

F R O S T & S U L L I V A N



Market  
Engineering

**European Smart Pumps Market for the Water and  
Wastewater Industry  
Requirement for Optimal Energy Consumption is Likely to Boost Growth**

**M99E-10**

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# Executive Summary

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- The European smart pumps market for the water and wastewater industry is presently at a nascent stage. It is expected to post a compound annual growth rate (CAGR) of 6.8% between 2013 and 2018.
- Smart pump manufacturers are expected to widen their product portfolio to capitalise on end users' growing focus on high energy efficiency and low lifecycle costs. This is likely to drive growth of the smart pumps market.
- The smart pumps market in Europe is an oligopoly, and the dominant smart pumps manufacturers are expected to increase their market shares during the forecast period.
- Research and development (R&D) and marketing initiatives are of strategic importance to smart pump manufacturers, and companies are expected to invest significantly in these areas as opposed to the standard pumps market.
- Germany is the largest market for smart pumps in Europe; the country has a large installed base of standard pumps that are expected to be replaced with smart pumps as part of the modernisation and upgrading of the existing water and wastewater infrastructure.

Source: Frost & Sullivan

# Executive Summary (continued)

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- Centrifugal pumps have a larger share of the total smart pumps market. This is because these pumps are more suited for applications involving variable flow when compared to positive displacement pumps.
- Centrifugal pumps also exhibit a significant drop-off in efficiency when operating conditions push the pump outside its best efficiency point (BEP), thereby necessitating the need for greater electronic control.
- Generally, the electronics that are integrated within the pump are conceived and designed by the pump manufacturers, however the manufacturing is done by specialist automation component manufacturers. Smart pump manufacturers have established partnerships with major automation vendors thereby facilitating greater technology transfer.

Source: Frost & Sullivan

# Executive Summary—Market Engineering Measurements

## Total Smart Pumps Market for Water and Wastewater Industry: Europe, 2013

### Market Overview

 <b>Market Stage</b>	 <b>Market Revenue</b>	 <b>Market Size for Last Year of Study Period</b>
Nascent	\$192.4 M  (2013)	\$267.9 M  (2018)

 <b>Base Year Market Growth Rate</b>	 <b>Compound Annual Growth Rate</b>	 <b>Customer Price Sensitivity</b>	 <b>Degree of Technical Change</b>	 <b>Market Concentration</b>
3.1% 	6.8% (CAGR 2013–2018)	5  (scale:1 [low] to 10 [High])	8  (scale:1 [low] to 10 [High])	75.9%  (% of market share held by top 5 companies)

Decreasing  Stable  Increasing 

For a tabular version [click here](#).

Note: All figures are rounded. The base year is 2013. Source: Frost & Sullivan

# Executive Summary—Market Engineering Measurements (continued)

## Competitor Overview

 <b>Number of Competitors</b>	 <b>Number of Companies that Exited*</b>	 <b>Number of Companies that Entered*</b>	 <b>Replacement Rate</b>
<p style="text-align: center;">10–12 </p> <p style="text-align: center;"><small>(active market competitors in base year)</small></p>	<p style="text-align: center;">0 </p> <p style="text-align: center;"><small>(2013)</small></p>	<p style="text-align: center;">0 </p> <p style="text-align: center;"><small>(2013)</small></p>	<p style="text-align: center;">7–10 Years </p> <p style="text-align: center;"><small>(average period of unit replacement)</small></p>

## Total Addressable Market

## Industry Advancement

 <b>Average Product Development Time</b>	 <b>Average R&amp;D Spend as a Per Cent of Market Revenue</b>	 <b>Marketing Spend as a Per Cent of Market Revenue</b>
<p style="text-align: center;">1.5–2 Years </p>	<p style="text-align: center;">7.2 % </p>	<p style="text-align: center;">3.8% </p>

Decreasing  Stable  Increasing 

\*Companies with revenue of more than \$1.0 M  
 Note: All figures are rounded. The base year is 2013. Source: Frost & Sullivan

# Executive Summary—CEO's Perspective

- 1 Smart pump manufacturers are focusing on incorporating water quality monitoring equipment thereby enabling them to cater to the smart water grid market.
- 2 End-user requirements for a greater degree of pump optimisation and monitoring apart from standard maintenance is likely to result in growth of the smart pumps market.
- 3 The compatibility of pumps with electronics is a key issue; the hardware platform is provided by vendors and the proprietary software is provided by pump manufacturers.
- 4 System integrators are expected to play a key role in the smart pumps market; an integrator who is strong in the mechanical and electronic aspects of pumps will be successful.
- 5 Increased demand for smart pumps will require pump manufacturers to employ highly-skilled technicians for installation purposes; also, a reduction in maintenance personnel in end-user facilities is expected.



Source: Frost & Sullivan