Eyewear market in India

October, 2018
Eyewear market in India (1/3)

With a current size of USD 7.4 billion, eyewear market is expected to grow at a CAGR of over 9% to reach USD 13.6 billion by 2024 driven by strong demographics and growing economy.

Major trends in the eyewear market

- The eyewear market in India is dominated by unorganized segment accounting for nearly 80% of the overall market. However, the organized share of the market is growing at a much faster pace of over 15% CAGR in the forecast period.
- This high growth is driven by consumers’ increased consciousness regarding image and style – the eyewear is gradually shifting towards being a fashion accessory.
- The market faces challenges in terms of access to affordable branded eyewear as the price difference between branded and unbranded eyewear is substantial.

Eyewear market (2017)

<table>
<thead>
<tr>
<th>Product</th>
<th>Market Share (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact lenses</td>
<td>12%</td>
</tr>
<tr>
<td>Sunglasses</td>
<td>15%</td>
</tr>
<tr>
<td>Spectacles</td>
<td>73%</td>
</tr>
</tbody>
</table>

Source(s): Company databases; News articles; Eyewear Market Analysis And Segment Forecasts To 2024, Grand View Research; Deloitte analysis
Eyewear market in India (2/3)

While spectacles dominate the total eyewear market in India, the market for sunglasses is growing fastest within the category at a CAGR of over 10% for 2017-24 period

Market by segments within eyewear

- **Spectacles** constitute nearly three-fourths of the total eyewear market in India, with a market of USD 5.4 billion
  - While spectacle lenses form a majority share of the spectacles market (57%), mass spectacle frames constitute nearly 87% of overall frames

- **Sunglasses** account for nearly 15% of the total eyewear market in India with non-polarized glasses dominating in the USD 1.1 billion sunglasses market
  - Polycarbonate and CR-39 are the most prominent lens materials used in the sunglasses, together accounting for nearly 85% lens material

Source(s): Company databases; News articles; Eyewear Market Analysis And Segment Forecasts To 2024, Grand View Research; Deloitte analysis
Eyewear market in India (3/3)

The eyewear market presents significant opportunities in the B2B space

Key growth drivers

1. **Increasing eye health issues**
   ~35% of Indian population needs a vision correction, however only 25% have their vision corrected

2. **Increasing awareness**
   Consumers are becoming increasingly aware of their needs and are also getting brand conscious driving organized market in eyewear

3. **High margins**
   Companies are entering the eyewear space owing to the high margins offered – mark ups over 300% exist between the cost and retail price of certain products

Major challenges/opportunities in the market

- **Fragmented market**
  Presence of few organized players with limited outlets – only 20% of the market is branded. Most of the stores carry multi-brands and have shop-in-shop formats

- **Limited penetration in lower tier towns**
  Penetration of branded players in tier-II towns and rural regions is very limited

- **Untapped optician channel**
  Nearly one-fourth of spectacle sales occur through opticians/doctors’ recommendation making it an important channel

China is the largest country from where India imports its eyewear...

<table>
<thead>
<tr>
<th>Commodity imported</th>
<th>Total import value (FY18) USD million</th>
<th>Imports from China (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frames and mountings for spectacles, goggles or the like, and parts thereof</td>
<td>68.5</td>
<td>85%</td>
</tr>
<tr>
<td>Spectacles, goggles and the like, corrective, protective or other</td>
<td>84.7</td>
<td>72%</td>
</tr>
</tbody>
</table>

- India imported USD 153 million worth of eyewear (in the mentioned 2 categories) in 2017-18
  - Further, the import duty for eyewear is quite high, with the basic duty at 10% and CVD at additional 16% (including Special CVD), taking the overall duty to 26%

- Out of this total eyewear import, China accounts for a total of 78% of the imports – thus making it the single largest country exporting eyewear to India

- Thus, there is a significant opportunity in procuring the eyewear from China and reselling to retailers in India

Source(s): Company databases; News articles; Eyewear Market Analysis And Segment Forecasts To 2024, Grand View Research; Deloitte analysis; EIDB; Cybex