

ABI: Smart Lighting Set for Growth

Written by Marco Attard
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The residential smart LED light bulb market is still at an "embryonic" stage with 2013 shipments at less than 2.5 million units, ABI Research says, but shipments are to grow to 223m by 2020, leading to a total installed base of 400m.



“Because of the additional dimensions smart lighting brings to the consumer lifestyle, including lighting automation, and because of its carbon footprint efficiency, this industry will rapidly become one of the key technologies that could bring IoE closer to consumers,” the analyst says.

Leading to such growth are falling LED prices, as well as the choice of ZigBee Light Link as connectivity solution by a number of leading lighting vendors. As a result 802.15.4-enabled light bulbs will take over 75% market share over the forecast period, even if ZigBee should face growing competition from 6LoWPAN-based alternatives such as Thread, Bluetooth Smart and mesh/low-power wifi variants.

In the meantime LED bulb prices continue falling rapidly, although the longer replacement cycle should bring about market saturation soon enough. This leads to industry players using connectivity to add value features in order to encourage customers to upgrade to smart(er) lighting solutions.

However smart LED bulbs face a number of potentially adoption-limiting challenges, such as high upfront and maintenance costs, longer replacement cycles, security and reliability concerns, advanced infrastructure requirements and connectivity standard fragmentation. But

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despite such issues ABI says smart LED revenues will take over an increasing proportion of overall LED revenues, reaching 30% by 2020.

A growing number of industry players are taking on the smart LED market, including traditional lighting vendors Philips, GE and OSRAM, smart home solution providers Belkin, Insteon, LG and Samsung, semiconductor suppliers Marvell, Silicon Labs, Texas Instruments, NXP and ST Micro-electronics, and any number of crowd-funded startups.

Go [Residential Smart Light Bulb Market to Approach Quarter of a Billion Annual Shipments by 2020 \(ABI Research\)](#)