



MARK HERRING LIGHTING

www.lights.co.nz

Why LED lights cost more up front

Overall, LED lights are far less expensive to own and operate than incandescent lights. Still, many consumers are frustrated at the up-front cost. It's tough to fit a \$100 light bulb into a tight budget. I share that concern, and I wish these lights were a lot less expensive to manufacture, but the fact is that quality LED components cost more. The copper, aluminium alloys and lenses that go into our LED lights are quality components, not cheap disposable parts like you normally find in an incandescent light. Building a quality LED light costs a lot more money than building a cheap light that you toss into landfill after a thousand hours of wasting electricity before burning out.

LED component prices are falling each year, however, and the future will no doubt bring more affordable LED lights to the marketplace. We anticipate that retail prices will fall 10 percent per year for quality LED lights, and we will of course work to bring down the prices of our own LED lights as quickly as we can. A less expensive light means increased affordability by a greater number of consumers, and that means a greater impact on saving energy and halting global warming. If we could sell these lights for one dollar and not go broke doing so, you can bet we'd be selling them for that dollar!

LED lights will never be as cheap as incandescent light bulbs. However, they will always pay you back in significant savings over time. And as electricity costs continue to rise, LED lighting makes even more economic sense.

As a consumer, you see, you're really buying hours of light, not just the bulbs that produce the light. The cost of the bulb is the smallest part of the equation. You'll find a similar situation with inkjet printers and inkjet cartridges. The printer might only cost \$49 up front, but you might spend several hundred dollars in ink cartridges in a single year in order to operate the printer. Thus, the Total Cost of Ownership of the inkjet printer must take into the account the cost of the ink.