

Disrupting by Design

By
Damian Loth

Corrective eyeglasses, luxury goods and prestige cars are just a few of the established consumer goods markets that have been disrupted by plucky startup 'outsiders.'

The corrective eyeglasses market is a great example of how even the most locked-up market can be broken open. Most people don't know that a single company based in Milan, Italy controls a portfolio of virtually every major brand of sunglasses. Luxottica's portfolio includes Ray Ban, Oakley and Persol, in addition to making eyewear under license for over 20 international luxury brands including Armani, Chanel and Ralph Lauren.

Luxottica also owns over 7,000 retail stores where its brands are sold and these stores represent almost every eyewear chain you've ever heard of, including Sunglasses Hut, Lens Crafters and Pearle Vision. Luxottica is literally the 800lb Gorilla of the eyewear market.

Then along comes Warby Parker with an entirely new and different approach to marketing fashionable corrective eyewear, and the rest, as they say, is history. By leveraging fast fashion, quality design and most importantly, ecommerce, Warby Parker has forever changed the retail market for prescription glasses.

In the process, they built a company valued at \$1.2 billion per The Wall Street Journal in April 2015. I was recently introduced to another disruptive start-up--Clive Somers.

Clive Somers markets a line of designer reading glasses and sunglasses and their point of difference--they take a designer sunglasses approach with all their reading glasses

and sunglasses. Incorporating the same high-quality components and styling, lens grinding tech and hand-made acetate frames of the luxury brands, yet they retail for a fraction of the price of their luxury brand competitors.

It's a combination that's connecting with those looking for designer label quality *and* value for money. Affordable luxury, which is always in style, has never been more popular than it is today. Warby Parker already demonstrated that affordable, yet stylish eyewear resonates with the young and hip.

Wearing glasses has also become a fashion statement, with the item sold as an accessory rather than a utility in many cases.





As a result, the major players are mostly focused on the younger demographic. Reading glasses, however, are an item purchased by people over the age of 40—and they weren't being served well.

It turns out, that gap in the market is a big one. According to the Vision Council, 30.9 million Americans wear over-the-counter reading glasses, and 36.4 percent of Americans regularly use two or more pairs of corrective eyeglasses. And the market is growing by double digits.

Here's an interesting demographic statistic—since January 1, 2011 10,000 people in the US turned 65 each and every day, and that will continue for 19 years (until 2030).



That's a lot of people struggling to read menus and airline tickets. The fact that a large chunk of that group doesn't want to look like they bought their glasses at a gas station, indicates there's a big opportunity.

And that is a niche *within* the niche of corrective eyewear.

The founders of Clive Somers have decades of experience in fashion and sourcing in both Europe and China, which gave them an advantage. They knew they could source the quality and styles that were missing from the reading glasses market and deliver a quality product at an affordable price. And that resonates with the over 40 crowd.

The Internet has definitely levelled the playing field and made disruption possible in many other industries where it was previously unheard of. Before e-commerce existed, major brands were rarely

unseated from their dominant position once they were established.

Take the example of ecommerce startup Dollar Shave Club, recently purchased by Unilever for a reported \$1 billion. I interviewed DSC founder Mike Dubin in 2013, not long after they had launched. He said the company was founded on a simple premise: razorblades were ridiculously expensive and they were a pain in the ass to buy.

Affordable luxury again—this time the luxury was not having to line up at a counter waiting for someone to come and unlock the razors. DSC delivers to your home, for a fraction of the price of any of the big brands.

Returning to the disruption that's taken place in luxury goods and prestige cars, you see the affordable luxury theme at play again. Tesla is the most desired prestige car of many consumers—replacing marques that have dominated the category for decades.

Relative newcomer brands such as Michael Kors have built billion dollar enterprises on the back of award winning, though mid-price luxury goods.

Shinola has resurrected a 100 year-old brand with its affordable luxury offerings of American-made watches, bicycles and leather goods.

There's never actually been a better time to identify an underserved product category, pull in some design, manufacturing and marketing expertise ... upgrade the quality, and sell at an affordable price.

Disruption begins in 3, 2, 1....



About the Author

Damian Loth is the publisher of Men's Essentials Magazine – A Thinking Man's Guide.

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