

state of the industry report

2007-2008

State of the Industry

Last December, Water Quality Products brought you our first State of the Industry Report in the 2007-2008 Reference Guide.

Included in the report was valuable information regarding the water treatment industry and its current trends; however, only a portion of the information was provided at that time.

Water Quality Products understands the importance of keeping up to date with information that pertains to your business, and we are pleased to bring you the rest of the State of the Industry Report.

Research for this report was conducted and compiled by ABR Research, Inc., a nationwide independent research company specializing in custom research for clients in the business-to-business publishing and marketing industries.

A total of 5,923 *Water Quality Products* subscribers received an invitation to the survey site, and 467 surveys were completed. The project was conducted entirely over the Internet. A margin of error based on the 467 returned surveys is calculated to be no greater than ± 4.5 percentage points at a confidence level of 95%.

The 2007-2008 State of the Industry survey provides a detailed assessment of the water quality industry. Different market dynamics were studied, including professional and business demographics, budget and purchasing involvement and expenditure, industry resources utilized and importance of industry topics.

Thirty-nine percent of the respondents stated that they have a primary job function of executive management at their company; an additional 22% have a marketing and sales function, followed by engineering with 20% and service with 5%.

Water Quality Products is committed to keeping our readers informed and up to date with current industry issues, and we will continue to research and report on the current state of this industry in the future. *wqp*

◆ A current assessment of the water treatment industry

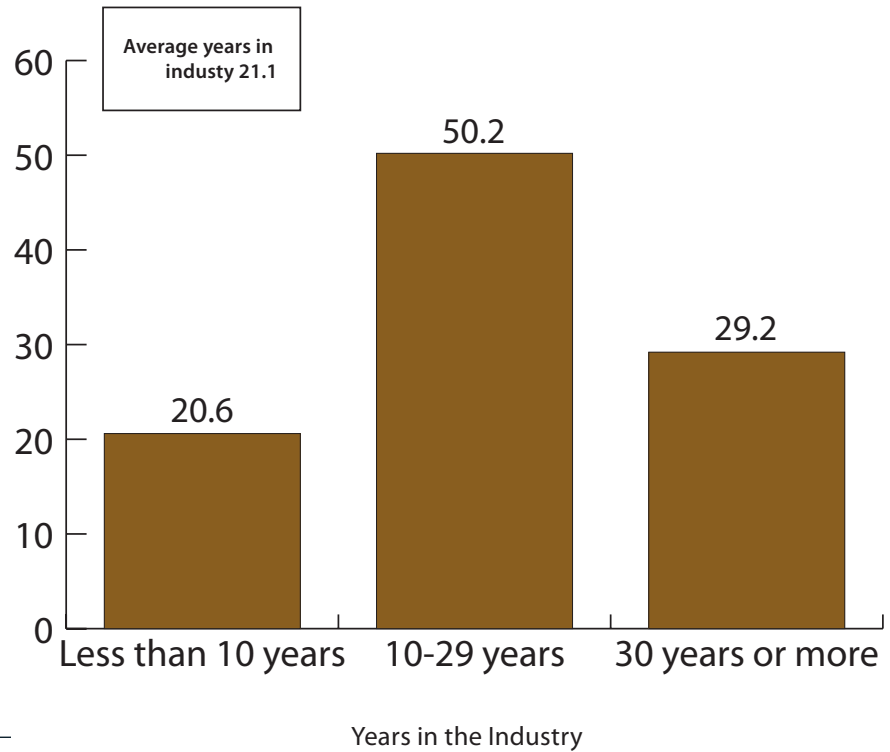
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Q: How many years have you been in the water quality industry?

analysis

On average, respondents have been working in the industry for 21 years.

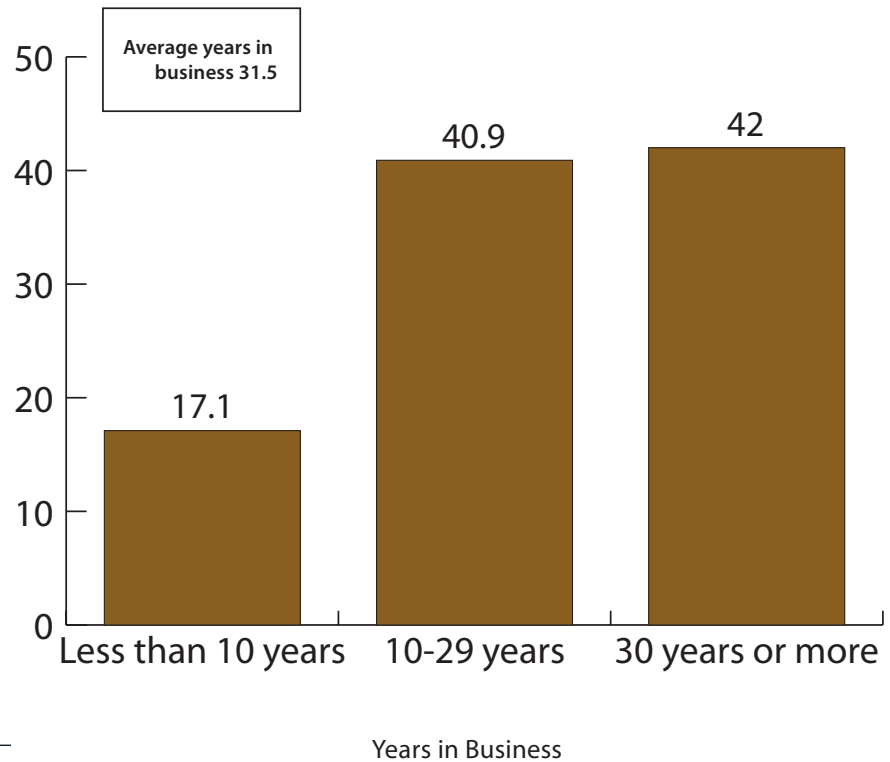
More than one-quarter (29%) have been in the industry for 30 years or more.



Q: How many years has your company been in business?

analysis

On average, respondents' companies have been in the water quality industry for 32 years.

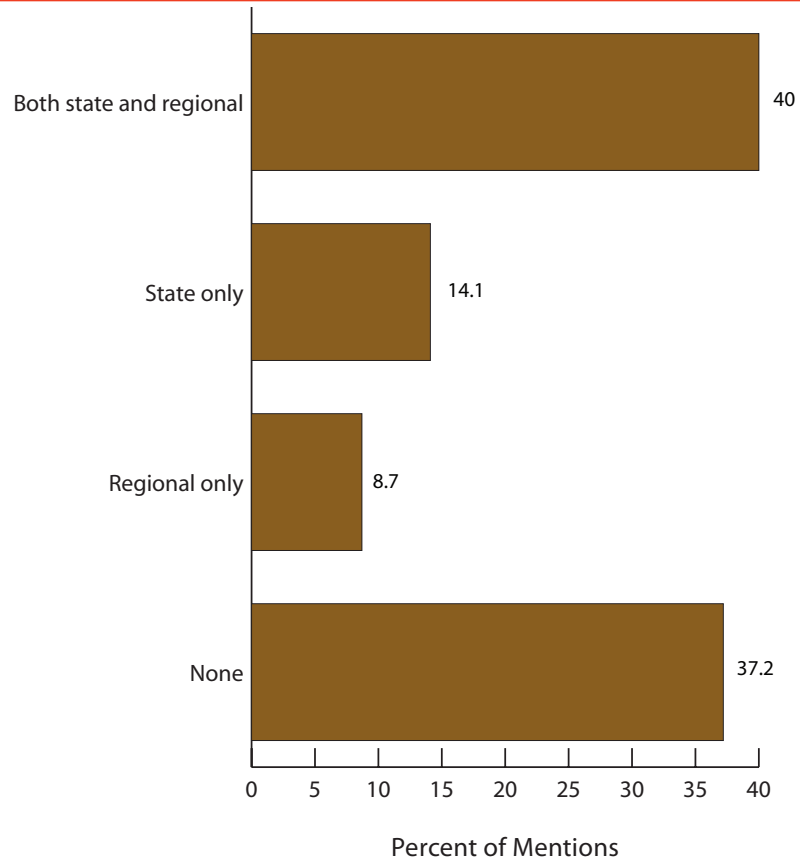


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Q: Do you belong to any state and/or regional trade associations within your industry?

analysis

Almost two-thirds (63%) of respondents belong to a trade association. The majority that belong to a trade association belong to both a state and regional one.

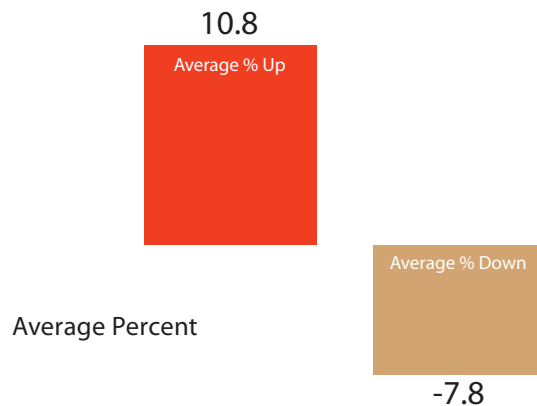
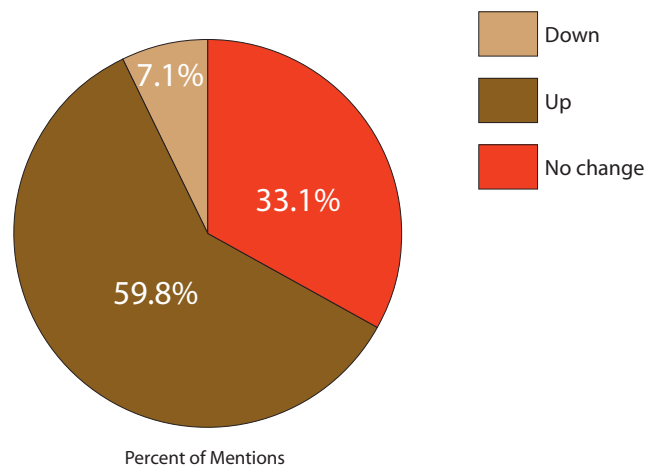


Q: By what percentage (up or down) have your total operating costs changed from 2006 to 2007?

analysis

The majority of respondents stated that their operating costs have increased when comparing 2006 to 2007. Seven percent stated that their operating costs decreased and one-third (33%) said their operating costs were unchanged.

Of those that stated an increase, the average was 11%, and of those with a decrease the average was 8%.

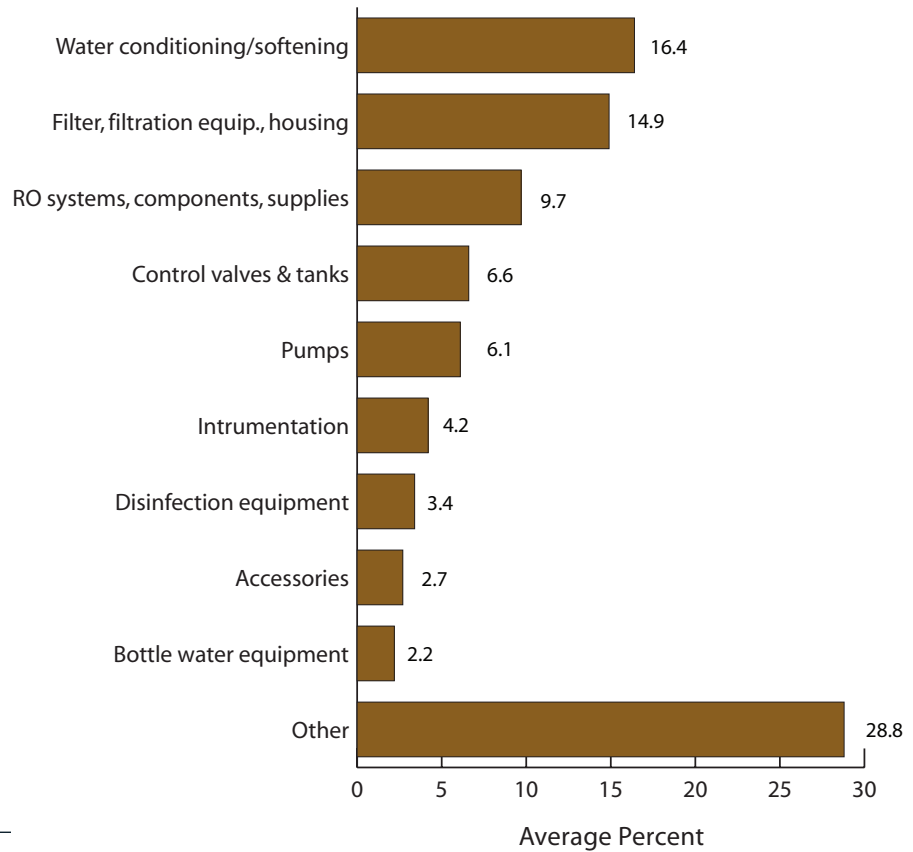


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Q: What percentage of your annual revenue comes from the following product categories?

analysis

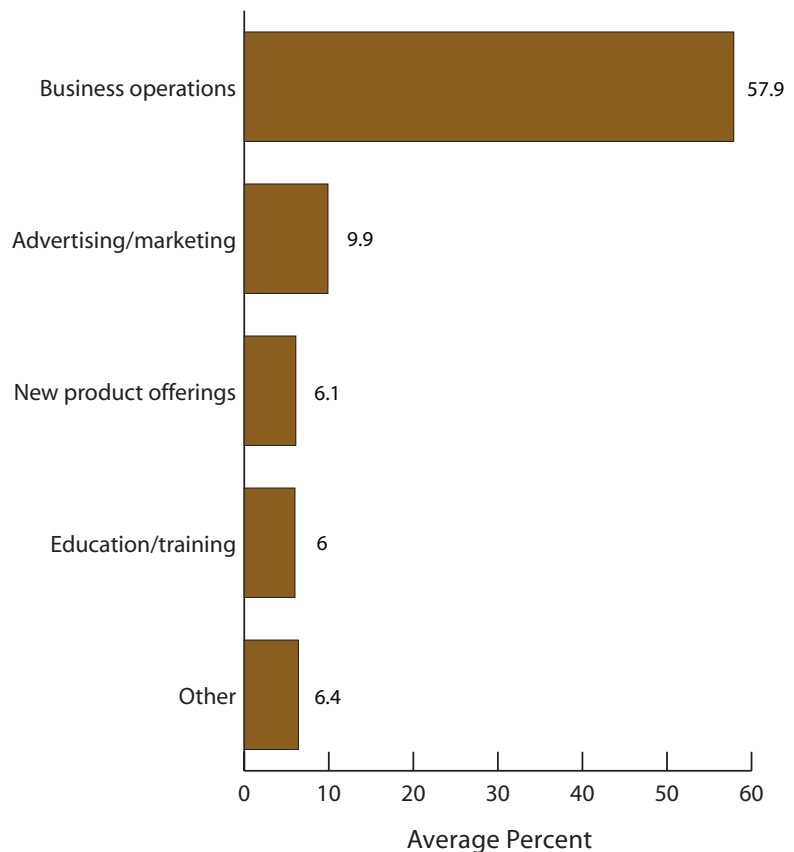
Water conditioning/softening represents the largest percentage of product sales with an average of 16%, followed closely by filter/filtration equip./housing (15%), RO systems/supplies (10%), control valves/tanks (7%) and pumps (6%).



Q: What percentage of your budget over the next 24 months will be allocated to the following categories?

analysis

The largest percentage of respondents' budgets will be invested in business operations over the next 24 months. This will account for 58% of budget expenditure followed by advertising/marketing (10%), new product offerings (6%) and education/training, also with 6%.

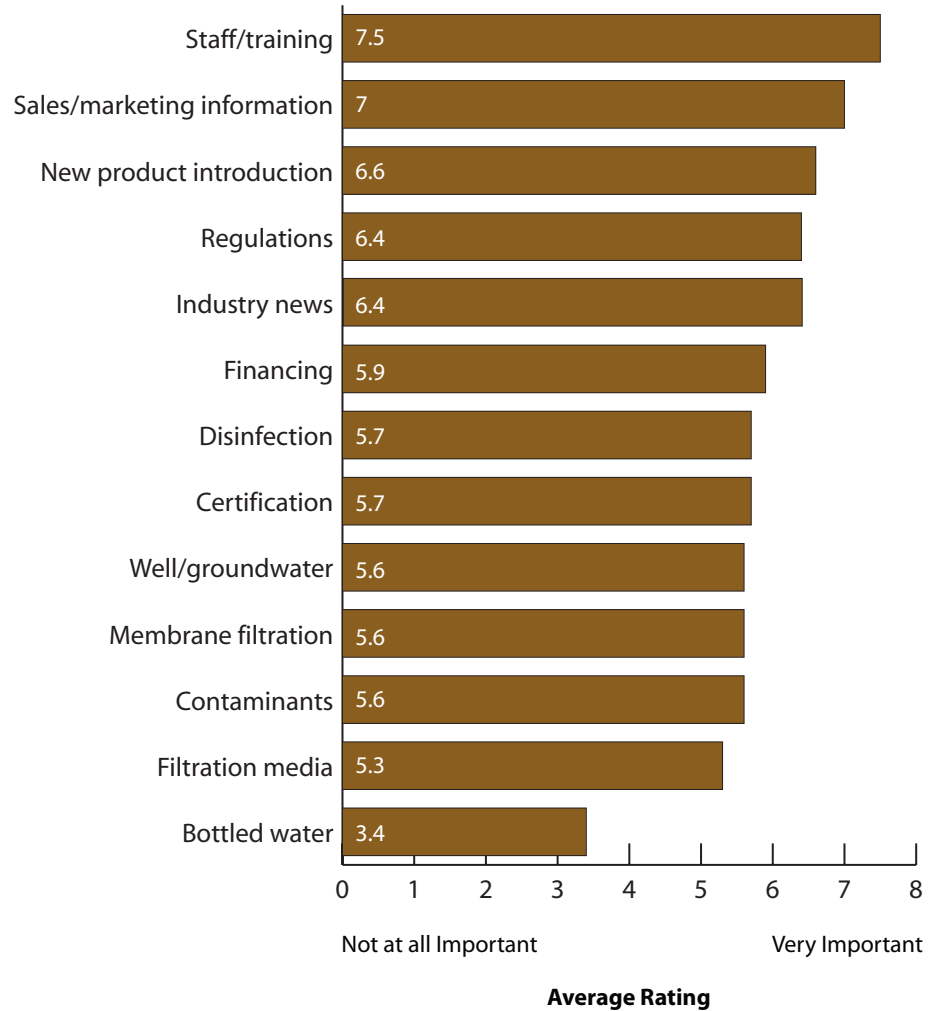


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Q: How important will each of the following topics be in the coming year?

analysis

From a list of 13 industry topics, staff training was rated the highest in importance. Sales/training received an average rating of 7.5 on a scale of 1 to 10, with 1 being not at all important and 10 being very important. The next most important topic was sales/marketing information with an average rating of 7.0, followed by new product introduction (7.4), energy efficiency (6.6), regulations (6.4) and industry news, also with a 6.4 rating.



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