

# Lighting the Spark

## How Retailers Plan to Rekindle Consumer Spending



NEW YORK—The recent recession and current business landscape have been accompanied by a big change in customers' attitudes about how, where and when they purchase eyewear.

What's emerging, *VM* has learned, from the latest research about consumer purchasing as well as from conversations with retailers, large and small, around the country is a new appreciation for what's distinctive and unique—and delivering that via merchandise, marketing and technology to today's eyecare patients and eyewear consumers.

In fact, the rise of individuality and distinction as priorities for many of today's customers is driving what will be fall 2011's most significant business trends. Today's consumers are searching for personalized service, they are relating to specific "stories" about brands, to help them better understand and appreciate the investments they're making. Digital media is arming them with increased product information and questions to help them make buying decisions.

Just-released numbers from VisionWatch, the

large-scale consumer eyewear buying study conducted by The Vision Council, reflect that, during the 12-month period ending in June 2011 (July 1, 2010 through June 30, 2011) the vision care industry in the U.S. generated \$32.2 billion in revenue. When compared to sales revenue from the previous year, the market increased by 1.2 percent (representing an aggregate gain of \$388 million at the retail level).

Most sectors of the vision care market increased during the 12-month period ending June 2011 when compared to the previous year. Second quarter 2011 sunwear sales were 2 percent higher than the same period a year ago. Frames, lenses and contact lenses have also seen sales increase over the past year (1.3 percent, 1.2 percent and 1.8 percent, respectively).

While it's encouraging that eyewear sales are up even slightly in such a challenging business climate, eyewear's fashion impact is a growing and important factor. According to The Vision Council's recent Fashion vs. Function report and

survey, most eyeglass wearers, 66.9 percent, recognize that eyeglasses are more fashionable now than they were five years ago. And, many, 46.8 percent, say they are willing to spend extra money for a pair of eyeglass frames that are produced by a top-name designer, while one-third say they would "possibly" pay more.

So, what does that mean for your business this upcoming season? *VM* asked a series of detailed questions about year-to-date business performance and what was in the planning stages for this fall to four diverse types of optical retailers. A small, independent boutique in the Midwest, an upscale independent boutique group in the Northeast, a sizeable 50-plus regional chain in the heartland and a national retail chain. The common phrases among them all—unique, distinctive, individual, customized, personalized—are the groundwork of the four key business trends that we see driving a successful fall 2011 season. ■

—The Editors



## At Moss Optical: Looking for Unique, Not Over the Top

### ACCORDING TO: KEVIN MOSS, OWNER

“Overall sales are flat with last year for this quarter. Eyewear is down slightly while contact lenses are up slightly. We’re close to being even with a year ago.”

“Our Q2 is down 15 percent from Q1, but that’s typical for me. A lot of my customers use cafeteria plans or pre-tax accounts so first quarter sales are better than second and third. Spring in Minnesota is a slow time in retail. We suffer through the winter so when spring rolls around people tend to put off their eyecare needs. Summer has been better. July was better than June so I think people are finishing their vacations. Sales picked up in July.”

“Sales wise, I’m optimistic through the fall, especially after the slow second quarter that we had. I’ll be beefing up my inventory probably middle of the third quarter in preparation for a big Q4. I won’t be doing any back-to-school promotions since we’re located downtown and don’t get many children.”

“High-end frames, in the \$300 and over range, are doing best. I don’t know if it’s because that’s where I’m focusing my purchasing or if that’s



*Moss Optical has been a family-owned, single-location optical boutique in Minneapolis for the past 76 years.*

what people are looking for. The opposite, \$200 and below range, is doing the worst.”

“Retro is big in the Midwest right now. I’ve done well with Italee’s drill mount specialists, J.F. Rey, Etnia Barcelona and Seraphin’s retro line. I’ve taken on the Tom Davies bespoke eyewear which we’re excited about. I think another trend in eyewear is going to be more architectural design, double layers or titanium with interesting negative spaces and patterns on the temples.”

“People like a sandblast textured finish, something that’s beyond matte. Etnia has a roughed up sandpaper finish that people are liking a lot. That and a splash of color, like a simple torte with yellow temples.”

“My customers are always looking for the latest thing and I think that’s the trend. I think people want something unique without being over the top. They want others to look at their glasses and see that they’re new and different from what was available a year or two ago. No more shiny or opaque finishes. It’s going to be mattes and scratched going forward.”

“I’m selling more premium A/R than ever before. We’ve always been high compliance (95 percent AR) and now we’re selling even more premium A/R. As we’re moving people into thinner materials, single vision plastic is doing poorly. I’m also seeing customers go for computer glasses or office glasses as a second-pair option. As more people get older and presbyopic, the need for an office lens is going up and people are usually interested to try them.”

“We’re doing well with sports glasses this summer like Rudy Project and Maui Jim. Minneapolis is a



*Kevin Moss, owner.*



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pretty healthy city and runners and bikers enjoy picking from lens options. We’ve adopted Maui Jim’s evolution lens for our personal eyewear and are promoting to our patients as well.”

“I’m in the process of remodeling my store so I’m hoping a new look will generate some interest. We have a huge wall that faces the skyway and are installing a big mural geared toward that traffic. I’m also redoing my website after realizing that the current site isn’t friendly to mobile devices. Being downtown, most of my clients have mobile devices so I want to be sure they can get a hold of us.”

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## At Clarkson Eyecare: An Added Emphasis on Brand

### ACCORDING TO: BILL JEHLING, PRESIDENT AND CEO

“Our eyewear sales are up double digits from last year for the first half of 2011. Second quarter activity is always lower than the first, but year over year for the second quarter, we are up.”

“Nationally-known branded product performed best for us year-to-date, along with low- and mid-priced non-brand product. However, high-end luxury brands and brands not nationally known are slowing.”

“The retro-look is doing very well. It’s overall fashion-related and a definite trend. We will include it in our eyewear advertising and office merchandising in all 50 locations.”

“Anti-reflective coating, progressive lenses and polarized suns are resonating with customers. We have focused on the advantages of A/R and polarized suns across the company and continue to see good results. The same goes for progressive lenses, although this is aided by overall patient demographics.”

“For fall, we’re really focusing on the best trends, colors and styles. In our offices, as always, we will be on top of seasonal imagery and displays. In our advertising and marketing, we will be re-emphasizing the Clarkson Eyecare brand in terms of what our patients tell us it means to them.” ■

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*Bill Jehling, president and CEO.*



*The dispensary of Clarkson Eyecare’s office in Chesterfield, Mo. The practice chain now has 50 locations in Missouri and Illinois.*



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## At LensCrafters: A More Informative, Interactive Process

### ACCORDING TO: AUBYN THOMAS, SVP MARKETING

“LensCrafters is seeing growth in overall eyewear business year-to-date and double-digit growth in our prescription sun business during sun season. Luxottica recently released its Q2 results and LensCrafters’ performance thus far this year was a key driver for the company. Our luxury brands, especially Tiffany & Co., have seen the greatest growth so far this year as a result of enhanced in-store visual merchandising through brand shops that call out the selection carried in a new and dynamic way. Ray-Ban optical and sun eyewear lines continue to see double-digit growth and remains a top performing brand. We continue to see opportunity in our opening price-point collections.”

“The eyewear styles that are resonating with our customers fall under three trends: vintage or retro looks; frames with temple embellishment; and pops of colors and fade treatments. In vin-

tage: Geek chic continues to be a go-to look. Dark, thick frames in rectangular and cat eye shapes ranging from mainstream to extreme interpretations best reflect this style. Embellishments: From crystals, studs and metal detail, frames with temple embellishments are typically among the best sellers. Pops of color and fades: Frames with neutral exteriors like black or tortoise with a contrasting interior pop of color are allowing customers to have more fun with their eyewear, making color in general more wearable. Emerging trends for fall and into 2012 are round and oversized shapes, as inspired by films like *Annie Hall* and *Square Pegs*.”

“Customers are buying spectacle lenses that deliver benefits above and beyond seeing clearly. Lenses made from thin, lightweight material with an anti-reflective coating that reduces glare and enhances overall aesthetics perform best.



*All LensCrafters’ stores are now outfitted with the group’s new and exclusive AccuFit Digital System at each eyewear consultation area, “to elevate the eyecare experience and build enhanced dialog between optician and customer,” the company said.*

Additionally, at the beginning of this year, LensCrafters introduced its High Definition: LC Signature HD lens across all stores in the North American market. It’s been exciting to see how customers have embraced this new product, a premium lens which combines the most advanced lens material, design and digital manufacturing processes to



*Aubyn Thomas, SVP marketing.*



**“Compared to prior years, LensCrafters has enhanced its focus on in-store merchandising and calling out the benefits of our products and services. With statement eyewear being on-trend, you’ll see more of these styles carried in-store as compared to prior years. LensCrafters also continues to position prescription-friendly and stylish sunglasses as a year-round solution.”**

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“Our customers see and feel the benefit of anti-reflective coating and polarized prescription sun lenses. LensCrafters’ new LensSimulator platform—available on LensCrafters.com for pre-shopping and via our AccuFit Digital System in-store—visually brings the benefits of

anti-reflective coating and polarization to life so customers literally can see the difference in our lens offerings and together with our opticians make the choice that's best for their prescription and lifestyle needs.

“All stores are now outfitted with LensCrafters’ new and exclusive AccuFit Digital System at each eyewear consultation area—it represents a major investment by the brand and is something not previously available in our stores. Designed to elevate the eyecare experience and build enhanced dialog between optician and customer, AccuFit provides digital pupil measurements that are five times more precise than manual methods. The system features VirtualMirror and LensSimulator platforms to make the selection process of frames and lenses more informative, interactive and fun.

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“In June, LensCrafters launched its Facebook fan page where we’re building dialog directly with our customers, which is very exciting. We’re sharing eyewear and eyecare insights, tips, trends and special offers as well as answering customer questions. We look forward to growing our social community there through highly energizing, imaginative, differentiating brand moments designed just for our fans.”

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## At Eyetique: Growth in Sales and Stores

### ACCORDING TO: NORMAN CHILDS, FOUNDER AND CEO

“Last year, we were really fortunate to have a very good year. With everything happening in the economy we still came up. We’re doing a lot of different promotions for sunwear and we’re on track and really growing there—maybe growing 6 percent or 7 percent in a good year. In 2009, we were up 8 percent. Because of market share, we’re opening more stores and getting stronger in our brand and that’s attributed to a lot of our success.”

“Because our business is primarily higher-end, the more upscale product performs best. Norman Childs eyewear is our most sold [product]. Almost one third of everyone who comes into an Eyetique buys one of our own frames. We also do very well with Oliver Peoples, Barton Perreira, Cartier, Theo, Face à Face, ProDesign, sunglasses from Chanel and Ray-Ban, and Vera Wang at the lower price point. I think the brands are so classic and very simple that they reflect very well moving into fall. We’re really about not trying to recreate anything. I’m just looking for great materials and great design that is timeless.”

“The high price point has done best. In the past couple of years, our lenses have gone to 75 percent digitally surfaced. The quality is also better. The traditionally surfaced lenses are really losing their way with us because they’ve been around for decades and now we’re into the next phase of lens technology. For polarized lenses, we’re getting into different color polarization now, not just grey or brown. And we’re also doing better with the anti-reflective coating. It’s now very rare when a customer does not get non-glare coatings.”

“We built our business to be a premium store. People know to come to our stores for that reason. But people are price conscious so you really have to emphasize what you’re about—quality and design. It’s always better to explain why something is a certain price than apologize for the quality. We’ve been in business 32 years and that’s what we’ve done the whole time. Not deviating from what we are in the changing markets has worked for me.”



*Norman Childs, founder and CEO.*



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*According to Norman Childs, his eponymous private label is Eyetique’s best seller.*



*The Eyetique location at the Mall at Robinson is just one of eight in Pittsburgh. Two more are on the way by year end.*

“Eyetique will be opening two more stores in the next six months. But I’m not just looking for more dollars; I’m looking for growth in same-store sales. By adding more stores, we are building more awareness in our region for our brand and taking more market share by marketing ourselves. We do a lot of advertising and marketing and that has really helped and we’re absolutely looking to grow. Having an exceptional sales staff that is very well trained and a great management team led by Brad Childs is also helping.” ■

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## VM Identifies Four Trends Igniting Business for Fall



### Personalize

Everyone wants to feel special. As such, the perception of individualization during the eye exam and fitting process goes a long way toward impressing the consumer. It's a trend we see finding success in all aspects of the eyecare practice from machines like the Optos retinal imager, the i.Terminal by ZEISS and LensCrafters' AccuFit Digital System during the exam; customizable lenses thanks to digital surfacing and freeform technologies and even in the frames category with mix and matchable three-piece mounts and bespoke eyewear, interchangeable lenses and swappable or rotating temples. All of these developments help ensure that the patient has an experience unique to them.



### Get Specific

Sport performance eyewear is nothing new but today's busy, active consumer no longer just needs an everyday pair of glasses and a pair to hit the fairway. Today, activity-specific eyewear is a necessity for day and night, casual and formal events and computer and digital device use. There is no such thing as a "one pair fits all" kind of eyeglass and more and more patients are realizing this. When these patients come in asking about computer glasses or driving glasses or colored polarized lenses and the optician can't offer them the options they are looking for, they will most likely take their business elsewhere.



### M-squared

It is clear, based upon feedback from retailers who continue to see growth despite the economy, that when customer spending is down the last thing that should be cut is your marketing program. Marketing & Merchandising are the only things someone unfamiliar with your business has to go on. The catch is making sure you're talking to them in ways they are receptive to. Today's consumers are looking for an integrated brand identity that reaches in-store, online and in advertising. An informative website that reflects the feel and tone of your business will go a long way toward getting them in the door. Investing your marketing budget here is guaranteed to have a measurable R.O.I.



### Be Distinct

Much like niche, up-and-coming eyewear brands are finding success by offering something new to consumers who feel like they've seen it all, retailers who can stand out from the pack and grab their attention also stand to do well. Be it by becoming known in your area for carrying hard to find or emerging brands, by holding regular in-store events or by organizing a community outreach program that rallies several local businesses together, anything that makes you relevant to the consumer and sets you apart from the mainstream is how you get (and more importantly stay) on their radar. But be warned, there is a fine line between being unique and being bizarre.

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