



Initially used as a vision corrective device, eyewear products and their perception from the customer's point of view have evolved over the years. Over 530 million people in India need spectacles, of which only 170 million people wear them. That means the eyewear industry is still underserved and there is a huge opportunity of growth for the retailers by providing greater access to quality eyewear

By Parama Sen

Industry Overview

The eyewear retail category in India is slowly but steadily coming up on its own and making its presence felt in the fashion vertical. Increasingly, educated Indian consumers are more concerned about eye health, making them more willing to spend on a good pair of spectacles. Demand for high quality and fashionable branded spectacle frames, stylish cases, multi-purpose spectacles are some of the factors driving the modernisation of this category, with a rising numbers of consumers expected to switch to branded eyewear as a public reflection of their social status.

The eyewear market in India comprises numerous manufacturers that specialise in designing and producing eyewear products in different segments. Along with the presence of leading eyewear companies in the organised sector, market in India is primarily driven by the revenues of a huge number of manufacturers in the unorganised/ unbranded segment.

However, the growth of modern retail is helping to create some structure around the category, as Devansh Binani, Director, Himalaya Optical observes. "The eyewear industry in India has recently attracted a lot of attention due to the entry of new organised retailers and the introduction of e-tailing," he says.

"These developments have helped this industry to grow by bringing to light obscure facts. For instance, a majority of Indians that reside in the rural regions do not even realise their need for corrective eyewear. Furthermore, the optical industry comprehensively still has a greater number of unorganised players."

"However, as this industry is developing and the country is embracing urbanisation, the organised market is growing at a faster pace than ever before. Pure-play optical retailers are able to enter new markets as consumers have begun acknowledging and appreciating correctly dispensed, high quality products," he adds.

Market Size and Segmentation

According to India Retail Report 2015, the retail market is worth Rs. 43,243 crore growing at 14-15 percent and is expected to cross Rs. 63,000 crore by 2017. Modern retail is estimated at 8 percent of this total market and is expected to grow at 21-22 percent. The contact lens market -- the fastest growing sub-category in the eyewear vertical -- is estimated at about Rs. 700 crore and is growing at a CAGR of 25 percent. The high-end branded eyewear market is largely dependent on imports and accounts for about 30% of the Rs. 2200 crore sunglasses market.

Broadly speaking, the eyewear market in India has two segments: fashion and prescription. Earlier, the difference between these two was



▲ Devansh Binani, Director, Himalaya Optical

quite clear, but is now blurring as the prescription consumer is also embracing the fashion element in usage. As per industry estimates, 35 percent of Indians need vision correction and only 25 percent of this 35 percent actually gets it corrected! "The eyewear industry is mostly unorganised and there are only a few organised players in the industry. India is a constantly growing market and eyewear is a vast industry, comprising sunglasses, frames and lenses. The category consists of national and regional players as well as mom & pop stores," says Vandana Bhalla, Marketing & Design Head, Eyewear Division, Titan Co. Ltd.

India prefers spectacles over contact lenses. More than 90 percent of the population, which have corrected their vision, rely on spectacles; that leaves only 10 percent space for contact lenses brands. There is, however, a small percentage of consumers who use both, depending on the occasion.

Growth Drivers

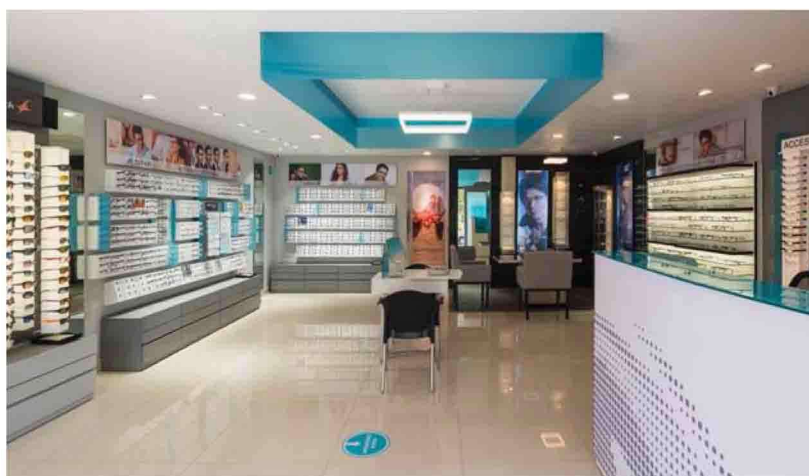
A number of factors have contributed to the growth of the Indian eyewear sector. Higher levels of disposable income and greater awareness of remedial solutions have seen a greater uptake of corrective spectacles by those suffering from some form of vision impairment. At the same time, sales of sunglasses have benefited from greater awareness of the health benefits of such eyewear, as well as a heightened fashion sense, driven by greater media awareness. While, in the past, Indian consumers viewed eyewear as a merely functional product, this mindset has now changed considerably, especially in the urban areas. According to Peyush Bansal, Founder and CEO, Lenskart.com, "Fuelling the 'robust growth' would be the ever-changing consumer preferences, rising per capita income and growing awareness among consumers." As a result, multiple ownership of different brands/style of eyewear is now far more commonplace. Five years ago, multiple ownership in this category was just around 2 percent. Now it estimated at around 6-7 and predicted to grow considerably over the coming years.

Trends in the eyewear industry

One Frame Per Year: Nowadays, Indian consumers typically look to change their eyewear every two years. As Vandana would like to put it, "When Titan Eyeplus entered the industry, the prescription eyewear



▲ Titan Eyeplus





▲ **Vandana Bhalla**, Marketing & Design Head - Eyewear Division - Titan Company Ltd

category used to be largely functional where consumers changed their spectacles only when their power changed or they lost their spectacles. The average replacement cycle used to be 3 years and there was hardly any multiple ownership of spectacle frames. However in recent times, the replacement cycle has dropped to less than a year with a significant increase in multiple ownership!" According to M. Rahman, AGM Marketing, GKB Optical, people basically change their eyewear in around 2 years. "Gone are the days, when people changed their glasses twice or thrice in their lifetime today a teenager on an average changes 1 pair a year and older people do it in 2-3 years," he further adds.

Men Buy More: Men in India spend more on spectacles compared to women. "In today's market scenario as much as 60 percent of the eyewear consumers are male and we have about 40 percent of female consumers. This can be attributed to the fact that women are more conscious of appearance and wearing spectacles is an important factor that determines the way they present themselves," says Vandana. Rahman also has almost the same figures in mind, according to him the percentage of male consumers is slightly high 55 percent, compared to the 45 percent of women consumers.



▲ **M Rahman**, AGM, Marketing, GKB Optical

However, according to Devansh male consumers constitute as high as 70 percent of the total consumer base.

All within Rs. 2000: Indian consumers like their spectacles to be comfortable and at the same time pocket friendly. According to industry experts, the price point, which is most favourite, are max Rs 2000. "Majority of the consumers are ok within Rs. 2000 for GKB's in house brands, for sunglasses, it's Rs. 1700. For the branded spectacles, they are mostly comfortable with Rs. 10000 and Rs. 7600 for sunglasses," says Rahman. Vandana is also of the opinion that, Rs. 1000-2000 is the most sought after price range, but as Titan Eye Plus is a player in the branded space, their price range is little high.

Brand Consciousness: "With increasing disposable income and exposure to product knowledge online,

in recent years, the awareness of consumer towards branded eyewear has been increasing and people are ready to spend on premium brands. Another reason behind the rise of brand consciousness is the ease of travelling to different countries and hence exposure to brands. The use of eyewear has increased manifolds due to exposure to different gadgets and rather than picking up cheap low quality eyewear, people today like investing in quality products that will be durable and offer value for their worth. In the past Indian consumers viewed eyewear as merely functional products, today they are viewed as important accessories and lifestyle products. As a result, multiple ownership of different brands/styles is also growing among the niche urban consumers," Devansh Binani has summed up this trend aptly.

Contact Lenses in vogue: With more brands entering eyewear to take advantage of the strong uptake in contact lenses by young consumers, the category became increasingly fragmented. Smaller brands were able to tap into younger consumers' interest in fashion as opposed to specific product benefits. This change in demand stifled share growth somewhat for all leading players. Young consumers were the standout consumer group in 2015 as they are increasingly accepting of contact lenses. The appeal of this emerging group led to an influx of new players offering trend-driven products at affordable prices. The growth is led by a growing demand for daily

disposables and frequent replacement contacts, including coloured contacts. Women are the major buyers of contact lenses. Company spokesperson of Vision Express has sum it up correctly by saying, "Compared to men, women tend to postpone buying of spectacles, as those are not considered as look enhancer. So for contact lenses, the case is completely different, where women account for 70-75 percent of the category sales."

Sunglasses, the new 'kid' in the block

Optical retail comprises of spectacles, sunglasses and contact lenses. Amongst the three, the sunglass category is growing fastest at around 16 percent p. a, according to the spokesperson of Vision Express. Actually, more than a utility item, which protects eyes from UV rays, sunglasses have now become a fashion accessory. According to Devansh, "Sunglass has become an integral part of the user's daily life, and is viewed as a determining factor of their personalities. So customers are demanding newer and latest designs. Furthermore, we have also identified a pattern where customers are purchasing divergent designs, indicating their inclination to use different eyewear for different occasions." Vandana describes the madness with sunglasses in the following way, "The prime focus of eyewear designers is on the creation of new styles in sunglasses...the shapes of frames, tinted shades, bright hues, neon shades and other embellished designs. Moreover, the demand from the consumer is to have different pairs of sunglasses for different occasions like biking, party, beach, sports or casuals." Sometimes this particular product is also treated as a determining factor of their personality. "Gen Y loves to experiment and create statement by opting out new design & style of shades like flash mirrors, retro, aviators & club master," says Rahman. Increasing penetration of e-tailing in India is regarded as the major growth driver of this segment. Spokesperson from Vision Express would like to put it in this way, "With



▲ Lenskart



THE NEWEST ENTRY

When Lenskart.com started operating in 2010, no one believed that this online portal would be such a huge success! After swaying its customers through online, Lenskart.com has opened physical stores and has become an Omni-channel retailer in the truest sense. In an exclusive interaction, Peyush Bansal, Founder and CEO, Lenskart.com says, "In Lenskart, we aim to reach consumers through whichever channel they prefer!"

How did you come up with the idea of opening an e-com portal like Lenskart?

We came up with the idea of Lenskart after reading an advertisement in newspaper which mentioned about the eyewear deficit problem in India. Since the beginning of my entrepreneurial journey, the aim has been to figure out problems and solve them in the most unique and creative way possible. Lenskart was founded in 2010 and has been committed to revolutionize the eyewear category in the country by providing high quality, trendy eyewear at reasonable prices.

What are the unique offerings that Lenskart provide to its consumers?

Through Home Eye Check Up, Lenskart is able to serve customers at the comfort of their homes in 7 Indian cities and currently services 1,000+ families through its 200+ certified refractionists. Free Home Trial mirrors the company's commitment of bringing eyewear of great design and quality to consumers who hesitate to shop online because they want to be sure about the fit and style of the pair they are picking up. This facility is available in 45+ cities. There are still many consumers who have inhibitions in buying spectacles online with the fear if it will fit their face or not, and in order to remove these inhibitions we introduced the concept of 3D Try On. We have also set up over 200 offline stores across the country to provide them with touch and feel experience and multiple touch points. We have also invested in MEI machines from Germany, which will produce 3 eyeglasses in 50 seconds.

Why have you taken the physical route of sales?

The reason we also operate through physical stores is to reach the multitude of consumers who may still not be comfortable buying eyewear online and would like to touch & feel the product before purchasing. It also enables the customer to have a rich experience of the brand. Lenskart is an Omni channel platform. We aim to reach consumers through whichever channel they prefer.

How many stores does the company have right now and future expansion plan?

Lenskart currently has 200 stores pan India and is planning to set up 400 stores by the end of this year and is going to invest heavily in Home Eye Check Up business. We are going to enter 372 new towns with stores and people on streets over the next three years. We are also planning to come up with an instrument called Lensometer which enables a person to check the power of his/her eyes. In addition to these developments, we are also in the process of setting up a manufacturing & SCM facility in Delhi/NCR region of 100,000 sq. ft.



THE 'LUXURY' OF LUXOTTICA

Luxottica (with brands like Ray-Ban, Oakley, Vogue Eyewear, Giorgio Armani, Burberry, Bulgari, Chanel, D&G, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Versace and Valentino

etc in its kitty) is a global leader in the design, manufacture and distribution of fashion, luxury and sports eyewear. In an exclusive interview to IMAGES Retail, Akash Goyle, Country Manager & MD, Luxottica India has shared his views about the industry

Luxottica in India: We have been in India with a direct presence and a manufacturing unit for many years now. The entry of international luxury brands in India is a testimonial to growth, development and globalization. Products manufactured and distributed by Luxottica Group are the result of supreme precision and expertise that have evolved over time and perfected with large investments in research and development. This is exactly what sets us apart from the competitors in the country. What has also worked well for us is having local brand testimonials. For Vogue Eyewear; we have Deepika Padukone as our brand testimonial, whereas leading cricketers Virat Kohli and Yuvraj Singh have represented our design and innovation brand rooted in sport & Oakley.

Different for every country: If the portfolio is the same globally, Luxottica differentiate the styling and assortment by type of customer and geographical market, producing a broad range of models capable of satisfying diverse taste and tendencies and to respond to the demands and characteristics of widely differing markets.

Retailing format: Luxottica's distribution network is one of the Group's core strengths. It is global and includes retail stores as well as a wholesale network of third party stores and chains. In India specifically, the retail system is quite traditional, especially in smaller cities and is strongly wholesale-driven. Luxottica's distribution channels are complemented by an e-commerce component including the Oakley and Ray-Ban websites.

Sunglass Hut project: Sunglass hut stores have earned the reputation of being the "go to" destination for a wide and contemporary range of sunglasses from marquee brands. Consumers can under one roof find a wide assortment to choose from and highly trained staff to help them make the choice. We are sure Sunglass hut will continue to expand its footprint and bring its unique value and more and more consumers across the country.



▲ Himalaya

better retail infrastructure in both brick-n-mortar and e-tailing, sunglass is growing at healthy rates. Multiple pair ownership is also on the rise given the low pricing that bulk of the market offers at." Like spectacle frames, the sunglass market in India is also dominated by the non-branded category. In the branded segment, India's favourite is undoubtedly Ray-Ban, which is the largest selling sunglasses brand of the country.

Omni-channel: The New Mantra For Survival

The surge in the number of online portals selling eyewear and related products has seen a huge shift away from conventional high street outlets specialising in the sector. This move has been driven, at least in part, by the greater penetration of broadband into India's tier one, two and three cities. "The entire retailing sector of India is currently embracing the concept of Omni-channel Retailing, where the different channels of retailing i.e. online, offline, etc. instead of competing with each other, are being organised to create an ecosystem where they complement each other. The optical industry has also been keeping up with this trend. The concepts of webrooming and showrooming, where customers view the products online and buy them at offline stores and vice versa has also increased. Therefore, every channel requires equal attention and consistency between them is also crucial," says Devansh Binani. Himalaya Optical has its own portal. Same is with Titan, GKB Optical and Vision Express. However Vivek Mendonsa, Marketing Director, Lawrence & Mayo, has a completely different point of view regarding Omni-channel retailing. According to him, "One will buy a spectacle frame or sunglass not because that generally looks great, but if that looks great on HIM, so it is very subjective. That is why market information tells us that the industry is getting only 30 percent online and 70 percent through brick and mortar stores!" But Lawrence & Mayo has its online portal too.

Luxury Eyewear Retail

With consumers treating eyewear on par with other accessories, designer brands have upped the ante, combining cutting-edge technology with iconic designs that leave us spoilt for choice. In India, the trend took off a couple of years ago and Indian consumers now view eyewear as another high-end accessory

that not only reflects the prestige of the brand, but also as something to be worn according to occasion and context. Glasses get a trendy makeover as luxury buying surges and international brands flock to India through Luxottica Group (the world's largest producer of eyewear, headquartered in Italy), which not only has its own brands like Ray-Ban and Oakley, but also produces for brands like Dolce & Gabbana, Prada and Giorgio Armani and is the global leader in luxury eyewear retail.

Leading Retailers: India's Own

Titan Eye Plus: Titan Co. Ltd. ventured into the eyewear segment in March 2007. The retail brand Titan Eyeplus now caters to more than a million customers every year. Titan Eyeplus has the largest network of optical retail stores in the country with 415 stores across 172 cities. With almost all the leading brands in its kitty, they also manufacture own Titan branded lenses at a state-of-the-art manufacturing facility in Chikkaballapur.

Himalaya Optical: 80+ Glorious years and 90+ well established optical stores spread in 49 cities across the country... that is the life Himalaya Optical has led so far. Born with a single store in Kolkata, this retailer has risen beyond the boundaries of the city and grew up to have pan India presence. Himalaya Optical is the pioneer in innovative, advanced and fashionable eye care products, has strategic alliance with

the top global eyewear brands too. The technologically driven infrastructure of the Himalaya stores provides best eye care solutions for the customers.

Vision Express: A joint venture between Reliance Retail and GrandVision (partnership was formalised in 2008), Vision Express is Europe's largest optical retailer with a global network presence of over 6000 stores across 44 countries. From launching the first store in Bangalore in 2008, the chain now has over 160 stores across 30 cities in India. GrandVision's best practices in terms of optical retail which covers eye tests, product portfolio and category knowledge bring immense value to this joint venture. Many successful products and promotions from GrandVision's international portfolio have been launched with success in India. They offer the benefits of surety, affordability, quality, world-class designs and decades of optical expertise. Our unique eye wear collections aspire to meet the comfort quotient and eye care needs of every genre.

Lawrence & Mayo: Lawrence & Mayo is the oldest growing and surviving optical retail chain in India and probably in the world. It has started its journey long back in 1877, in Calcutta. In 1975, Lawrence & Mayo became the first optician in the country to introduce contact lenses. Lawrence & Mayo even setup wholly-owned manufacturing units in the major metropolitan cities across the country to ensure a steady and regular supply of contact lenses for its customers.

Computer Eye-Testing, a technique used widely today to test eyesight was first brought to India and effectively implemented by Lawrence & Mayo. Today, Lawrence & Mayo has a network of over 100 showrooms covering 32 major cities and towns across India.

GKB Optical: GKB Optical is known for their 66 years of experience and reputation in providing the best quality eye care and eyewear. GKB Optical group deals in the eye care health business. In the year 1968 it entered into retailing business and opened its first flagship store in Gariahat, Kolkata under the Brand name of 'GKB Optical.' Today it is one of the leading premium optical companies in India having presence in 26 cities in 71 stores. The stores are equipped with latest edge digital eye testing technologies from foreign countries and state-of-the-art contact lens clinic managed by highly qualified optometrist.

Conclusion

The market for eyewear in India is changing at a brisk rate. Technological advancements and demand of eyewear from an ever growing base of fashion conscious customers and people with vision impairments, as well as the transition of eyewear manufacturers from the unorganised to the organised segment have been significantly changing the market. With new retailers coming in and the advancement of online retailing, we can expect high growth of this underserved segment. 



▲ GKB



▲ Vision Express