



Case study Market LED

Circular Economy Business Models are ways of doing business that keep products and materials in use for as long as possible to extract the maximum value.

Market LED was established in 2009 and is based in Falkirk, operating across the United Kingdom and Ireland. Their core business function is to upgrade customer lighting to LED, reducing energy costs and environmental impacts. Most recently they've worked with Zero Waste Scotland to develop a leasing model for lighting.

Background

For some businesses, lighting can account for up to 40% of their electricity costs. Market LED helps customers to cut these costs, as well as reducing their environmental impact, by upgrading to LED lighting. With the same, or in some cases, even better performance levels, switching to LED lighting can reduce running costs for lighting by up to 85%.

Market LED's core service involves offering customers free site surveys to ascertain their lighting upgrade requirements, suggesting recommendations and providing detailed proposals to make these positive changes as easy as possible. Market LED also offers a full installation service. All of the lighting equipment supplied by Market LED is provided by Philips.

Performance/service system business model

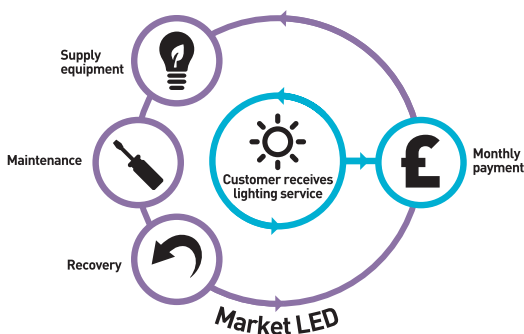
A performance or service business model involves providing a service based on delivering the performance of a product, contributing to a move from ownership to access to products.

Market LED offers a performance/service business model, which has been developed in partnership with Zero Waste Scotland. In this model, often referred to as 'pay per lux' customers do not purchase or own the light fixtures and fittings outright; instead Market LED supply, install and maintain the lights, and retain ownership.

In effect, the customer is renting or leasing lighting from Market LED. This works on the theory that while a customer requires light, they do not necessarily have to own the light fixtures and fittings – they just need the performance or output from the product. Closely linked to this is the addition of sensors and controllers which make the lighting system 'intelligent', making as much use of natural daylight as possible, further reducing energy demand and burning hours of the lighting – meaning the product lasts even longer.



Performance/service system business model



Benefits

The benefits of a performance/service business model include:



Manufacturers retain greater control over the items they produce and the embodied energy and materials, enabling better maintenance, reconditioning and recovery;



Customers pay only for the service they require, often receiving a better service model as the manufacturer has a greater interest in providing a product that lasts;



LED lighting provides customer with reduced energy consumption, carbon emissions and electricity bills;



Payment is spread evenly every month across the lease term, which is easier to manage for customers and prevents a hefty one-off bill when lights need replaced;



Maintenance issues are eliminated for the customer as this becomes the responsibility of Market LED;



For Market LED, the new model offers a different income stream and a new service for new and existing customers;



Contributes to the development of a circular economy, which will ultimately mean a stronger and more sustainable economy in Scotland.

To fully embed the principles of the circular economy into this approach, Zero Waste Scotland will continue to support Market LED to evaluate the end of life options (for example re-use or remanufacture) for the light fixtures and fittings they provide to their customers.

Colin McLauchlin, Market LED said:

"Many organisations currently have a realistic option to improve their current lighting in terms of operational cost, lighting quality and environmental performance by upgrading to LED technology. However, many are not taking up that option.

"Zero Waste Scotland has helped Market LED to develop a solution by looking at how finance models can play a part in reducing costs and environmental impacts for lighting projects in terms of emissions, end of life options and delivering improved performance with regard to the circular economy.

"The support from Zero Waste Scotland has helped us develop marketable solutions which will accelerate the take up of LED lighting in commercial property. Throughout the process they have kept Market LED focussed on the end objective, challenged where necessary and provided support when we required. It is fair to say that we would not have been able to launch a 'Rent a Light' service without them."

www.marketled.co.uk



Contact us

Zero Waste Scotland, Ground Floor,
Moray House, Forthside Way,
Stirling FK8 1QZ

helpline@zerowastescotland.org.uk
zerowastescotland.org.uk