

UNITED STATES COMMERCIAL WATER TREATMENT MARKET



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EXECUTIVE SUMMARY

MARKET DEFINITIONS

For the purposes of this study, commercial water treatment excludes the residential market, wastewater treatment market and water used for heavy industrial applications.

Commercial Water Treatment (CWT)

- Commercial water treatment (CWT) is defined specifically as a drinking water system that is Point-of-Use (POU) or Point-of-Entry (POE). This system is used to further treat (already treated at the municipality) water prior to human consumption.
- Water treatment systems refer to the entire commercial system installed at the end-user. This includes the membranes, housing, pumps, carbon, sediment, valving, fitting, tubing, framing, etc. Manufacturers that operate in the systems category, sometimes produce components and often label, integrate and assemble components provided by other manufacturers.
- Modules are a component of the overall system, used to treat the water.

Point-of-Entry refers to a whole-installation system that treats all the water while entering the facility.

Point-of-Use refers to a self-contained unit that is used to treat water at the point of consumption.

The end user vertical featured in the analysis used in the CWT market include:

Hospitality, Food Services, Education, Commercial Buildings, Retail, Light Manufacturing, Car Washes and Healthcare markets.

The technologies used in the CWT market can be split down into the following categories:

- Water Softeners
- Carbon, Sediment Filters, MF/UF
- Chemical Feed
- UV Disinfection
- Reverse Osmosis
- Deionization (EDI)

SEGMENTATION DEFINED

For the purposes of this study, commercial water treatment excludes the residential market, wastewater treatment market and water used for heavy industrial applications. Commercial water treatment includes water mainly for drinking, laboratory and certain forms of reclamation.

End-User Segmentation Details

Hospitality – A broad category within the services industry. Hospitality includes lodging, accommodations including hotels, motels, hostels and resorts. Additionally, the hospitality industry includes all other tourism facilities (restaurants, cafes, bars, etc.) located at places of lodging.

Food Services – This end-user vertical is defined by those businesses, institutions and companies responsible for any meal prepared outside the home. This industry includes restaurants, school and hospital cafeterias, catering operations and many other formats.

Education – Public and private education institutions including K-12 schools, universities, trade schools and other facilities utilized for education.

Commercial Buildings – Office buildings and Multifamily dwellings. These dwellings generally these include apartment complexes or high-rise apartment buildings. A fourplex or greater is considered commercial real-estate.

Retail – The retail end-user are places of business where the sale of goods and services from individuals or businesses to the end-user. Such facilities include malls, department stores, supermarkets, warehouse stores, discount stores, specialty stores and others

Car Washes – Refers to a professional facilities that wash automobiles. Such facilities include coin-op, in-bay automatic, self-service, tunnel and hand car washes.

Light Manufacturing –Refers to smaller manufacturing operations located in areas like office parks often amongst commercial operations. Heavy manufacturing would be in the industrial water treatment category. For the purposes of this study, light manufacturing is commercial as the equipment associated with treatment is similar.

Healthcare – The healthcare industry includes real-estate utilized for the treatment of patients. Such facilities include hospitals, surgical centers, laboratories and others.

Others – All other facilities that utilize commercial water treatment equipment.

MARKET OVERVIEW

- ❑ In 2013, the United States Commercial Water Treatment Market is estimated at roughly \$4.5 billion in sales. Of this revenue, the market is split between Point-of-Entry and Point-of-Use treatment systems.
- ❑ The commercial water treatment market has shown increased growth and has been steadily recovering since the recession.
- ❑ The market is expected to record a compound annual growth rate (CAGR) of 3.5 percent through the forecast period. The commercial water treatment market is expected to show exponential growth during the forecast period.
- ❑ The market is largely fragmented and diffused with different regional players. The key participants in the Commercial Water Treatment Market include: Culligan, Evoqua (FKA Siemens Water Technologies), Kinetico, Ecolab, Xylem (WET), Hellenbrand, Lanxess, Ecowater, Rayne, GE, Dow Chemical, Toray, Hydranautics, Pentair, Rainsoft, Saehan, Lanxess, and many others.
- ❑ The demand for commercial water treatment has shown boost by the increasing consumer interest in quality of water for drinking and other purposes, increasing consumer awareness about water problems and conservation, and expanded commercial activity, to name a few.
- ❑ The needs of a commercial water treatment system found in this industry are unique and critical.
- ❑ Point-of-Entry membrane filtration, disinfection and deionization equipment are expected to benefit the most from rising demand within the commercial markets.
- ❑ The municipal market for water treatment equipment is expected to improve, driven by demand for membrane systems and disinfection equipment.

COMMERCIAL WATER TREATMENT CLASSIFICATION CHART

