

# Fitting Shades for Chinese

*Luxottica Tweaks Its Ray-Ban and Oakley Sunglasses to Better Suit Asian Faces*

By Christina Passariello

MILAN—Italian eyewear giant Luxottica is trying to make its shades cool in China.

To do that, the maker of sunglasses bearing such brands as Ray-Ban, Ralph Lauren and Prada has recently started making glasses in China specifically tailored for the Chinese. Part of their strategy is making technical tweaks to better suit Asian facial characteristics, such as a lower nose saddle, where glasses rest on the face, and prominent cheekbones.

Three of Luxottica's own brands—Ray-Ban, Oakley and Vogue—have already rolled out special Asian collections. In the coming months, Luxottica will repeat the tack with three brands it produces under license to some of the world's most influential fashion brands: Prada, Burberry and Dolce & Gabbana.

"We need to really become domestic in these markets," Luxottica Chief Executive Andrea Guerra said in Luxottica's Milan headquarters. "We are in the process of understanding that in the world there are a number of diversities."

Luxottica is the world-wide leader in making and selling glasses. Last year it generated €5.8 billion (\$8.32 billion) in sales through such retail chains as LensCrafters and Sunglass Hut, and the brands it manufactures. Ray-Ban is its largest, generating more than €2 billion in retail sales—a figure Luxottica expects to rise to €3 billion by 2013 with a boost from China.

Yet China—the source of much of fashion's growth—makes up only a small portion of Luxottica's sales. With €75 million in sales last year, China doesn't rank in Luxottica's top 10 countries. Yet China is already the seventh-largest market for luxury-goods by sales, according to Bain & Co.

Mr. Guerra aims for China to enter Luxottica's top three markets over the long term. He says Luxottica's tardiness is due to the need to make products adapted for locals.

High-end fashion is grappling with how to cater to local tastes



Opera singer Wang Yige tries on sunglasses in a Beijing shopping mall. China is the seventh-largest market for luxury-goods by sales.

while maintaining one image across the globe. In the 1980s and 1990s, labels such as Burberry and Fendi launched licensed products only for Japan, the booming market at the time. But executives came to see such ventures as cheapening a brand's global reputation. Not offering the same standard of style world-wide was too obvious to travelers visiting European and American shops.

Now, most designer labels adjust only sizing, colors and fit to suit different markets.

"The singular global presence is what you pay for," says Wendy Liebmann, the founder of consultancy WSL Strategic Retail.

Luxottica's move eastward is also emblematic of the rising influence of Chinese design. Milan-based Prada is taking a step in the same direction by inaugurating a design studio in Hong Kong this year.

Glasses are the logical starting point for locally customized high-end fashion, experts say. As one of the least-expensive fashion items, compared with clothing, shoes and bags, they attract a broader customer base.

In China, Mr. Guerra is em-

phasizing prescription specs, which he hopes will lead to the broader use of shades. Four years ago, a local Chinese team began making adjustments to components such as the nose pads and bridge on iconic Ray-Ban models such as the Aviator and Wayfarer.

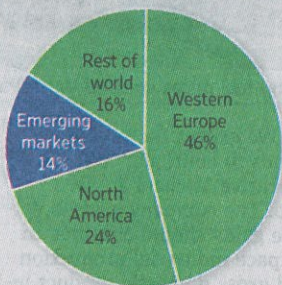
The company became a presence in China in the late 1990s via retail chains and manufacturing. But Mr. Guerra wanted to test making the product more localized. In 2009, he moved the creative team to a new design hub in Shanghai—Luxottica's fourth after its Italian headquarters and studios in Japan and the U.S., where designs are fine-tuned for local faces.

The 19-person team—young Chinese who worked for Luxottica in its Guangdong manufacturing site and the U.S.—had to come up with an entirely new Ray-Ban line.

The first customized collection hit displays a year ago. Thirty percent of the collection was exclusive to China—mostly rimless frames or metal and titanium. Another 45% was international Ray-Ban designs with special fittings for Asian faces.

## Regional Boost

Luxottica's wholesale sales breakdown for fiscal year 2010



### Change from a year earlier

Western Europe	▲ 7.2%
North America	▲ 6.2%
Emerging markets	▲ 12.7%
Rest of world	▲ 16.4%

Source: the company

The success of the test surpassed Mr. Guerra's expectations: Sales doubled in the first year. Ray-Ban has also laid the groundwork for Luxottica to accelerate its growth, by opening 500 new retail stores in China in the next three years. And local collections for Prada, Burberry and Dolce & Gabbana will debut in the fall.