



Reflections on sunglasses

Delegates at the annual European Sunglass Association conference were presented with the latest research into sunwear markets, including discussion of trends and consumer buying behaviour.

Alex Thomas reports from this year's venue in Barcelona

Situated half a kilometre up the scorching slopes of Tibidabo mountain and with a view over Barcelona, La Florida hotel seemed the ideal venue for the annual European Sunglass Association (ESA) conference. Attendees sporting varied examples of sunwear gazed down from the hotel's terrace into a blaze of colour reflecting up from the city as its mirrored high-rises and the Mediterranean behind them caught the sun.

The event's diverse programme of presentations explored issues pertinent to both the sale and manufacture of sunglasses, while a report for 2009 was presented from the ESA's ongoing study into the European sunglass market.

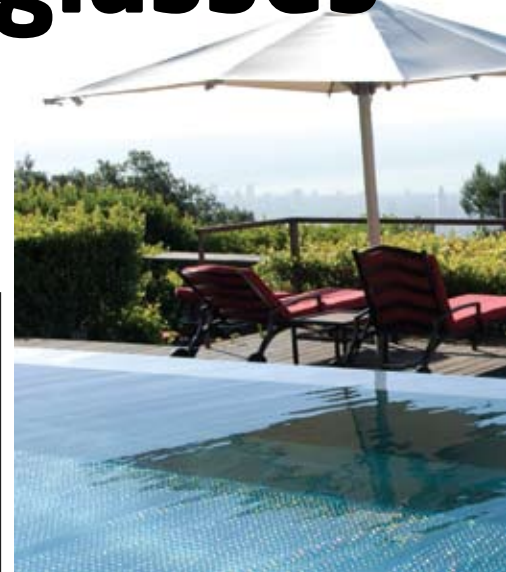
After the conference was opened by ESA's president **Francesco Pellegrini** and a summary of the Association's activities in 2010 was given by its managing director, **Petra Eckhart**, the results of the study were presented by authors **Mark Mackenzie** and **Tony Kendall-Tobias**. Their specialist eye care and eyewear consultancy, Strategy with Vision (SWV), had been commissioned by ESA to study the volume and value in net manufacturer selling prices of the European sunglass market. Presenting results from the

five major European sunglass markets – Italy, Germany, France, Spain and the UK – their report analysed these markets at three price points. The first, mass market sunglasses, was defined as retailing under €20 and included retailers' and suppliers' brands. The next price point was mid-level licensed brands and affordable textile brands such as Polaroid retailing between €20 and €50, while premium was defined as frames retailing for over €50 including mid-level premium and luxury brands such as Armani, Hugo Boss or Chanel.

Market values

Gathering data through a combination of questionnaires and interviews, SWV analysed sunglass sales through wholesalers, retailers and opticians in each market segment. It determined the UK plano sunglass market was worth €121.9m at net manufacturer selling prices in 2009, with a sales volume of 17.8 million pairs. The study estimated that this number comprised 1.7 million pairs of premium sunglasses with a value of €58m, 1.5 million mid-market sunglasses worth €20.5m, while 14.6 million mass market pairs were sold over the year with a value of €43.4m.

According to SWV a tendency among British consumers when downgrading to choose budget sunglasses rather than items one price point below their usual choice, was a significant factor in explaining the small mid-market sector in the UK and its strong mass market. Divulging that this trend has been occurring in the UK over the past two years Kendall-Tobias said: 'Rather than stepping down a stage saying I don't want an Armani I want a Ted Baker, people say I'm going to forget brands and buy a disposable item.' He added that this 'phenomenon' had contributed to a 'complete drop-down' in the UK sunglass market and revealed that supermarkets 'are seeing this as opportunity and are going direct to manufacturers to purchase sunglasses to put into their stores'.



Predicting that the mass market would continue to have a significant impact on sunglass sales in the next few years, the study concluded that both the premium market and the branded mid-market sectors were under pressure from mass market product.

The study also revealed that the UK sunglass market by value share is dominated by supermarkets and high street fashion retailers who accounted for 40 per cent of the market by value in 2009. Optical chains enjoyed a market share of 18 per cent, travel retail stores 14 per cent, sports outlets 13 per cent and department stores 8 per cent, according to SWV's findings. Independent opticians only accounted for 7 per cent of the sunglass market.

According to Kendall-Tobias, British independents were sometimes wary of stocking sunglasses because some disliked 'taking a risk on the fashion aspect' or being made to buy minimum amounts of product which they might be forced to sell at a discount the following year. He added that opticians could also be adverse to fitting their practices with additional security measures to minimise the risk of being burgled or to prevent sunglass theft while their practices were open. To emphasise this point, Kendall-Tobias revealed that, on average, plano sunglasses accounted for only 2.4 per cent of what an optician sold.

However, an area of the market which British practitioners had developed better than their European counterparts was prescription (Rx) sunglass sales. According to SWV, 15 per cent of all lenses sold in the UK were Rx sun lenses, which the report



Francesco Pellegrini: outlined new market opportunities



attributed partly to two-for-one offers in which the second pair was an Rx sun frame. The report also observed that high street chains such as Boots Opticians and Vision Express were assisting Rx sunglass sales by placing stickers on their sunglasses informing their customers that they could be fitted with Rx lenses.

Speaking about the European market overall, the authors of SWV observed the impact 'Ray-Banisation' was having on the market, particularly in Italy where Ray-Ban was seen as the most fashionable brand. They also noted that functionality was a growth area across Europe with sunglasses for sports such as golf, cycling and tennis increasing in popularity and speculated that optical practitioners could become the speciality channels of the future.

Elaborating on another niche area of the sunglass market, **Anouk Beley** of French eyewear consultancy

Visiance explained eco-friendly sunwear to delegates. She said that although sunglass manufacture was not environmentally friendly, environmentally-responsible materials could be used to make frames as well as demo lenses.

After the presentations finished on day one, the delegates were taken on a sight-seeing tour of Barcelona's gothic quarter and architect Antonio Gaudi's Sagrada Familia cathedral, before sitting down to tapas at a restaurant in the Barceloneta port area.

Three types of consumer

On the second day of the conference **Christian Grund**, Luxottica country manager for Germany and Austria, looked at how consumers choose optical retail stores. Presenting research from his dissertation for an MBA in retailing at the University of Sterling, he explained the three types of consumer, the factors influencing their shopping choices and the different shopping habits of men and women. Disclosing some of Luxottica's customer research, Grund said women liked to shop for sunglasses in a private space and wished to observe themselves wearing sunglasses in a full length mirror rather than a face mirror.

Grund added that what determines why customers chose a particular store could be divided between supply determinants such as the location of a practice, its image, merchandise, service and advertising or promotions; and personal determinants such as shoppers' personality, gender, age, race or religion.

Stressing the value of marketing through recommendation, he asked delegates if they knew whether their customers recommended them or if they encouraged or rewarded recommendation. He then asked if the

audience knew where else on the high street their target customers shopped.

Explaining the increasing importance of retailers researching their approach to the market, Grund said that 'retail developments were happening faster and faster and also reach the optical retail sector', citing the development in online optical sales as an example.

International standards and their impact on the European sunglass industry were discussed by **Eric Boinard**, technical manager of Polaroid Eyewear and chairman of the ESA technical committee. He examined differences in the transmittance, optics and physical characteristics between the European standard and the latest draft of the ISO standard and those of countries such as Australia and the USA. Boinard also divulged that 'the latest draft of the ISO standard is currently at the DIS stage and on target to be published by 2012'. He said that it would then be reviewed by the European Union standard authority and should become the European Standard within one to two years following its ISO publication.

The audience also heard from **Georg Weiss**, chief executive of German-based ecommerce business Look 4 Company, who detailed how electronic marketing could improve the data exchanges between suppliers, retailers and consumers. An energetic, joke-filled presentation from **Ulrich Eggert**, of Ulrich Eggert Management Consultancy informed attendees how analysis of consumer, retail and distribution trends could develop their businesses.

Dr Graziano Marusi (Intercast Europe) detailed the sometimes controversial topic of the Made in Italy label. He differentiated between the Made in Italy label for products partially or fully manufactured in Italy and the 100 per cent Made in Italy label which he explained meant that all of the product is manufactured, assembled and packaged in the country.

Speaking at the end of the conference's final day, Pellegrini outlined under-exploited retail opportunities in the market such as Rx sun lenses, different colour lenses, photochromic sun lenses and polarised lenses. As examples he highlighted how Rx sunglasses were often sold as the second pair of glasses in a two-for-one promotion, giving them no value in the eyes of the consumer, as well as how the benefits of photochromic sun lenses were not really understood by consumers. ●



Mark Mackenzie and Tony Kendall-Tobias: authors of the in-depth study