



» EYE TEST



BY CLYDE SOLES

THE HIGHLY COMPETITIVE
SUNGLASS MARKET TESTS
THE BUSINESS SAVVY
OF SPECIALTY DEALERS.



PROTECTING EYES HAS BECOME BIG BUSINESS. With the floodgates from China opened, and quality constantly improving, there has been a huge influx of brands, sometimes creating more confusion than ever.

“The number of competitors has increased tenfold,” said Liz Randall at Smith Optics. “When we started manufacturing eyewear a decade ago, the amount of companies catering to action sports enthusiasts was nil—pretty much us and Oakley, then a bit later, Arnette. Now, everyone has an eyewear line in addition to other apparel or hard-goods brands—Quiksilver, Hurley, adidas, Nike, Billabong’s purchase of Von Zipper.

“Eyewear, for whatever reason, seems to be very high on the priority list for large brands looking to spread out their name over multiple product offerings,” added Randall. “Right now, the eyewear market in action sports and outdoor is brutal. The pie hasn’t grown, there’s just a lot more slices in the pie. The outdoor market is also competitive with some brands offering inferior polarized product at reduced pricing.”

Even the cheapest drugstore sunglasses are required by the FDA to offer complete UV protection and pass minimal impact standards. Given this reality, it comes as no surprise that it’s getting harder for specialty retailers to sell higher-priced sunglasses that, at first glance, don’t offer much more than fashion and branding. To succeed in this category, it helps to know a little about the manufacturers involved, as well as market trends and the latest developments in technology.

OUTDOOR EYES

Sunglasses of all types (prescription and non-prescription) are roughly a \$4 billion industry in the United States. While the outdoor industry has never been a large part of that pie, the size of its slice continues to diminish. According to the Outdoor Industry Association Top Line Retail Sales reports, specialty and chain stores sold 3.7 million pairs of sunglasses for \$141 million last year. This represents an overall 26 percent decrease in volume and a 19 percent decrease in dollars from 2002. Specialty stores fared a bit better

than the chain retailers did, but both experienced double-digit dips in sales.

For perspective, Oakley alone grossed \$315 million by selling 4.1 million pairs of sunglasses in 2004—little surprise the company no longer attends Outdoor Retailer trade shows.

EYEWEAR PLAYERS

The sunglass market is dominated by a handful of large corporations, many based in Italy. Each owns several smaller companies, and each has license agreements with numerous designer labels. In this confusing lineup of players, it’s hard to keep track of who’s on first. Yet there are still a few independent brands that should be of particular interest to specialty retailers.

For example, the Marcolin Group owns Cébe and also makes eyewear for The North Face as well as fashion mavens such as Dolce & Gabbana. Nike sunglasses are made by Marchon, which also produces for Calvin Klein, Disney and Nautica. Columbia’s sunglasses are made by L’Amy, which also manufactures for Lacoste, among others. The powerhouse Luxottica Group includes well-known brands such

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as Arnette, Killer Loop, RayBan and Revo, not to mention the ubiquitous LensCrafters and Sunglass Hut stores. And the Safilo Group makes product for Carrera and Smith, along with the likes of Dior, Armani and Ralph Lauren.

While homegrown Oakley is still a private label, the brand has come a long way since Jim Jannard (who owns 62 percent of the company) started producing hand-grips for motocross motorcycles in 1975. Though the company didn't start selling sunglasses until 1984, Oakley has risen to the top of the sports eyewear market with good products and exceptional marketing.

In terms of product design and quality, Oakley's main high-end competitor is arguably Rudy Project. Best known in the cycling and triathlon worlds, family-owned Rudy Project (founded by Rudy Barbazza in 1985) has made significant inroads in the ski and outdoor markets. With one of the strongest warranties in the business and a commitment to specialty retailers, Rudy Project is becoming a favored premium line, retailers told us.

While Smith got its start making ski goggles in 1975, the company wasn't big in the sunglass market until Safilo acquired it in 1996. Since then, Smith has captured significant market share, with the Slider series doing exceptionally well.

Long a strong player in the sports eyewear market, century-old Bollé was purchased by Bushnell Performance Optics in 2000; the company also owns the fashion-oriented Serengeti Eyewear. To compete in the edgier snow/skateboard market sold by sporting goods chains, Bollé created the Dirty-8 brand which features models such as the Spank which, according to the company website, "is made for the guy who parties with the naughty girls."

One of the few remaining family-owned businesses, Julbo, has been making glacier glasses for more than 50 years. This long history with mountaineering shops has given it an edge in the outdoor market. Since splitting off from its prior distributor in 2003, Julbo has aggressively pursued the more general sports market in the United States, and is placing a recent emphasis on eyewear for toddlers and kids.

Native—a relatively new company founded in 1998—was among the earliest advocates of affordable polarized polycarbonate lenses for sports. This gave the brand an early lead in what has emerged as the major growth category for eyewear.

Another private company with passion for sports eyewear is Zeal Optics, based in Moab, Utah. Zeal Optics President Michael Jackson said, "Zeal is owned by Wink and myself, no bigger companies. We are one

of the last remaining companies to not sell out. Zeal was started in 1997 out of a need for performance- and fashion-fused eyewear. We competed in a lot of events and always felt our eyewear failed us due to lack of design, weight or function."

Among the biggest brands in the low-price market of the outdoor niche, Mountain Shades claimed over 55 percent of the sub-\$25 category at outdoor snow specialty shops, according to Leisure Trends. Its slightly more upscale label, Optic

The mid-range sunglass segment (\$40 to \$80) has long been something of a no-man's land. These have typically offered decent lenses with mediocre frames, though they are increasingly benefiting from the trickle down of technology. According to Julbo's Nick Yardley, "The \$50 to \$75 price range has generally been ignored by the bigger guys, and below that the product is of

poorer quality. We have positioned ourselves to make the most of this slot."

For some stores, the problem with high-end glasses is that they require expertise to sell effectively. Simply stocking a case full of expensive glasses will not ensure a good turnover rate unless the staff is well-trained. While most



» SUNGLASS SALES

Source: Leisure Trends

Specialty & Chain Stores (Data is for Feb. 1 to Jan. 31 selling cycle)

	2002	2003	2004
Specialty	939,358 pr.	801,234 pr.	805,278 pr.
	\$49,998,861	\$42,867,701	\$43,024,691
Chain	4,191,624 pr.	3,808,275 pr.	2,963,503 pr.
	\$124,752,906	\$122,102,276	\$98,467,585
Total	5,130,982 pr.	4,609,509 pr.	3,768,781 pr.
	\$174,751,767	\$164,969,977	\$141,492,276

Nerve, accounted for about half of the sunglasses sold in the \$25 to \$50 range at those same shops. The latter in particular has earned a reputation for solid quality at reasonable prices.

WHAT TO STOCK?

While reports of falling sales numbers are less than encouraging, outdoor specialty retailers can still do well with a good sunglass program. As with other product categories, this is where product knowledge and customer service make all the difference.

Unless your store has huge buying power and significant traffic, it will be difficult to compete on volume sales of low-price sunglasses (\$40 and under). This price range is flooded with private label brands "in part because there is no barrier to entry, just take \$10,000 to China," said Paul Craig, president of Rudy Project.

quality sport optics are in the \$100 price range, some of the high-end models are more than double that.

The customer willing to spend that kind of cash requires a selection of styles and sizes—fit and fashion are equally important. They also need store staff to explain features, provide good information on lens choices and help with adjusting the fit. All of this is where a specialty shop has the opportunity to shine and make the sale. It's also where stores can lose out to the sunglass outlet under the mall escalator if staff members aren't well-trained.

NOTEWORTHY NEW MATERIALS

Given the recent advances in technology, there is no reason for an outdoor retailer to sell sunglasses with glass lenses. While brands such as RayBan, Revo, Serengeti and Vuarnet offer great urban eyewear, the

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frame it



weight and relatively low impact resistance of glass makes them a poor choice for outdoor sports.

Since the 1980s, polycarbonate has been the lens material of choice for performance sports eyewear. Although it doesn't have the greatest optics and it scratches easily (unless expensive production techniques are used), polycarbonate is much lighter than glass and offers superior impact protection. The ability to mold polycarbonate into complex shapes allows for wrap-around styles that block wind.

For the most part, all sport sunglasses over \$50 have polycarbonate lenses, though they are often hidden behind fancy names. The ultimate price point is affected by the grade of the material, the sophistication of the injection-molding method to reduce distortion, and the quality of the anti-scratch and anti-reflective coatings. Just about anyone can make polycarbonate lenses that give decent straight-ahead optical performance—the trick is making them so they don't distort peripheral vision. Of course, factor in marketing cachet as part of the price on the premium brands as well.

Less expensive sunglasses tend to use acrylic (CR-39 is one type commonly used in cheap prescription eyeglasses), which can shatter upon impact. Like glass, acrylic lenses should be avoided for use in sports.

While polycarbonate has enjoyed a long run, it is now being challenged by new materials that have even superior qualities. Among these is NXT, a thermoplastic polyurethane polymer that is cast instead of molded. The material was originally developed for the defense industry by Simula Technologies and has been licensed for prescription lenses under the name Trivex.

Compared to polycarbonate, NXT is lighter, more resistant to cracking and has better optical quality. A particular advantage is the ability to combine polarization with photochromic material inside the lens. This was previously only achievable by applying an exterior coating to acrylic lenses.

Both Julbo and Panoptx are now offering NXT lenses that polarize the light and also darken in bright conditions. Rudy Project will soon introduce a competing non-polycarbonate lens it calls ImpactX that shares similar properties. Since the prices are not exorbitant, it's reasonable to expect this technology will become more popular.

The Kaenon eyewear company in Newport Beach, Calif., uses a proprietary lens material called SR-91. "It's neither polycarbonate, CR-39 nor glass," said Steve Rosenberg of Kaenon. "It offers the impact resistance of the best polycarbonate, it's

FIT IS AMONG THE MOST IMPORTANT CRITERIA WHEN IT COMES TO PERFORMANCE SUNGLASSES.

A frame that fits a long, narrow face with a pronounced nose is likely to be intolerable to someone with a round, wider face and a flatter nose.

The ability to customize the fit of sunglass frames has improved greatly, particularly on the higher-end models. Rudy Project is one brand that has made adjustable frames a key selling point.

"Our glasses fit a wider range of facial structures than any other brand," Paul Craig told GearTrends®. "Asians particularly like Rudy because they have a hard time getting a good fit."

Julbo has given great attention to fitting children at affordable prices (\$20-\$30), according to Nick Yardley. "We are the only company to offer a quality range of glasses right from infant through to young teens. Each model is specifically designed for the morphology of the head for the age group concerned to give the best possible fit. These are not sized-down adult glasses."

Along with a good fit, keeping the glasses in place during activities is also important. The better frames have grippy rubber on the nose pads and earpieces that will hold even when soaked with sweat. It's also worth considering how well a frame stays in place when atop the head; glasses that fall off when you lean forward or look down can be more than a nuisance.

While frames with interchangeable lenses have enjoyed great success, they have also been a source of consumer complaints. Many have been prone to breaking when lenses are swapped, and warranty support from manufacturers has often been less than satisfactory. Retailers we spoke with said they've had to deal with the problems themselves.

Another problem, according to Michael Jackson at Zeal, "is most frames either aren't well-designed or they don't use higher-quality materials. Despite some claims of superiority, over time the frames stretch, and the lenses fall out due to poor design."

The makers of premium sport sunglasses have largely addressed these issues. However, it's no easy task to make lenses that are easily swapped and will stay in place with a frame that is durable enough to take the manhandling. Ryders has introduced a burly alternative—interchangeable lenses that have a slim frame around them, adding a sturdiness that helps a user feel confident they will not snap every time they are changed.

The latest trend in performance sunglasses has been half-frame and frameless designs. While shield-styles have long offered this feature, it's grown in popularity for dual-lens glasses. The increase in peripheral vision, particularly downward, over full-frame designs can be dramatic, making these styles popular for running and cycling. An unobstructed upward view is helpful for road biking and rock climbing, but often overlooked by designers.

The amount of curvature of lenses determines levels of wind protection and peripheral vision. Most sport sunglasses have an 8-base curve, which is a good compromise in fit and function. Some of the most radical designs have a 12-base curve, but these may not work for everyone, and wearers can experience problems with distortion.

Resistance to fogging is also an important concern for aerobic athletes—the glasses do no good if you must take them off to see. Sunglasses with a tight wrap-around fit require a special design for ventilation, and some have anti-fog coatings.

Traditional styles of glacier glasses have largely fallen out of favor now that wrap-around lenses offer the same protection from light entering the sides. As long as the lenses are sufficiently dark, there is little need for side blinders. However, some companies such as Julbo offer styles that combine contoured shapes with detachable side shields that offer the best of both worlds.

For high-speed sports, the combination of sunglasses and goggles offers the best protection against wind. Pioneered by Panoptx, lenses with orbital seals are well-suited to downhill skiing and motorcycle riding; other brands offering this feature include Wiley-X and Zeal. But these glasses can have issues with fogging for high-output activities like cycling, so detachable eyecups are now an option.



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lighter and more scratch resistant than polycarbonate, and has the optical clarity of the finest glass."

No matter the lens material, the coatings applied after molding or casting have a significant effect on performance and price. The best sunglasses have a very hard, relatively thick coating to protect against scratches; less expensive models skimp.

Frames. More recently, interchangeable lenses have become a standard accessory for dual-lens glasses, such as Smith Sliders, and nearly all come with a light and dark set of lenses.

Most manufacturers report that gray is the preferred lens tint, followed by brown. (In Europe, the split is supposedly about equal.) While gray offers the truest colors,

wide range of mixed lens tints that often combine shades of red and amber.

Although photochromic lenses that transition between lighter and darker would appear to be a no-brainer, the reality has been disappointing so far. The main problem has been a strong dependency on temperature—when it's below freezing or very hot (above 80 F), the photochromic layer is very slow

“ RIGHT NOW, THE EYEWEAR MARKET IN ACTION SPORTS AND OUTDOOR IS BRUTAL. THE PIE HASN'T GROWN, THERE'S JUST A LOT MORE SLICES IN THE PIE.” —Liz Randall, Smith Optics

Anti-reflective coatings inside the lens are important for eliminating distracting reflections; more layers do a better job but cost more. Some high-end brands also add a hydrophobic coating to help water bead and runoff—a real plus for vision in watersports and land sports on wet days.

A DIFFERENT SHADE

Interchangeable lenses continue to be a major trend driving development in the sport sunglasses market. This started with shield-style glasses, such as the Oakley M

brown cuts haze better and offers greater depth perception. For overcast conditions, either yellow or orange lenses give good eye protection while allowing enough light to pass. Clear lenses are best at night as shields against flying debris.

The most difficult situations are those in-between times where weather can quickly change from sunny to cloudy and back again. The gray or brown lenses tend to be too dark, while the yellow or orange lenses don't block enough light. For this variable lighting, manufacturers offer a

to change. Even in ideal temperatures, the lenses don't react quickly enough for activities like cycling and running where people are going in and out of the shade frequently.

However, photochromic technology has been a major area of research for many companies. For example, Transitions, the heavily advertised photochromic treatment for prescription glasses, is now in its fourth generation. Many see improved light-changing lenses as the next major growth opportunity—Oakley jumps on board in a big way next year.

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There are also a number of specialty tints that are specific to certain sports, like green for tennis and yellow for shooting. The one lens tint that is all fashion and no function is blue. It makes focusing more difficult and enhances haze.

For better or for worse, polarized sunglasses lenses are all the rage now. These are, of course, *de rigueur* for watersports and fishing since they do an exceptional job of cutting glare. Increasingly, polarized lenses are being hyped for other outdoor sports as well. However, this isn't necessarily in the best interest of consumers.

From a safety standpoint, polarized lenses sometimes work too well. Cyclists need to see if there is a slick layer of water on a road surface, and German professional cyclist Jan Ullrich said polarized sunglasses were to blame in a spectacular crash in the Tour de France. Similarly, skiers want to see a patch of ice before they hit it at speed. There is also the hassle of reading digital watches and bike computers because polarized glasses turn them into a rainbow of colors.

The big breakthrough in polarization came a few years ago when manufacturers figured out how to mold polycarbon-


About 61 percent of the U.S. population requires vision correction. While contact lenses and laser correction are popular options today, many people require (or prefer) eyeglasses. Retailers should be able to direct their customers to several alternatives for prescription sunglasses.

Best there be any doubt, prescription sunglasses lenses are far superior to any of the inserts since there are fewer surfaces to fog, collect dirt and reflect light. The best of these actually split the prescription in half and glue the pieces to the outer and inner surface of the flat sunglass lens; the sandwich construction offers the best optics. However, this gets expensive when more than one lens tint is required. Zeal offers a significant discount for multiple sets of lenses ordered to fit its interchangeable frames.

The second best choice to the rather pricey prescription lenses is the intraSPX insert sold by Sved Optics. This system fits many Bollé, Oakley and Smith shield-type glasses (and many knock-offs), and is lighter and trimmer than most of the prescription insert offerings. The high-end Sved inserts cost about \$160 shipped and can easily swap between lenses.

ate around the polarizing film. Prior to that, sandwiching the film between layers of glass was the standard practice. In recent years, a wide range of wrap-around, impact-resistant polarized lenses have reached the market.

As with many things, there is a range of quality in polarized lenses; some are more efficient than others. The most effective (read: expensive) use a darker film with exceptional clarity that is carefully aligned within the lens for maximum performance. These will block more than 97 percent of horizontal glare compared to less than 90 percent for cheaper versions. Lighter fashion tints with polarization may be only 50 percent efficient or less.

Whether you're gazing through polarized or non-polarized lenses, it's clear as the summer sun that the eyewear category grows more complex by the day. This market segment demands you do your homework and choose wisely—that is, if you want to be the Lance Armstrong of the competition, rather than poor Jan Ullrich splashed all over the pavement. 

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