



by Mauro Spinelli
CSIL Industry Studies

E-COMMERCE FOR THE LIGHTING FIXTURES INDUSTRY. FACTS AND FIGURES

World consumption of lighting fixtures was worth around USD 88 billion (factory prices) in 2016, with a 3.5% increase compared to the previous year. CSIL estimates that value at retail prices reached about USD 134 billion. Around 5% of this value, meaning USD 6.8 billion would be driven by e-commerce.

Looking at different geographical areas, the penetration of e-commerce is higher in North America (7% or USD 2.6 billion) where over 90% of the e-commerce business is developed in the United States. China follows with a 6.7% penetration (USD 1.8 billion), and Europe with 4% on average (USD 1.1 billion).

BRICK & CLICK AS A FAST GROWING CHANNEL

About 38% of e-commerce sales at a world level are estimated to come from wholesalers.

E-tailers (mainly B2C) include global e-commerce platforms (like Amazon) and specialist lighting webstores (like Lampcommerce). This category is estimated to represent 27% of the market. Lighting dealers/distributors operate through both physical stores and e-commerce (mainly B2C) also called "brick & click", which represent one of the fastest growing categories driving 16% of total lighting sales. Furniture/Lifestyle/DIY chains are the large multi-

channel dealers selling furniture, homewares, accessories, home improvement and also lighting fixtures (mainly B2C). This category represents 20% of the total, meaning USD 1.4 billion of lighting sales.

A SIGNIFICANT YEARLY GROWTH OF 22%

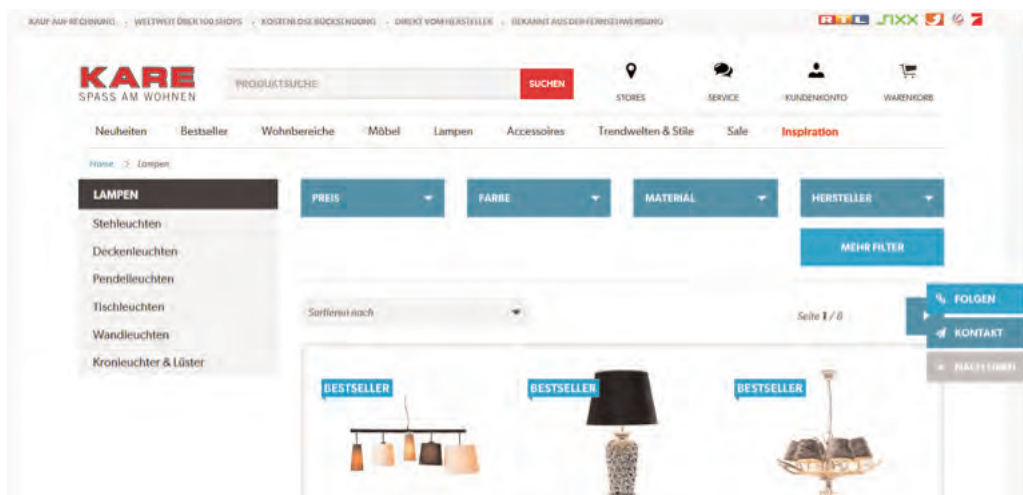
A comparison between a CSIL study carried out in 2013 and the survey made in 2017 outlines that the e-commerce market for the lighting fixtures doubled over the last five years, registering an average yearly growth of 22%.

According to the figures released for single companies, 'E-tailers' have been the fastest growing channel posting +31% since 2012. Amazon, Otto, Taobao/TMall, Wayfair, Lampcommerce, Home 24 and Yoox are examples in this category.

Sonepar, Rexel and Grainger are among the leading wholesalers in the world, selling significant quantities through e-commerce in the B2B business. Global wholesalers represent over 30% of total market and increased by 17% on average in the period 2012-2016.

According to CSIL sample, there is no statistical evidence, that lighting manufacturers using e-commerce can grow faster, or reach higher profits. Nevertheless, it can be noticed that in comparison with an average 5% EBITA in the sector (as from other CSIL Reports to be published), many lighting fixtures manufacturers handling e-commerce record better performance: EBITA around 6%-9% for Paulmann, Louis Poulsen, Far Lighting, Belid, Eglo, Trio, and 14%-20% for Acuity Brands, Flos, Foscarini, Leds C4.

KARE DESIGN WEBSITE



Source: kare.de