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Lighting as a Service Market - Global Industry Size, Share, Trends, Opportunity, and Forecast Segmented By Application (Residential, Office, Shops, Hospitality, Industrial, Architectural Lighting and Others), By Installation (Indoor and Outdoor), By Component (Luminaries & Control Equipment, Software & Communication Systems and Maintenance Services) By Region & Competition, 2021-2031F

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Abstracts

The Global Lighting as a Service Market is projected to expand from USD 3.84 Billion in 2025 to USD 23.07 Billion by 2031, registering a CAGR of 34.83%. Lighting as a Service (LaaS) operates as a managed service delivery model where illumination is supplied via subscription rather than through the purchase of hardware assets, typically covering design, installation, maintenance, and technology management. This growth is fundamentally underpinned by the financial transition from capital expenditure to operational expenditure, enabling organizations to modernize infrastructure with energy-efficient LED technology without incurring heavy upfront costs. Furthermore, the pressing need for sustainability in commercial real estate fuels adoption as companies aim to satisfy rigorous regulatory standards and lower utility expenses. As noted by 'LightingEurope' in '2024', lighting represents roughly 20% of the cost-effective electrical energy savings potential in non-residential buildings, emphasizing the significant efficiency gains that drive the shift toward managed lighting solutions.

Despite these potent drivers, a major challenge hindering market growth is the data security risk linked to Internet of Things (IoT) integration. Because LaaS systems rely heavily on connected sensors and cloud-based platforms for real-time monitoring and

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control, they introduce cybersecurity vulnerabilities into corporate networks. These security implications can cause hesitation among risk-averse enterprises and government bodies, potentially delaying the deployment of smart, connected lighting infrastructures despite their operational advantages.

Market Driver

The Integration of Internet of Things (IoT) with Connected Lighting Solutions serves as a primary catalyst for the market, converting traditional illumination into intelligent, data-driven networks. This connectivity facilitates real-time monitoring and predictive maintenance, which are the operational foundations of the Lighting as a Service model. By incorporating sensors and control systems, providers can deliver value-added services like occupancy analytics that extend beyond basic light provision. The scale of this deployment is highlighted by Signify?s 'Fourth Quarter and Full-Year Results 2024' from January 2025, which reported that the company's installed base of connected light points grew to 144 million by the end of the year, establishing a strong base for subscription services dependent on continuous connectivity.

Concurrently, the Rising Adoption of Energy-Efficient LED Lighting Systems drives momentum by offering operational expenditure reductions that justify long-term service contracts. As organizations face pressure to minimize carbon footprints, the high efficiency of solid-state lighting becomes a financial necessity. According to the New York Power Authority?s November 2024 release regarding 'Energy-Saving LED Streetlights Installation Begins in the City of Amsterdam', smart LED streetlights are 50 to 65 percent more efficient than alternative options. This efficiency gap encourages entities to outsource upgrades to service providers without upfront capital. Public sector support further accelerates this shift; the U.S. Department of Energy awarded $11.5 million in 2024 to install LED lighting in public facilities, reinforcing the trend toward modernized infrastructure.

Market Challenge

The data security risk associated with Internet of Things (IoT) integration is a critical factor impeding the expansion of the Global Lighting as a Service Market. As LaaS models advance from simple LED retrofits to connected systems requiring cloud-based monitoring, they necessitate the continuous collection and transmission of detailed building data. This connectivity broadens the digital attack surface, effectively transforming lighting networks into potential gateways for cybercriminals to infiltrate broader corporate IT infrastructures. Consequently, risk-averse organizations,

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particularly in sensitive sectors such as finance, healthcare, and government, often consider these vulnerabilities unacceptable, leading to prolonged sales cycles or the rejection of subscription-based lighting models in favor of traditional, offline alternatives.

This apprehension regarding digital vulnerability constitutes a quantifiable barrier to the wider deployment of smart infrastructure. In '2024', the 'Association for Smarter Homes & Buildings' noted that '26% of current users identified data privacy and cybersecurity concerns as a significant challenge impeding the adoption of smart building technologies'. This statistic emphasizes the direct correlation between security anxieties and the slowed uptake of connected environments. Since LaaS is intrinsically linked to the smart building ecosystem, this prevailing skepticism regarding data protection limits the market?s addressable customer base and stifles the transition toward fully managed, connected lighting solutions.

Market Trends

The Incorporation of Circular Economy Principles in Service Models is fundamentally reshaping the market's value proposition, moving the focus from linear hardware consumption to comprehensive lifecycle management. In this evolving landscape, Lighting as a Service (LaaS) providers are increasingly utilizing modular, serviceable luminaires that can be repaired, remanufactured, or upgraded, thereby reducing material waste and aligning with the strict sustainability mandates of global enterprises. This strategic shift toward circularity is gaining commercial traction as major players prioritize closed-loop systems to secure long-term contracts; according to Signify, January 2025, in the 'Fourth Quarter and Full-Year Results 2024', the company?s circular revenues comprised 35% of its total sales, surpassing strategic targets and confirming the growing customer demand for sustainable service-based solutions.

Simultaneously, the Transition to Cloud-Based and Wireless Control Architectures is acting as the technological backbone for scalable service delivery, allowing providers to avoid the costs and complexity of rigid, hardwired installations. By leveraging wireless connectivity, LaaS vendors can significantly lower the labor associated with retrofitting legacy infrastructure, while cloud integration supports the seamless remote monitoring and usage-based billing essential for subscription models. The magnitude of this industry-wide shift is evident in the revenue streams of leading manufacturers; according to Glamox, May 2025, in the 'Glamox Group Annual Report 2024', 42% of the company's total turnover came from connected lighting solutions, highlighting the critical role of connectivity in modernizing the built environment for managed services.

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Key Market Players

Signify Holding

Koninklijke Philips N.V.

General Electric Company

Eaton Corporation plc

Zumtobel Group AG

Cree Inc.

Acuity Brands, Inc.

Lutron Electronics Co., Inc.

Future Energy Solutions, LLC

SIB Lighting

Report Scope

In this report, the Global Lighting as a Service Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Lighting as a Service Market, By Application

Residential

Office

Shops

Hospitality

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India

Japan

Australia

South Korea

South America

Brazil

Argentina

Colombia

Middle East & Africa

South Africa

Saudi Arabia

UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Global Lighting as a Service Market.

Available Customizations:

Global Lighting as a Service Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

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Detailed analysis and profiling of additional market players (up to five).

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