



PRESS RELEASE

Evolution or Revolution? Changes in the Lighting Industry

[November 3rd, 2010] The current changes in technology through LED and OLED are revolutionising the lighting industry: Within the next five to ten years, LEDs will dominate the lighting market. By 2020 the total (lighting) market worldwide will have almost doubled from its current market volume of forty-six billion euro to a size of eighty-three billion euro. By this time, the LED proportion will have virtually exploded from its current nine per cent to reach sixty per cent. This is the conclusion drawn by the industry experts from Dr. Wieselhuber & Partner (W&P). These extreme, far-reaching changes will alter the lighting industry in a lasting way and will call a completely new set of the rules of the game into action.

According to the analysts from W&P, it will primarily be the technological advancements which will be the driving force in the industry: Due to sociodemographic developments – the growing population is increasingly concentrated in cities, where eighty per cent of time will be spent inside buildings – the lighting market has to satisfy markedly increasing demands of private and commercial users while at the same time reducing the energy demands commensurate with climate objectives. Additionally, price deterioration conditioned by factors of production and competition of around twenty per cent annually, as well as the increasing lumen efficiency of around twenty per cent yearly is enhancing the attractiveness over against traditional lighting products.

Johannes Spannagl, a member of the executive board and an industry expert attributes great significance in market changes to the diffusion rate in the various LED fields of application: “In the sectors of safety lighting and street lighting, the penetration of LED is already visible. The clearer and more comprehensible the key benefits and addressing of the target audience by the suppliers become, the faster LED solutions will assert themselves in shop, property, hospitality or office applications”.



Dr. Wieselhuber & Partner GmbH
Unternehmensberatung

This much is clear: The market is in fluctuation; its conventional structures are subject to radical change processes and completely new trends are developing. In the future, lights will no longer constitute simply closed individual components, but rather they will develop to become an integral part of an intelligent, integrated light or building management system. In this way, completely new perspectives open up in project business; planning and design of professional light management systems and lighting concepts suddenly have absolute priority in the portfolio of products and services, new sales and marketing concepts are on the agenda. The entry into the market of Asian LED producers with strong capital bases, who directly influence price levels, will drive the number of acquisitions and co-operative partnerships up – market consolidation will gain in momentum. Examples like the acquisition of Siteco by Osram start to make the new strategic model of the suppliers discernable. The tendency is heading in the direction of the fully integrated lighting manufacturer.

The consequences: In order to sufficiently cope with the demands of the market, companies have to formulate entirely new business models and then implement them quickly. As industry expert Spannagl comments: “Is LED an evolution or a revolution for the lighting industry? In my opinion there’s no question, it’s clearly a revolution! This is primarily due to the speed with which the technology is revolutionising the market. Manufacturers have to prepare now. Only those who consequently adapt themselves to the new challenges will have a chance in the future in international competition”.

About Dr. Wieselhuber & Partner

Dr. Wieselhuber & Partner (W&P) is an independent, cross-sector top management consultancy for family-owned businesses, as well as public institutions. This consistent orientation to particular target groups and the expertise resulting from it has led W&P in the past 25 years to become the leading management consultancy firm for family-owned businesses in Germany. With its head office in Munich, Dr. Wieselhuber & Partner affords its clients comprehensive expertise in business sectors and methods and stands out above all due to its competency in the area of conflicting priorities of family, management and business.

Media contact:

Stephanie Meske M.A.
Dr. Wieselhuber & Partner
Unternehmensberatung
Nymphenburgerstrasse 21
80335 Munich, Germany
Tel: +49 (0) 89 28623-139
Fax: +49 (0) 89 28623-290
Email: meske@wieselhuber.de