

Specsavers takes off in New Zealand : 158% growth

By Specsavers New Zealand

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Great value and Gok Wan's style put Specsavers on the map.

Specsavers New Zealand has posted like for like store sales growth of 158% since entering the marketplace in November 2008. The company has gained a 12.5% market share in just seven months and is aiming to be the leading optometry provider in the Kiwi market by the middle of 2010, mirroring the staggering growth in its Australian operations.

Specsavers assisted local New Zealand optometrists and dispensers to open the first stores in November 2008 and is already showing the same early promise as in Australia, with 23 stores now open across the North and South islands. The recent New Zealand tour by Specsavers style ambassador Gok Wan has also helped to put the business on the map.

Across the Tasman, Specsavers' Australian retail rollout of 172 stores was the fastest the company has ever seen in its 25-year history, during which time it has branched into a total of 10 countries. Specsavers Australia has grown by 325% in the past year of operations – bucking the economic downturn and analysts' projections of a 0.2% contraction in the industry. Specsavers believes it has snatched a 16.4% annualised market share by value from a standing start in February 2008 and is now the second biggest optical retailer in Australia.

Specsavers NZ Managing Director Graeme Edmond said he expected to see the same runaway success in New Zealand.

“We're offering something this marketplace has never seen before; that is high quality, fashionable glasses at an affordable price,” he said.

“By this time next year, we expect to be the number one optical retailer in New Zealand. People might say that's an ambitious goal but we believe it's perfectly achievable. New Zealand has been crying out for this and we believe they are going to take to our product offering with the same enthusiasm that's been seen in Australia.

“When Specsavers initially entered the Australian market, there was scepticism about its potential to take on the major competitors there. Specsavers was saying, ‘We're going to open 100 stores in 100 days’ and people didn't believe growth on that level was even possible – especially once the financial crisis hit. But it happened and they're planning to open a further 50 stores in Australia in the next six months.

“In New Zealand, we plan to have 35 high volume stores open by the end of the year.”

Mr Edmond said the success of Specsavers – a brand previously unknown in the New Zealand marketplace – was a testament to the company's ongoing commitment to driving down the cost of glasses. He said until now, New Zealanders had been paying outrageous prices for glasses and healthy competition in the Kiwi marketplace would help to bring prices down.

“The market here could do with a shake-up and that's exactly what Specsavers is going to do. The optical sector in New Zealand has suffered from lack of competition for years and this has led to complacency about prices and ultimately to people paying far too much for glasses,” Mr Edmond said.

“For years, Kiwis have been paying anywhere from \$500 to \$1000 for a single pair of glasses, which is outrageous!

“At Specsavers, a pair of complete glasses – including single vision lenses – starts at \$79, with two pairs from \$199 and two pairs of designer glasses from \$389. I believe this sort of value is unprecedented in NZ. It means you can now buy two pairs of designer frames and lenses for less than you would previously have had to pay for a single pair of glasses.”

Mr Edmond said another reason New Zealanders had taken to the Specsavers brand so readily was the fact that their low prices were a standard offering available every day.

“People recognise a good deal when they see it and Specsavers is offering market leading deals as part of their normal everyday prices,” he said.

“Lots of businesses will give you a one-off good deal during a sale but I believe we’re the only company that gives you two pairs of high quality glasses for one low price all year round. And we don’t give you one expensive designer pair and then a cheap end-of-line cast-off for your ‘free’ second pair. When you buy two pairs for one price at Specsavers, you can choose any two pairs of equally high quality from that range.

“Specsavers is now offering what I believe is the best everyday deal that’s ever been seen in this country; two pairs of high quality, complete glasses, including PENTAX lenses for just \$199. This is not a one-off promotion – you can get that every day in a Specsavers store.”

Growth in average store sales, like for like, compared with average store sales in November 2008.

Estimate based on Specsavers sales volume measured against the total value of the NZ industry by volume (\$NS280million).

According to report by industry analyst IbisWorld on February 12, 2009

Calculated by comparing Specsavers total sales against the total volume of the Australian optometry industry as measured by the IBISWorld industry report, February 12, 2009.

Based on the total value of the NZ industry by volume (\$NS280million).

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Specsavers is New Zealand's premier supplier of glasses and glasses frames. Site includes store locator, price guide, news, and information about products and services. For more see <http://www.specsavers.com.au>

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