

Luxottica targets €2bn by 2016 for Sunglass Hut



Eyewear retailer, Sunglass Hut - which has a strong presence in parts of the duty free and travel retail channel - will generate €2bn (\$2.75bn) in sales from over 4,000 stores by 2016 says parent Luxottica.

The Italian company, last Thursday, revealed group net sales of €7.3bn (+7.5%) at constant exchange rates in 2013, a new record, with wholesale rising by +12%, but retail by a lot less at +3.4%. Sunglass Hut however turned in a strong performance with +11% growth for the year.

On a regional basis, even struggling Europe managed to deliver good increases, up +11% overall (at constant rates) driven chiefly by Eastern Europe (+25%), while Mediterranean markets were more sluggish at +3%.

Sunglass Hut had sales of \$1bn in the North American market in 2013, with +10% CAGR over the past three years. Luxottica says that it is seeking “relentless growth in 2014” for the retail brand and expected total sales to be up by double-digits with comps up by high single-digits.



INVESTMENT IN NEW CHANNELS

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Sunglass Hut will see expansion in Europe, the Middle East, Asia and Latin America by more than 250 stores while strengthening new distribution channels – especially duty free and travel retail and department stores – plus more presences at gateway and ‘mega’ cities is a priority.

Luxottica is earmarking €10m investment for new channel activity and another €40m to enter new markets.

The company says it has built “a new team stemming from synergies between wholesale and Sunglass Hut” and strengthened its partnerships with DF&TR operators such as Dufry, WDFG, DFS, Heinemann, The Nuance Group and Aelia, as well as Macy’s Sogo, El Corte Inglés Lotte, Hyundai, Myer and Edgars.

In new channels, Luxottica ambitiously estimates sunglasses sales growth of +20% in 2014 on the back of premiumisation and more stores, particularly in Europe and Asia.