



Lifecycle



● A saturated market combined with the unpredictability of the retail sector has not dampened Luxottica Group's appetite for the Australian market.

Established in Italy in 1961 by current chairman Leonardo Del Vecchio, the group which turns over \$7.5 billion a year first entered the Australian market in 2003 when it took over the listed OPSM group. "The Italians bought the company and loved the vision that the Australian team had and left us alone," Luxottica's head of its Asia-Pacific, Greater China and South Africa arm, Chris Beer, says.

Having started work on the Italian eye wear manufacturer and distributor's shop floor 26 years ago, Beer says a culture of entrepreneurialism is the reason he has stuck with the company for so long. "The passion is high here ... we like to do things quickly and respond to things quickly."

At the time of the OPSM transaction, there were 400 stores in the region; today there are 1350. In the past six months alone, the group has averaged four new store openings a week.

However, it hasn't all been plain sailing. External forces, including the economic slump and the entry of British discounter SpecSavers into the local market, have threatened Luxottica's position. The 2009 Christmas trading period, he says, was modest at best. "There's no question trading was tougher – we're not going to say we boomed during the downturn."

Beer says that despite the slowdown, Luxottica is on track to make 2009-10 targets, with the impact of the federal government's stimulus spending yet to be fully realised.

The arrival of new entrants in the \$1.28 billion market isn't a concern, he says, insisting it's a win for consumers. "Our industry is highly contested ... we have to find reasons why customers [would] want to shop with us."

The business strategy combines retail with wholesale distribution. Luxottica has obtained exclusive rights to manufacture and distribute luxury brands such as Chanel and Prada, and has recently launched Stella McCartney eye wear. Brands are distributed through Luxottica-owned stores including Budget Eyewear, Sunglass Hut, Laubman & Pank and OPSM. The latter, Beer says, is the jewel in the company crown.

Growth opportunities lie in enhancing the existing portfolio of brands and looking to new geographic or greenfield sites.

"Our portfolio is pretty rich to be honest," he says. "There are no takeover targets – we've got good networks." **BRW**

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Interviewer: Judith Tydd

Chris Beer

Luxottica Group

Position	Chief executive, Asia Pacific, Greater China and South Africa
Milestones	1961: Luxottica established in Italy
	2003: Luxottica acquires OPSM in Australia
	2004: Beer appointed chief operating officer
	2010: Luxottica hits global revenue of \$7.5 billion

LIFECYCLE: **COMPETE**

Head office likes eye wear retailer's market vision