 7" X 2 sides X 7 plates = 466 sq in; Life Ionizer surface area = 3" X 5" X 2 sides X 7 plates = 210 sq in.; {210 sq in/2 (because it is mesh not solid) } / 466 Sq in = 22% ]. I did eventually get the size of the plates from Life Ionizer as well as all of the other manufacturers that I spoke with. They all fall into this same range.

**The Life 7500 machine costs \$2000. So their cost of manufacturing is 15% (\$308/\$2000), making their marketing percentage 85%.** And then they say that the cost of the Enagic Machine is all due to the method of marketing? And they use this ploy to make you think that the higher price of Enagic is not because of the material costs? **Shame on them.**

Another, perhaps more revealing, way to look at these numbers is this:

Enagic's markup is 185% (\$4,000/\$1400)

Life Ionizer's markup is 567% (\$2,000/\$308)

That means that Life Ionizer's markup is 3X Enagic's! (567/185).

8) Enagic's referral marketing compensation plan is not a typical multilevel marketing (MLM) plan. However, since your thinking seems to be that MLM makes products overpriced in general, let's just look at a few examples of typical product markups. The most well-know MLM is the Amway Corporation. There is certainly nothing compelling about their products, they are not so much better or so much less expensive than other products that the product itself is more attractive than similar products. However, their products are also not more expensive than similar products found in the grocery store. Their "marketing and distribution" budget goes to individual distributors. While for Tide or Bio-Kleen their "marketing and distribution" budget goes to television, radio, magazines, billboards, wholesale distributors and retail outlets. This "conventional" marketing and distribution process is not cheap. The typical markups in any grocery business is 200-500% (that is why they can mark it half or 75% off and still clear a profit). And that is just over their cost from the wholesaler! The original cost of production is a small fraction of the final prices.

Look at tennis shoes. A top brand pair of athletic shoes costs less than a dollar to make, including cost of materials, labor, and transportation. And yet they sell for \$100+. On sale you feel like you are getting the deal of the century if you pay \$30/pair. That is a 3000% markup!

The same can be said of all the health-related products that we know are marketed through multilevel. They are not schemes. It is the most effective (and honest) form of marketing to allow satisfied customers to tell other people that a product worked for them. Of course human greed can interfere in the process (the Bible tells us it will). People can get so caught up in the money that they forget why they were telling others about it in the first place and if the product's efficacy diminishes, they are financially committed to promoting a product that may not do what it did for them. But in the 'pure' form of multilevel marketing of Young Living Essential Oils or Melaluka products or Ambertose, or Multipure water systems or Weekender Clothing or Pampered Chef, or whatever, the products are NOT more expensive than products of equivalent quality. And most of the people whom I know that market these products work hard and put a great deal of effort into educating themselves so that they can be of service to their customers. I do not typically find that at Fred Meyer or Costco.

I have not chosen to involve myself with any of these products as other than a customer simply because we did not want to, it is not our passion, God did not lead us to, whatever - it is just not our thing. But that does not mean that I do not appreciate and value the people who bring me these products. They are definitely not making more money than the retail outlets that would like to propagate the myth that any form of product distribution that does not make THEM rich is a "scheme".

A "scheme" is trying to get you to pay money for nothing or pay more money than a product is worth.

Furniture is an item more closely related to Enagic's Kangen Water machine than consumables are (in terms of price category). Medical devices would be an even closer fit - but you are not typically in the medical device market. So let's talk furniture, it is familiar territory. Your local furniture store often puts furniture on sale for 50% off - it is called a "blow-out". Furniture outlets and places that deal with "last year's" merchandise often have 75% off. Makes you feel like you are getting the deal of the century. You better believe they are still making a profit at 75% off. Which means if you have an item

that originally sold for \$400 and is now on sale for \$100, its original markup was over 300%. Again, that is retail profit - it does not take into account the chain of handlers that all had to make a profit after the item was manufactured, the distributor, the wholesaler, the government (oops).

With Enagic Corporation we have what is called an OEM, an Original Equipment Manufacturer. This is a company that does their own manufacturing and distribution. Their marketing arm is, of course, their satisfied customer base. So their "markup" is actually lower than what I would consider typical.

The Enagic Kangen Water machine is definitely worth the price.

Most folks who I know that are taking some form of supplementation intended to accomplish the same kind of health benefits we are seeing with the Kangen Water are spending a MINIMUM of \$100/month, for one person (we spent about \$120/month on supplements for Joseph when we were recovering his health). So let's see, at \$100/month for 15 years (lifespan of Enagic Kangen Water machine), is a whopping \$18,000. By the way, for our family of five that would be \$90,000 in just five years. Starts putting a whole new perspective on the cost of the machine doesn't it? We have not even addressed pharmaceuticals at this point, which are in general a LOT more expensive, if not out of pocket, then if you consider the true cost of the insurance fraud in this country. Dr. Tom has cut out his glucosomene, he does not need it for his joints anymore, and he has cut other supplementation to about 1/4 of what he was taking before, Saxon has decreased his asthma medication to less than a tenth of what he was taking a month ago and he is FEELING great. Martha's Family is breathing when they could not before. Several diabetics have decreased their blood sugar levels from 180, 132, 500 down to normal and can eliminate or drastically reduce their insulin.

Throw in the cost of bottled water as shown in the water demo (for our family bottled water would cost a minimum of \$1,500/year just for drinking water) and the Enagic Machine is looking pretty cheap.

9) Life Ionizer and all of the other ionizer companies that point to Enagic's compensation plan as the reason for the high prices of the machine, they ALL make money, and most of them, like Life Ionizer, have a much higher markup than Enagic. I did ask Life Ionizer what their markup is. The man I spoke to told me he does not know. He elaborated, though, and said that for a purchase of 1000 machines, they offer their distributors a 50% cut. Which means, when they sell a machine for \$1000 to a distributor, they are still making a healthy profit

10) **Let's look at a spending limit of \$2000.** Enagic Corporation manufactures a Leveluk Junior Mark II that sells for \$2400. This model incorporates all of the integrity of manufacturing that the Leveluk SD501 does. It costs ~ \$840 to manufacture, making it "worth" 2.75X as much as the Life 7500 (see paragraph 7 above for Life 7500 cost of mfg.), which is priced the same (the Life Ionizer website lists the Life 7500 @ ~\$2400, with a special one time offer of ~\$2000).

11) And what do you get for the "markup"?

From Enagic you get educated folks like Pamela Lance traveling from Hawaii to here to educate all of us about body PH and how Kangen Water™ can transform our health. You get Paul Meyer and Karl Roller doing the same thing and now Barry and I educating ourselves and offering classes and support to our folks. These folks are dedicated because they saw specific health improvements from their own use of the equipment and they want as many folks as possible to have access to healing Kangen Water™ (Karl Roller says "The only people who sell Enagic are satisfied customers"). Paul had chronic pain from bone spurs - gone; Pamela's husband is diabetic, suffered with Crohn's, colitis, blood sugar 500 - now Crohn's and colitis gone and blood sugar normal. The representatives that I have spoken to from other ionizer suppliers do not have this personal experience with the machines they are selling.

Life Ionizer and other like corporations have a staff of paid phone operatives who know the answers to a few limited questions. They are not out educating folks, encouraging, and offering water. The rep I spoke to from Life Ionizer feels great and gets up earlier in the morning; that's wonderful, but I want water that has the potential to help heal friends of mine with bone cancer, rheumatoid arthritis, asthma, serious issues.

12) We have a couple of folks in the Co-op here who have told us they bought machines similar to ours from other companies (that are less expensive) in the last couple of years. We asked them "Tell us your stories!" thinking how fun it was going to be. No stories. No specific health improvements from drinking the water. And we have seen folks get results in just 4 weeks drinking water from our Enagic! (Just yesterday a lady showed up – she came to the water meeting you were at, had one glass of water and was able to urinate for the first time in 3 months, she has cancer – she has been drinking the water ever since – yesterday she told us she is walking, shopping, and doing housework, which she was unable to do before because she was wheelchair bound).

13) Here's the deal. Not only is there a LOT less platinum and titanium in machines like the Life Ionizer, but because they are not certified by an independent organization, there is no way to know if the metals are free of impurities that may be harmful. And even if they are medical grade materials like Enagic uses, the method of forming the plates is as important to the function of the machine as the material they are composed of.

I mentioned above that I worked in an electroplating facility. We plated circuit boards with copper, silver, and gold. The manufacturing process controls necessary to do this successfully took a team of about 30 talented engineers and technicians monitoring the processes 24 hours a day. To plate a flat surface, like a solid titanium plate (or a flat circuit board) is not difficult, but to do so in such a manner as to result in a uniform thickness requires careful process controls (for which Enagic is famous). The reason this is important is because the base plates are made of titanium because it is an excellent electrical conductor. However, titanium is toxic to humans if ingested, so we do not want it in the water.

Therefore, years ago when Enagic was developing this technology for use in Japanese hospitals, (they are the only water ionizer used in Japanese hospitals), they developed a strictly monitored process to carefully plate a heavy uniform thickness of platinum to guarantee a minimum life of 15 years before the plates may need to be refurbished (at which time Enagic will do so - the electrolysis unit is bolted together and they simply unbolt and refurbish it). The platinum will ionize into the water over time, and is beneficial to your health. But eventually you will be down to titanium. If the plating thickness is not carefully controlled (and there are thin sections), the point at which this happens can occur much sooner. Dr. Carpenter from Idaho went to Japan for business and noticed hospitals using Kangen Water™. When he came back to the U.S. he spent ten years using nine different brands of water ionizers, researching the results – not getting the significant results he noted in Japan. Dr. Carpenter finally used the Enagic brand and began to get the results he desired.

Meanwhile, the folks that use a mesh technology have a much more difficult process control issue. They do not have a flat titanium plate to then plate with platinum, they have a mesh of varying thickness and topography with little interstices and funky places to try to get the titanium plated into - just like with circuit boards that had holes drilled through them with multiple layers of circuitry that had to all be electrically connected with the copper, silver, or gold plating that we were plating them with. The plating was ALWAYS thicker at the surface of the hole than it was down in the hole, and it got thinner and thinner deeper in the hole, to the point that "opens", or a place with NO metal plated on, were a common quality issue that had to be resolved by careful process control.

Then there are the folks who simply plate or spray a thin titanium plate with a thin layer of platinum, then stamp a mesh grid out of it. Then you have exposed titanium surfaces by design (not necessarily intentionally, just as a natural result of the chosen manufacturing process).

I discussed the water ionizers with Barry's ChemE brother a couple of weeks ago and he concurred with my assessment that the mesh design technology might be able to reproduce an initial high ORP, but that considering the elements being used it is rife with potential health hazards. Furthermore, he pointed out, the voltage at which electrolysis takes place is high enough to put a significant load on the titanium plates, and with thin little mesh it will lead more quickly to material failure (degradation) (that's from all those boring classes on material science - and from watching it happen at Tek).

When I spoke to Life Ionizers about why their unit is superior to Jupiter's mesh design, I was informed that they have an innovative recirculation technology that circulates the water over the plates multiple times to achieve the high ORP. The result of this, again, will be a shorter equipment life span (remember, Enagic gets high ORP by contact with a larger solid surface area, there is MORE platinum, that is why it costs more - so by using a recirculating technology with smaller overall amount of platinum, the lifespan of the equipment WILL be shorter as the platinum is ionized into the water exposing the titanium). And unless you are using a daily lab analysis of your water to determine if there is any titanium contamination, you would never know.....

14) All of the tekno-mumbo-jumbo in paragraph 13 above probably explains why in Dr. Peggy Parker's report, "Comparison of Ionizers", she found that the mesh designed machines' ORP would not hold for any length of time (while Enagic's held for 1-2 days) and that within a few months of purchase the mesh machine's ability to produce the high ORPs at all was drastically reduced. Most folks who are not tekno-nerds like us are not going to buy an ORP meter from a scientific supply company to monitor their ORP; they would never know.

15) I realize that every company that wants to sell you something is going to tell you "Ours is the best", "Ours is just as good, but we have developed superior technology to bring it to you less expensively", or "Our ORP measures higher than theirs consistently", or whatever. We bought the Enagic Machine because:

- it has a proven track record with medical professionals in this country and Japanese hospitals, as well as a number of certifications from independent organizations (paragraph 3).
- and people we knew were getting significant results (like cancer elimination),
- and our understanding of engineering principles in general corroborated the reality of the Enagic Machine's superiority,
- Furthermore the Enagic "Rep" we were talking to was willing to bring his machine into OUR kitchen, use our water, check it with an ORP meter on the spot, fill all our jugs and our friends' jugs with water.

16) I would like to retouch on the issue that ALL of the ionizer manufacturers that I looked at and talked to rarely tried to disparage the performance of the Enagic machines; they all seem to consider Enagic a benchmark when it comes to performance. Their contention is ALWAYS that Enagic is overpriced because of the compensation plan and that theirs is just as good but cheaper because the distributor makes all the profit. But they NEVER talk about the fact that regardless of the innovations they have created to attempt to duplicate Enagic's performance, **they ALL use ¼ or less titanium and platinum to build their machines**, which as I detailed above makes their machines cost about \$300 to manufacture, **which makes their markups much higher than Enagic's**. And again, Enagic has a machine in the \$2000 price range that has the medical grade components and all of the detailed high quality manufacturing process controls and performance criteria to maintain the medical equipment license that only they have.

### **Further Comparisons:**

a) Enagic produces medical water at 2.5 PH and 11.5 PH. None of the other ionizers are able to produce water consistently at below 2.6, which is what is necessary to kill pathogens. UC Davis did a study showing that 2.5 acidic water from an Enagic Kangen Water™ machine kills E-coli, strep, MRSA, salmonella, etc.

Some manufacturers of machines that are not capable of producing this water claim that this water is unimportant. (Keep in mind, Enagic has a smaller machine, the Leveluk Jr. for \$2,400 that can produce 2.5 PH and 11.5 PH waters)

What is the value of 2.5 acid water to a person who is fighting gangrene or MRSA?  
How valuable is this feature to eliminating e-coli pathogens on our food (prevention of food poisoning)?

How valuable is 11.5 PH water that is used to remove pesticides from produce (which you later have to detoxify, and contend with the general distortions immediately caused to our systems until we are able to detox).

Dr. Carpenter has a weekly teleconference call. He had a gentleman on there who told about how 1 month ago he was scheduled for amputation of his leg and had been measured and had purchased his new prostheses. Someone brought over 2.5 and 9.5 water for him to try. One month later, he no longer needed the amputation. He purchased the SD501. What value can you place on a leg! This gentleman personally was on the phone call and he said " I can't tell you enough how grateful I am that someone had the heart to care enough to bring this water to me and insisted that I try it. This saved my leg! ". This testimony was truly heartfelt! Now he has the SD501 displayed in his window of his store front along with his prosthesis. "I tell everyone who comes in my store about it!"

Karl Roller: "no other machine can produce the 2.5 water with its ORP of +1100. No pathogen can live in it."

b) Enagic is UL approved (this is an important safety consideration as it is an electrical device being used near water.....). Enagic has documentation of this fact available on their website. If another company claims to have UL approval, or medical grade titanium, or whatever, ask them for the documentation. No documented UL approval would also mean they would not have Product Liability insurance as no insurance company will insure a product with electricity and water without UL approval. I asked Life Ionizer for documentation that their platinum is medical grade and I was told they had it in a file "somewhere".

c) Enagic Corporation's manufacturing facility is ISO 9000 and ISO 14000. These are independent quality control certifications that are very difficult to achieve and insure the highest integrity in manufacturing technology and equipment quality.

d) There is a website called "Ionizers Reviewed", which is presented as an independent review of various ionizers. They show the insides of three machines, but not Enagic. There is no presentation on this website of science or tests showing mesh technology is equivalent, much less superior to solid plate technology. There is no mention on this site of the fact that Enagic uses 230 watts with large solid plates vs. all the other machines being evaluated using small plates using 85 watts. A reputable review would at least mention this fact considering the whole science behind creating hexagonal, high ORP water is predicated on how much energy you can charge into the water.

All competitors fail to mention the energy usage dichotomy.

Karl Roller has a friend who bought a Tyent – it shut down in the first week for "overheating". Many of the cheap machines have "overheating warning".

The Ionizers Reviewed website is linked to Tyent USA; it is a Tyent Distributor website, portraying itself as an independent review.

Note: Enagic does not enter into these kinds of stunts. They do not compare themselves to ANYBODY on their website – they don't have to.

rev. 2.26.09