

A STEADY STREAM OF DATA IS COMING YOUR WAY

user perspective



michael faraday

- june
- september
- december
- march



FLOW RESEARCH

AN IDEA NETWORK COMPANY

The User Perspective is the component of Worldflow that focuses on users of flowmeters in the process industries. Every quarter we conduct a survey of flowmeter users to track purchase intent, flowmeter applications, and unmet needs.

We find out what customers are saying and report important information back to you. Don't fall victim to the effects of shocks like low oil prices or economic downturns. Our surveys will quickly identify the impact of events like these on flowmeter purchasing.



User Perspective: a preview

Mission: The mission of User Perspective is to provide a quarterly source of data and information about endusers of flowmeters in the process industries. We propose to achieve this mission both by doing a user survey every quarter that provides an update on what users are thinking and saying about flowmeters. We will fit this data into the framework of the other data we have available on users, including previous surveys. So we will both report this data and tell you what it means.

Mission: The mission of User Perspective is to provide subscribers with a quarterly source of up-to-date data and information about endusers of flowmeters in the process industries. We will achieve this by performing quarterly user surveys and fitting the data into the framework of the other user data, including the results of previous surveys. We will report, analyze and interpret the data.

The User Perspective follows the same industry breakdown used in the Process Industry Monitor and the New-Technology flowmeter studies. The industries are as follows:

- Oil & Gas Production & Transportation
- Refining
- Chemical
- Food Processing
- Pharmaceutical
- Pulp & Paper
- Power
- Water & Wastewater

Here are the components of the User Perspective:

- I. Executive Summary
- II. Issues and Perspectives
- III. Quarterly Survey of Flowmeter Users
- IV. Industry Close-up: Users in one of the Process Industries
- V. Implications for Flow: An analysis of the user survey data from a flow perspective

Executive summary

This section provides an overview, and highlights the main findings in this issue.

Issues and perspectives

In this section we discuss issues of importance relating to flowmeter users. In the June issue, for example, we will discuss the following subjects, among others:

- What is the projected adoption rate for communication protocols among flowmeter users?

This article will explore the extent to which users are purchasing Foundation Fieldbus products in Europe, North America, and Asia. It looks at data from the worldwide flowmeter survey by Flow Research and Ducker Research, by geographic region. It presents some industry-specific data that was not included in the published worldwide user survey and includes an update on Foundation Fieldbus and Profibus.

- What types of flowmeters are being substituted for other types and why?

New-technology flowmeters are clearly gaining market share at the expense of their traditional-technology counterparts. But what types of flowmeters are the new-technology flowmeters replacing? For example, we know that ultrasonic flowmeters are replacing DP flowmeters and some turbine flowmeters for natural gas flow measurement. Flow Research has acquired a great deal of data on this subject, both from user surveys and from supplier reports. This article explains what the data says about what types of flowmeters are being substituted for other types and why. It also takes into account some unpublished industry-specific data from the worldwide study.

- How do flowmeter users differ by industry?

In the worldwide Flow Research enduser survey, the data was divided up by geographic region and by industry. While the data by geographic region was included in the published study (Volume VI of the new-technology studies), the industry data was not.

This article will look at some of the important differences in the flowmeter use data by industry for the following industries:

- Oil & Gas Production and Transportation
- Refining
- Chemical
- Food & Beverage Processing
- Pulp & Paper

It highlights differences by industry in areas such as:

- Installed base
- Fluid types measured
- Applications for different flowmeter types
- Reasons for using specific types of flowmeters
- Important factors when purchasing flowmeters
- Accuracy requirements

Quarterly survey of flowmeter users

Each quarter, the User Perspective will conduct a survey of flowmeter users. This survey will have several objectives:

- To identify short-term trends that impact flowmeter use
- To measure users' flowmeter purchasing intentions
- To generate information about what types of flowmeters users are substituting for others
- To identify any problems users are having with their flowmeters and learn how they are resolving them
- To assess the importance of factors such as manufacturer name and brand name in flowmeter selection
- To provide more in-depth information about endusers in particular industries
- To learn what impact the Sept. 11 attacks or other major events are likely to have on flowmeter purchases
- To obtain additional information based on the inputs of User Perspective subscribers

Each quarter, Flow Research will survey flowmeter users by telephone, using questionnaires that address the subjects listed above, as well as other questions. The surveys' findings will be weighted according to the percentage of flowmeter revenues accounted for by each industry. For example, the chemical industry is the largest consumer of flowmeters, so answers from that industry will be weighted most heavily.

The results of the worldwide user survey will be presented and discussed in this section. This discussion will highlight differences between the results of this survey and those of previous surveys and other industry data.

A special section will highlight any short-term trends revealed in the survey that reflect a change in purchase plans, or the results of key events such as the Sept. 11 attacks, the expected economic recovery, the new steel tariffs, etc. It will also highlight any areas of high growth for flowmeters that appear in the user survey.

Flow Research anticipates that the June 2002 survey will be based on users in North America, and possibly some in Europe. Because we are teaming up with Ducker Research for the User Perspective, we may be able to do some surveys in Asia in the future. We can also perform country-specific surveys.

In addition to our general survey of flowmeter users in the process industries, we will be focusing on one industry per quarter. For the June 2002 issue, we propose to focus on the refining industry. This means that we will be surveying more users from the refining industry in order to obtain a more detailed understanding of flowmeter users in this industry and the perceptions and plans of refining industry users. The results of this survey will be presented in the next section.

Closeup: Users in the refining industry

Each quarter, we take a more in-depth look at one of the process industries. In the first issue, we look at the refining industry. The purpose of this in-depth look is to better understand what types of flowmeters are used in this industry, and which are the growing flowmeters.

Section One: Results of Flow Research and Ducker Research worldwide survey of refining users.

This section is composed of two parts. In the first section, we present the results of the refining section of the worldwide survey of 300 users conducted by Flow Research. This data has not been published before. Volume VI of the new-technology studies shows the data broken out by geographic region but not by industry.

Subsequent issues of User Perspective will present the industry data from this worldwide survey for the chemical, oil & gas production, food processing, and pulp & paper industries.

Section Two: Results of user survey of refining users done for June issue of User Perspective.

The second part will present the results of the survey of refining users done for this issue of the User Perspective. Besides presenting these results, we will discuss them, and explain what the implications are for flowmeter companies who are selling into this industry.

Implications for flow

In this section, we discuss the results presented elsewhere in this report in light of the flowmeter industry. We will interpret these results in the context of data presented elsewhere, including our new-technology and traditional-technology flowmeter studies.

For example, understanding the installed base of flowmeters in a particular industry provides important insight into the prospects for certain types of flowmeters in that industry. This is especially true since 37 percent of new-technology flowmeter purchases are for retrofit applications. On the other hand, if users in an industry specify that they are substituting one type of flowmeter for another, this presents a possibility that other users are doing the same.

Statements of purchase intent have critical implications for companies selling into a given industry or market. For example, our survey may show that purchasing managers plan to spend more on flowmeters during the next quarter than they did during the last quarter. Or we may find that they plan to purchase more or less of a specific type of flowmeter than they have previously.

The user surveys will also explore users' attitudes towards traditional and new-technology flowmeters. For example, how likely are users to upgrade their DP transmitters to multivariable DP transmitters or flowmeters, rather than changing technology altogether? This section discusses these types of questions.

Appendix A: Flowmeter survey questionnaire

This section reproduces the survey questionnaire used to conduct the flowmeter survey for this quarter.