Water Filtration - US - November 2012

Scope and Themes

"The water filtration market can expect to see growth in the next few years due to the cost, health, and environmental benefits that consumers associate with this market. However, the market faces strong competition from bottled water and tap water. Water filtration companies should look to how to make their offerings more convenient. In addition, to ensure the market's continued growth companies and brands should consider the needs of growing ethnic demographic segments along with how to engage a segment that doesn't participate as strongly in order to facilitate increased use and sales growth in the coming years."

– Gabriela Mendieta, Home & Personal Care Analyst

In this report we answer the key questions:

- **How can water filtration companies offer consumers greater convenience in order to compete with bottled water?**
- **What opportunities are there to engage older consumers who aren't playing as big a role in this category?**
- **To what extent will growing ethnic populations play a role in the water filtration market?**

The water filtration market has seen accelerated growth in the past few years, despite the economic recession. The recession resulted in many consumers cutting back on their purchase and consumption of bottled water and many refocused their attention on consuming water in the home. This resulted in consumers looking for options to help them improve both the taste and quality of tap water in their home. Aside from cost savings, rising concerns over municipal tap water quality and controversies surrounding both the quality and environmental impact of bottled water have also influenced more consumers to acquire water filtration products. In addition, the emergence of portable devices and more focus being placed on product design have also brought greater awareness to the category.

The key to success in the water filtration market seems to be in

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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Scope and Themes

convincing consumers of the health, cost, and environmental benefits that can be derived from drinking filtered water over both tap and bottled water. Mintel's consumer research has revealed that taste and health function as the main factors that have caused consumers to initially purchase and maintain their use of water filtration products. Though issues with bottled water and municipal tap water have acted as positive drivers for this market, they still function as strong sources of competition due to the convenience they offer consumers. Water filtration products do require an extra step on the part of consumers as they need to be proactive in purchasing the initial device and then purchasing replacement filters to maintain that device. As a result, products need to be easy to use, convenient, and deliver tangible benefits. This may explain why products such as pitchers and faucet filters and the corresponding brands synonymous with those products, Brita and PUR, have had success in this market and are among those most commonly owned and used by consumers.

This report analyzes U.S. sales performance of water filtration products/systems in the last few years, the market forecast through 2017, and how different factors, such as concerns over municipal tap water, controversies around bottled water, and a greater emphasis on health, have helped drive the market in the last few years. The types of products consumers currently own, why they currently own them, what caused them to purchase them in the first place, as well as preferences and attitudes toward both products and water quality are also explored in this report.

This report covers water filtration devices and systems that are used in the home and are available to consumers through supermarkets, mass merchandisers, hardware stores, home centers, and specialized dealers. These filtration products are designed to remove contaminants as well as improve the taste, appearance, and smell of water for usage in the home.

The products and systems covered in this report are what can be categorized as point-of-use (POU) systems or products that are primarily used in the kitchen—they are either attached to a faucet, built into the refrigerator, or a stand-alone pitcher. A POU device generally purifies or filters water at the actual point where it is consumed.

The main POU products are as follows:

- Faucet mounts
- Countertop filters
- Under-sink filters
- Pour-through pitchers
- Built-in dispensers in refrigerators
- Replacement filters for these products.

Refrigerators with built-in dispensers are only covered in *The Consumer* section of this report. Point-of-entry (POE) products, notably larger water softening systems and filtering systems that are typically built into pipes in the basement, garage, or pantry, are also only covered in *The Consumer* section of this report.

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What opportunities are there to engage older consumers who aren’t playing as big a role in this category?

To what extent will growing ethnic populations play a role in the water filtration market?

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