



# **LuxoAR: Augmented Reality Glasses**

Marketing Plan Part 1

June 18, 2024

Adrianne Mercado

Zayd Salahieh

Zara Raza

Nate Dicostanzo

## **Table of Contents**

Table of Contents .....	1
About EssilorLuxottica .....	2
Mission Statement.....	2
Core Competencies.....	2
Situation and SWOT Analysis .....	2
Environmental Trends.....	2
Social.....	2
Economic.....	3
Technological.....	3
Competitive.....	4
Regulatory.....	4
Industry Analysis.....	5
SWOT Analysis.....	6
Goal and Market Product Focus.....	7
Market Segmentation.....	7
Target Market .....	8
Appendix.....	9
Figure 1: GDP.....	9
Figure 2: Inflation Rates.....	9
Bibliography.....	10

## **About EssilorLuxottica**

### ***Mission Statement***

To help people around the world "see more and be more".<sup>1</sup>

### ***Core Competencies***

Combining vision and fashion, EssilorLuxottica creates a new definition for the eyewear industry as they segway into luxury brand partnerships with Versace, Ralph Lauren, Prada, etc. in addition to their contacts line, kids eyewear, and generic trendy style options. The company is also hands-on with the final consumer sales by building a strong connection with its clientele and keeping a keen eye on the eyewear process from start to finish. EssilorLuxottica prioritizes and successfully executes quality, variety, optimal service, and delivery.

## **Situation and SWOT Analysis**

### ***Environmental Trends:***

#### ***Social***

Global travel, until 2019 (at 1,464.65 million), had a steady exponential increase until the 2020 pandemic hit. During the prime time of quarantine, the number of international travelers declined to 406.3 million until picking up again in 2023 with 1,300.11 million global tourists<sup>2</sup>. In light of growing international travel, EssilorLuxottica's launching of the augmented reality (AR) goggles, LuxorAR™, would target travelers experiencing new and foreign languages and cultures. Additionally, as acquiring newly developing technology has become a large trend amidst Millennials and Generation Z, the invention would suit the growing itch for new tech and work as a useful tool for travelers falling into the travel trend.

#### ***Economic***

With an economy on the tail-end of its recovery from the detrimental effects of COVID-19, consumers in the top-performing GDPs (see Figure 1) have the greatest purchasing power. The

---

<sup>1</sup> "Our Mission: Essilorluxottica," Essilor, accessed June 2024, <https://www.essilorluxottica.com/en/group/mission/>.

<sup>2</sup> "Total Number of International Tourist Arrivals," Statista, accessed June 2024, <https://www-statista-com.lib.pepperdine.edu/statistics/209334/total-number-of-international-tourist/>.

top three countries include China, the United States, and India<sup>3</sup>. As augmented reality is predicted to skyrocket in sales, we can confidently predict that these countries will be the biggest customers of this growing field. In global regions such as the Middle East and Central Asia, Sub-Saharan Africa, and Latin America/the Caribbean, we are actively witnessing some of the highest inflation rates (see Figure 2), ranging from 16%-14%<sup>4</sup>. This tells us that our product, being more of a luxury than a necessity, should be marketed more towards people with greater purchasing power and with lesser inflation. However, this may negatively impact our overall sales by limiting the size of the market for a good that is more of a want than a need.

### ***Technological***

Augmented reality hardware is expected to nearly double its consumer base from 2024-2025 and exponentially grow in the following years. Not only that but revenue is expected to grow 1.5%<sup>5</sup> in the same timeframe. We are currently witnessing an industry boom in augmented reality and EssilorLuxottica must act fast if it wants to become a major player in this field. EssilorLuxottica has two choices in its actions. It can either become the leading force and imprint among its vast consumer base, or it can trail behind and reference the leading companies. Regardless of its choice, the technological trends only seem to be rising, so finding a niche within the industry shouldn't be a problem. For example, EssilorLuxottica can utilize the concept of the Apple Ecosystem<sup>6</sup>, launching a compatible app to sync the glasses so they can be controlled via a mobile device. Therefore, we can increase compatibility and make the device more user-friendly.

### ***Competitive***

The eyewear industry would be considered an oligopoly as there are a few large players that share the market but have not yet achieved total market domination. EssilorLuxottica is a leader in its industry and accounts for 30.3% (see Industry Analysis) of the market. Therefore, considering its size, its general eye-wear competitors are limited. After acquiring major eyeglass

---

<sup>3</sup> "Global Economy," Statista, accessed June 2024, <https://www-statista-com.lib.pepperdine.edu/study/14781/global-economy/>.

<sup>4</sup> "Global Economy," Statista, accessed June 2024, <https://www-statista-com.lib.pepperdine.edu/study/14781/global-economy/>.

<sup>5</sup> "Consumer Electronics Market," Statista, accessed June 2024, <https://www-statista-com.lib.pepperdine.edu/study/55488/consumer-electronics-market-market-data-and-analysis/>.

<sup>6</sup> "MacOS - Continuity," Apple (India), accessed June 2024, <https://www.apple.com/in/macOS/continuity/>.

brands, partnering with luxury companies, and owning distribution facilities, there is very little room left for any additional players in the market. Nevertheless, the Italian brand Kering Eyewear and Safilo Group S.p.A.<sup>7</sup> are two additional competitors that offer high-end glasses manufacturing (e.g. Gucci and Banana Republic, respectively). Eyewear is extremely sensitive to customer preference but EssilorLuxottica stands out with its variety of eye-related accessories and services outside its luxury collections. For instance, the company also owns the second largest vision insurance company, has partnered with *Johnson & Johnson* to create their own contact lenses line, and offers multitudes of glasses in a more affordable price range<sup>8</sup>. Finally, in terms of augmented reality glasses, the competition EssilorLuxottica may face is from major technology corporations. For instance, the *Apple Vision Pro* is a technologically advanced workspace and 3D camera utilizing a projector that transports users into an augmented reality<sup>9</sup>. Innovations that require more technically inclined research may not be EssilorLuxottica's strong suit. However, what sets the LuxorAR product apart from the competition is its specificity to tourism. There are limited privacy and data provisions that the invention would encounter, and EssilorLuxottica has companies such as Ray Bans under their belt to help with their technological development.

### ***Regulatory***

The main government influence that can be found within the industry of both augmented reality and eyewear is through legislation. In the United States specifically, we are witnessing a growing trend in protecting consumers' privacy, trailing behind the EU and its cookies policy. Although the industry is becoming more ethical in its collection of data, we found that both the consumer's right to opt out of data processing and the right to opt into collecting sensitive data processing were rarely protected. Straying away from legislation on the technology itself, there are trends toward the eyewear aspect of the product, which include UV protections that must meet certain specifications. For example, the FDA requires the product to be submitted for inspection and eventual approval, be impact-resistant, and meet a certain UV protectant<sup>10</sup>.

<sup>7</sup> "16 Best Eyewear Brands in the World," International Brand Equity (IBE), February 13, 2024, <https://www.internationalbrandequity.com/best-eyewear-brands-in-the-world/>.

<sup>8</sup> "Acuvue Oasys Transitions Named Best Invention: Essilorluxottica," Essilor, accessed June 2024, <https://www.essilorluxottica.com/en/newsroom/stories/acuvuer-oasys-transitions-best-invention/>.

<sup>9</sup> "Apple Vision Pro," Apple, accessed June 2024, <https://www.apple.com/apple-vision-pro/>.

<sup>10</sup> "Sunglasses, Spectacle Frames, Spectacle Lens and Magnifying Spectacles," U.S. Food and Drug Administration, accessed June 2024, <https://www.fda.gov/medical-devices/medical-devices-and-radiation-emitting-products/>.

## ***Industry Analysis***

EssilorLuxottica accounts for 30.3% of its respective industry, which accounts for its production of eyeglasses and contact production<sup>11</sup>. Being an ‘All-Star’ in its market, EssilorLuxottica does not have to worry about rising competitors in its field, and it is wise for the company to continue to grow and expand into other growing fields. What contributed to their major success is their ability to cover their bets, as they bought out top brands, such as Oakley and Ray-Bans, as well as retailers such as Sunglass Hut and LensCrafters. Not only limited to company purchases, EssilorLuxottica has also expanded itself into licensing with luxury brands and staking claims in retail stores as well. With the largest growing field in recent years being that of augmented reality, it's safe to say this would be an ideal prospective venture for the industry titan.

EssilorLuxottica would certainly not enter the industry unopposed, as the largest competitors currently are Apple Inc., Microsoft Corporation, Alphabet Inc., Amazon, and NVIDIA<sup>12</sup>. In terms of country consumer base, China and the United States have the largest consumer electronics market. As all companies attempt to establish their dominant role within augmented reality, EssilorLuxottica will focus directly on a niche consumer need, which is tour guides. With Covid-19 temporarily shutting down all travel, many lust for the great outdoors, yearning to travel the world and go on the ‘Grand Tour’. The issue? Language barriers. EssilorLuxottica will solve these through its sleek design, language translation, and augmented reality settings, allowing for a seamless guide through history's greatest sites.

## ***SWOT Analysis***

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>● Wide variety of affordable and luxury sunglasses, sports eye-wear, contact lenses, and general prescription glasses</li> <li>● Large market share and coverage of</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>● Limited investment in R&amp;D hinders their ability to produce any technology-related innovations</li> <li>● Predatory pricing tactics – the company was accused and is being</li> </ul>
--	---

<sup>11</sup> “IBISWorld - Industry Market Research, Reports, and Statistics,” IBISWorld Industry Reports, accessed June 2024, <https://www.ibisworld.com/us/company/essilorluxottica>.

<sup>12</sup> “20 Biggest Augmented Reality and VR Companies in the World,” Yahoo! Finance, accessed June 2024, <https://finance.yahoo.com/news/20-biggest-augmented-reality-vr>.

<p>design, manufacturing, and distribution (everything is under one umbrella)</p> <ul style="list-style-type: none"> <li>• Own the second-largest vision insurance company in the world</li> </ul>	<p>sued for artificially inflating eyewear prices<sup>13</sup></p> <ul style="list-style-type: none"> <li>• Frequent changes in managerial leadership that would impact internal stability and make the company look inconsistent</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Growing demand for newly developing technology</li> <li>• Vision essentials will always have a high demand in the market</li> <li>• The AR market is predicted to nearly double every coming year</li> <li>• Rising rates in tourism worldwide</li> <li>• Many companies are increasing their investment in research and development</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>• Major competition from Apple Inc., Microsoft Corporation, Alphabet Inc., Amazon, and NVIDIA in the creation of AR glasses (these are technology-related firms that may be better equipped to execute AR projects)</li> <li>• Legal regulations of UV resistance and durability from the FDA for eyewear</li> <li>• Scrutiny from the public regarding data privacy and new technology</li> </ul>

## **Segmentation/Targeting**

### ***Market Segmentation***

Italy is known to average 49.81 million international tourists each year, which generates around €215 billion from travel and tourism. By introducing the new concept of LuxoAR, we needed to understand how to efficiently market a high-tech tourist device. Reflecting on which marketing segments would help us fully understand this, we divided our segments into demographic and psychographic sections. Statistics reveal that individuals aged 35 and above are

<sup>13</sup> Cpi, "Eyewear Manufacturer Essilorluxottica Accused of Artificially Inflating Prices," PYMNTS.com, July 24, 2023, <https://www.pymnts.com/cpi-posts/eyewear-manufacturer-essilorluxottica-accused-of-artificially-inflating-prices/>.

the top participants in guided tours throughout Italy<sup>14</sup>, representing 65% of participants in Italy, indicating a significant market opportunity for LuxoAR. Additionally, young adults (ages 18-35) are known to be more technologically inclined, accounting for nearly 55% of all technological usage<sup>15</sup>. Therefore, we are given a large opportunity for LuxoAR to increase their participation with guided tours and provide tech advancements to tourists of all ages and backgrounds. By combining the aforementioned age groups, we can effectively and efficiently advertise our AR glasses and tailor our marketing strategy. Understanding these demographic segments will inform our approach to marketing our glasses to specific tours, historical sites, and age groups and subsequently create a new market for the usage of our glasses in alignment with tourism.

To further refine our demographic segment, we also psychographically analyzed consumers to measure the likelihood that their lifestyles will align with the intentions of our product. For example, millennials (28-43) are more likely to prefer comfortable and user-friendly technology to create a unique experience for a travel destination with a rich history. Therefore, the attributes of our glasses have to align with consumers who expect technology to handle itself, for the most part.

Additionally, accommodations of convenience and luxury are a large part of the business traveler's psychographic, ranging from ages 35 to 54<sup>16</sup>. This audience hosts a higher chance of personalizing their trips, therefore, LuxoAR glasses create a large appeal to their lifestyle with components of leisure and immersion when traveling. Finally, another psychographic criterion to include in our marketing strategy is the rising interest in art and history. Consumers find appeal in the ability of knowledge to come alive in a unique way, especially in the form of augmented reality glasses. With high statistics of tourism in Italy, the country is the greatest hub to visit—hosting the Duomo, Uffizi Gallery, Vatican, and Colosseum. As these sites vary between inside and outside must-visit locations, LuxoAR will host transitional lenses that can change between sunglasses and clear lenses depending on the sun.

## ***Target Market***

---

<sup>14</sup> “Tourism Trends and Ageing Statistics Explained” (Eurostat, January 2024).

<sup>15</sup> Ani Petrosyan, “Global Internet Users Age Distribution 2024,” Statista, May 22, 2024, <http://statista.com/statistics/272365/age-distribution-of-internet-users-worldwide/>.

<sup>16</sup> Katie Chapa, “Essential Target Audiences for Travel,” Lotame, February 15, 2024, <https://www.lotame.com/essential-target-audiences-for-travel-campaigns/>.



Through our findings online, LuxoAR should focus its marketing efforts on the demographic of ages 25-54, middle-to-high class income, and the overlapping psychographics of travelers and art/history buffs. This age group sets a foundation for individuals who travel and already have a history of purchasing tours, leading to the likelihood of usage of the glasses. While the glasses introduce new technology, they will be easy to use and comfortable. Our aim is for our prime demographic to be comfortable, stress-free, and immersed in their travel experiences. With the feature of augmented reality, art and history from around the world, including Renaissance-era Italy, will come to life in a unique, exciting, and fashionable manner.

## Appendix

Figure 1: GDP

### Share of the main industrialized and emerging countries in the gross domestic product (adjusted for purchasing power) in 2023

Share of the main industrialized and emerging countries in the GDP 2023

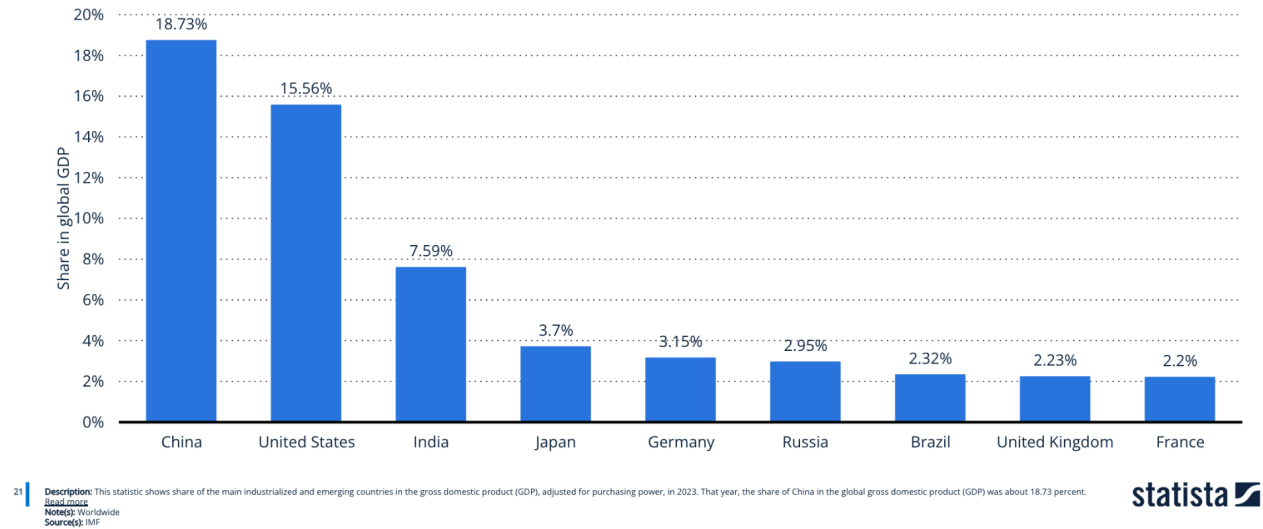
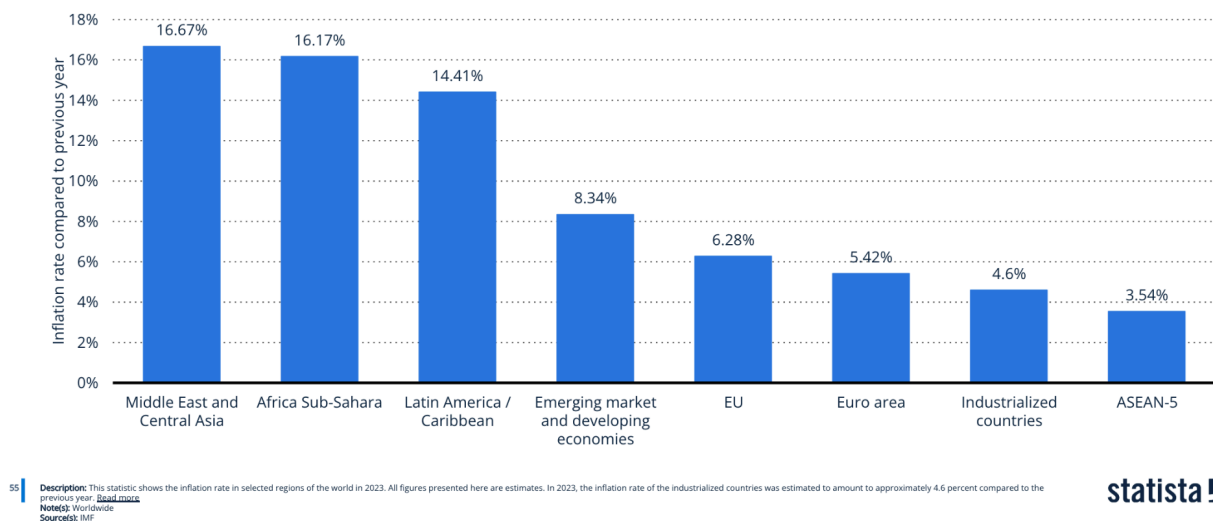


Figure 2: Inflation Rate

### Inflation rate in selected global regions in 2023 (compared to previous year)

Inflation rate in selected global regions in 2023



## Bibliography

“16 Best Eyewear Brands in the World.” International Brand Equity (IBE), February 13, 2024.

<https://www.internationalbrandequity.com/best-eyewear-brands-in-the-world/>.

“20 Biggest Augmented Reality and VR Companies in the World.” Yahoo! Finance. Accessed

June 2024. <https://finance.yahoo.com/news/20-biggest-augmented-reality-vr>.

“Acuvue Oasys Transitions Named Best Invention: Essilorluxottica.” Essilor. Accessed June 2024.

<https://www.essilorluxottica.com/en/newsroom/stories/acuvuer-oasys-transitions-best-invention/>.

“Apple Vision Pro.” Apple. Accessed June 2024. <https://www.apple.com/apple-vision-pro/>.

Chapa, Katie. “Essential Target Audiences for Travel.” Lotame, February 15, 2024.

<https://www.lotame.com/essential-target-audiences-for-travel-campaigns/>.

“Consumer Electronics Market.” Statista. Accessed June 2024.

<https://www-statista-com.lib.pepperdine.edu/study/55488/consumer-electronics-market-market-data-and-analysis/>.

Cpi. “Eyewear Manufacturer Essilorluxottica Accused of Artificially Inflating Prices.”

PYMNTS.com, July 24, 2023.

<https://www.pymnts.com/cpi-posts/eyewear-manufacturer-essilorluxottica-accused-of-artificially-inflating-prices/>.

“Essilorluxottica.Com .” similarweb. Accessed June 2024.

<https://www.similarweb.com/website/essilorluxottica.com/>.

“Global Economy.” Statista. Accessed June 2024.

<https://www-statista-com.lib.pepperdine.edu/study/14781/global-economy/>.

“IBISWorld - Industry Market Research, Reports, and Statistics.” IBISWorld Industry Reports.

Accessed June 2024.

<https://www.ibisworld.com/us/company/essilorluxottica/429641/#:~:text=Essilorluxottica%20%2D%20Overview&text=Their%20largest%20market%20share%20is,growth%20compared%20to%20their%20peers.>

“MacOS - Continuity.” Apple (India). Accessed June 2024.

<https://www.apple.com/in/macOS/continuity/>.

“Our Mission: Essilorluxottica.” Essilor. Accessed June 2024.

<https://www.essilorluxottica.com/en/group/mission/>.

Petrosyan, Ani. “Global Internet Users Age Distribution 2024.” Statista, May 22, 2024.

<http://statista.com/statistics/272365/age-distribution-of-internet-users-worldwide/>.

“Sunglasses, Spectacle Frames, Spectacle Lens and Magnifying Spectacles.” U.S. Food and Drug Administration. Accessed June 2024.

<https://www.fda.gov/medical-devices/guidance-documents-medical-devices-and-radiation-emitting-products/sunglasses-spectacle-frames-spectacle-lens>.

“Total Number of International Tourist Arrivals.” Statista. Accessed June 2024.

<https://www-statista-com.lib.pepperdine.edu/statistics/209334/total-number-of-international-tourist-arrivals/>.

“Tourism Trends and Ageing Statistics Explained.” Eurostat, January 2024.