

ENGLISH LEARNING FOR CURIOUS MINDS



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Episode #095

Luxottica & The Man Who Makes The World's Glasses

5th Oct, 2020

[00:00:00] Hello, hello hello, and welcome to English Learning for Curious Minds, by Leonardo English.

[00:00:11] The show where you can listen to fascinating stories, and learn weird and wonderful things about the world at the same time as improving your English.

[00:00:21] I'm Alastair Budge and today we are going to be talking about The Man Who Makes The World's Glasses, and the story of a company called Luxottica.

[00:00:32] I wear glasses, and there's a good chance that you do too.

[00:00:35] The story of how glasses are made and sold is pretty fascinating, and the most powerful person in the world of eyes is a man called Leonardo Del Vecchio, the founder of a company called Luxottica.

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[00:00:50] You might not have heard of Luxottica, but there's a good chance that you have been into one of its shops and bought a pair of its glasses.

[00:00:59] So, without further ado, let's tell the amazing story of The Man Who Makes The World's Glasses.

[00:01:07] Now, if you wear glasses, I don't need to tell you how important they are.

[00:01:12] Depending on whether you are [myopic](#)¹ or [hyperopic](#)², if you are [short-sighted](#)³ or [long-sighted](#)⁴, and depending on how bad your vision is, glasses range from [mildly](#)⁵ useful to absolutely critical for living a normal life.

[00:01:30] Over 60% of the world's population need some form of [vision correction](#)⁶, and this number is projected to continue to increase every year, as we all spend more time inside, looking at small screens and not getting enough natural light.

[00:01:49] Indeed, there was a paper back in 2013 that predicted that over 50% of the world's population will be [myopic](#) by 2050, will be [short-sighted](#) by 2050.

¹ not able to see things that are far away

² not able to see things that are close

³ not able to see things that are far away

⁴ not able to see things that are close

⁵ slightly

⁶ glasses, contact lenses or laser eye surgery

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[00:02:04] This [trend⁷](#) has already started. Over the course of just one generation, double the number of children in secondary school are [myopic](#) vs their parents' generation.

[00:02:16] So, there we go.

[00:02:17] Glasses, or I should say '[vision correction](#)', is incredibly important, and will continue to be ever more so.

[00:02:26] You know this already, but it might surprise you to find out that a large part of the total glasses market, approximately 30% of the global market, but up to 80% in the United States, is controlled by one company, which is mainly controlled by one man, the richest man in Italy, Leonardo Del Vecchio, the real godfather of how the world sees.

[00:02:54] The story of Leonardo Del Vecchio and of Luxottica starts in 1935.

[00:03:01] Del Vecchio was born to a very poor family in Milan, he was the youngest of four brothers.

[00:03:07] His father sold vegetables on the streets of Milan, but he died just before Del Vecchio was born.

⁷ a general development

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[00:03:15] His mother struggled [to make ends meet](#)⁸ for her young family, and so when he was just seven years old, Del Vecchio was sent to an [orphanage](#)⁹, where he stayed until he was 15.

[00:03:29] Aged 15, he was sent to become an [apprentice](#)¹⁰, and he was sent to learn [engraving](#)¹¹ at a tools maker in Milan.

[00:03:38] He soon turned his attention to making parts for glasses, and in 1961, when he was just 25 years old, he moved to a small town called Agordo, to the north of Venice.

[00:03:54] Agordo was small and [isolated](#)¹², and as a way of [encouraging](#)¹³ new businesses to come and set up there, it was offering free land.

[00:04:05] Del Vecchio took up this offer, and built a small factory where he started making parts for glasses in a little company that he called Luxottica.

⁸ to be able to earn enough money to survive

⁹ a home for children with no parents, or whose parents cannot care for them

¹⁰ someone who works for a skilled craftsperson, normally as a way to learn how to do a particular job

¹¹ the skill of designing by cutting into metal

¹² not close to other places

¹³ trying to get others to do something

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[00:04:16] When Del Vecchio started out, glasses were a little different to how they are today. They were much more of a practical purchase, something that your [optician](#)¹⁴ would [prescribe](#)¹⁵ you, then you would just buy them. There wasn't a huge amount of choice, and they certainly weren't fashion accessories in the same way in which they are today.

[00:04:39] Del Vecchio gradually built up Luxottica, buying up [distributors](#)¹⁶ and [retailers](#)¹⁷.

[00:04:46] He recognised that if he only supplied the parts, then firstly he was missing out on a large [chunk](#)¹⁸ of the [profits](#)¹⁹, a large part of the money to be made, and secondly he was really [at the mercy of](#)²⁰ the [distributors](#); one year they could decide not to buy his parts, and he wouldn't be able to sell them.

[00:05:10] He wanted to control everything, and so Luxottica started buying up [retailers](#) all over the world, so it controlled both the manufacturing and the sale of glasses to consumers, to people like me and you.

¹⁴ someone who examines people's eyes

¹⁵ (of a doctor or optician) to say what treatment is required

¹⁶ companies that supply products to shops

¹⁷ shops that sell products to the public

¹⁸ piece

¹⁹ the money that is made after the costs are taken away

²⁰ if you are at the mercy of something, you cannot do anything to protect yourself from it

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[00:05:26] The other thing that Del Vecchio recognised, probably before anyone, really, is the potential of glasses as a fashion accessory.

[00:05:36] He did deals with large fashion houses, first Giorgio Armani in 1988, then Versace, Chanel, and many others, as well as buying up glasses brands, such as Ray Ban.

[00:05:51] Instead of people paying 20 or 30 euros for a pair of glasses, he realised that they could be sold for ten times that if these glasses became a [fashion statement](#)²¹, in the same way in which a watch serves the practical purpose of telling the time, but is also a fashion item.

[00:06:11] Indeed, as a glasses wearer, but certainly not someone who has ‘designer’ glasses, buying glasses is a strange experience and it’s very easy to find yourself spending much more money than you planned on them.

[00:06:28] They might be very expensive for just some plastic and glass, but if you wear them for 16 hours a day, 7 days a week, then it’s easy to see how people can justify spending a lot more on them than they probably should.

[00:06:46] Plus, when you are actually [prescribed](#) them, and it’s a product that you have to have in some shape or form, and if you are in an [opticians](#) owned by Luxottica,

²¹ a piece of clothing that is chosen to make others notice you

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which sells only Luxottica-owned brands, then it's easy to see how this [swiftly](#)²² has become a very powerful business.

[00:07:09] And there is a lot of money in glasses and eye care. They are very cheap to produce and are sold for [vast](#)²³ amounts of money.

[00:07:19] Even the most expensive designer glasses typically cost not much more than €30 to produce, but they can easily be sold for more than €300, ten times the cost of production.

[00:07:33] This has meant that the eyecare industry is now worth 100 billion euros a year.

[00:07:41] The richest [self-made](#)²⁴ female billionaire in the UK is a woman called Mary Perkins, who founded an [opticians](#) called Specsavers. And Leonardo Del Vecchio has become the richest man in Italy, with a [net worth](#)²⁵ of around 25 billion euros.

[00:07:59] So, there's clearly a lot of money in how we see.

²² quickly

²³ very big

²⁴ rich and successful because of what you have done, not because you have been given money by your family

²⁵ the value of your assets

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[00:08:03] But while hundreds of millions of pairs of glasses are sold every year, the biggest prize for Del Vecchio is the proportion of the world's population that need glasses but don't have them.

[00:08:17] It's estimated that over 2.5 billion people should wear glasses but don't, normally because they have no way to get their eyes tested or to buy glasses.

[00:08:29] Similar to companies like Facebook and Google, that are starting to run out of new people in the developed world to start using their services, Luxottica knows that if you need glasses in Europe or in the US, you will probably go to a Luxottica-owned shop and choose from a range of Luxottica-owned brands, so how big they can grow in a country like the US is limited by how many people that country has.

[00:08:59] But if you live in a rural community in India, or Ghana, or Bolivia, then you might not have the means to get your eyes tested, so even if you could buy glasses, you wouldn't know which ones to buy.

[00:09:14] So people just don't buy them.

[00:09:18] Luxottica is investing huge amounts of money in trying to get this '[unglassed](#)²⁶' population [kitted out](#)²⁷ with glasses.

²⁶ without glasses

²⁷ provided with

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[00:09:27] Evidently it knows that it can't sell Gucci glasses for €500 to someone in rural Cambodia, but glasses are so cheap to make that it can still sell them for €5 and get that person into the habit of wearing glasses.

[00:09:45] Because once you start wearing glasses, you are not going to stop, it's a one way ticket. One day you'll buy a more expensive pair, owned by Luxottica of course, or if you decide to wear contact lenses or have laser eye surgery, you'll probably need to buy them or get it done in a Luxottica-owned shop.

[00:10:06] You might be asking yourself - isn't this a bit of a problem?

[00:10:10] If Luxottica owns everything, isn't that a [monopoly](#)²⁸, and isn't that normally a bad thing?

[00:10:18] And yes, you'd be right.

[00:10:19] Luxottica not only had a [monopoly](#) on the glasses [frames](#)²⁹ market [beforehand](#)³⁰, but in 2018 it [merged](#)³¹ with a company called Essilor, which makes the lenses that go in glasses, and also owns a wide range of different [retailers](#), [suppliers](#)³², and companies related to the manufacturing and selling of stuff to help you see.

²⁸ a monopoly is when a company or organisation has total control of a market

²⁹ the part of glasses that hold the lenses

³⁰ earlier

³¹ if a company merges with another, they join and become one company

³² companies that supply products to other companies

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[00:10:46] This created this huge, mega company that controls almost everything that you might possibly want if you have problems seeing. From making the bits that go into the glasses [frames](#) to the lenses themselves, from the websites that compare different prices of glasses to the insurers that pay out for glasses, this huge, 50 billion euro corporation controls it all.

[00:11:15] And this, for those of us that wear glasses or have any problems with our eyes, is probably not a very good thing at all.

[00:11:24] Without much competition, and owning the entire distribution, Essilor Luxottica is free to charge almost what it wants for glasses.

[00:11:34] Imagine you go to a shopping mall to get your eyes checked. You go there, you see that there are 10 different [opticians](#) in the mall, all with different names, and it looks like they have a wide selection of different glasses. Of course, you have your eyes checked, you get a new [prescription](#)³³, and you need a new pair of glasses.

[00:11:56] You're allowed to walk around the shop and find some pairs that you like. Or maybe you don't see any that you like, but you go to the other shop next door with your [prescription](#).

[00:12:07] If everything is ultimately owned by EssilorLuxottica, which it often is, then you don't really have a choice, even though it might seem like you do.

³³ an optical prescription is a piece of paper that details what strength glasses or vision correction is required

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[00:12:19] If you need glasses to see, they aren't a [discretionary purchase](#)³⁴, you can't just choose not to buy them, so you can see why this is problematic.

[00:12:30] Naturally, EssilorLuxottica also sells cheaper glasses, they aren't all €300, but as they control the entire experience they can do everything in their power to push you towards the glasses where they make the most money.

[00:12:47] This is especially the case with the protective coverings that go on glasses.

[00:12:54] If you haven't bought glasses before, what normally happens is that you choose the [frame](#), then you are recommended the right lenses for you, based on your [prescription](#), and you can choose different protective coverings that do things like block out [UV light](#)³⁵ or protect the lenses from [scratches](#)³⁶. These can add up quickly, and it can easily add another €100 or more to the cost of a pair of glasses.

[00:13:24] These protective coverings are, reportedly, the things that make the most money for [opticians](#), and for EssilorLuxottica, as they only cost a few cents to produce, but are sold for 10,000 times that.

[00:13:40] Mad, right? But you don't have a choice - you can't go anywhere else for it.

³⁴ something you buy that you don't need

³⁵ ultraviolet light

³⁶ cuts or damages

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[00:13:46] And it's not just us, consumers, who are getting a **raw deal**³⁷, who are powerless in the face of 'big lens', as it has been named.

[00:13:57] Oakley, the US sunglasses manufacturer, used to sell its sunglasses to sunglasses shops, who would then sell them to consumers.

[00:14:07] When Luxottica bought up one of the largest sunglasses retailers in the US, it ordered all of the manufacturers to reduce their prices. Most did, but Oakley refused.

[00:14:21] So what did Luxottica do? It just stopped selling Oakley sunglasses, it removed them from all of its stores.

[00:14:31] Oakley's sales **plummeted**³⁸, as it just lost one of the main ways that people could buy its glasses.

[00:14:38] Its **share price**³⁹ dropped, and the company was in real trouble.

[00:14:43] So what did Luxottica do? It waited for a few years, then bought Oakley for a **cut-down**⁴⁰ price. Only then did it start selling Oakley sunglasses again.

³⁷ a bad deal

³⁸ fell quickly

³⁹ the price of shares in a company

⁴⁰ very low

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[00:14:54] So, Luxottica, and now EssilorLuxottica is a hugely powerful company that controls the way the world sees, yet only a tiny proportion of its customers will ever have heard of it.

[00:15:09] And in a world where an ever increasing amount of people need its products yet lack the access or financial resources to be able to use them, there is a lot of concern about what's going to happen when one company is allowed to have such a large amount of control over something as important as how we see.

[00:15:32] But whether EssilorLuxottica uses its power for good, by providing lower cost glasses to those that need but can't afford them, or uses it for [ill](#)⁴¹, by [exploiting](#)⁴² its [monopoly](#) and [jacking up](#)⁴³ prices, we will have to wait and see.

[00:15:50] OK then, that is it for Luxottica and The Man Who Makes The World's Glasses.

[00:15:56] I hope it's been an interesting one. Whether you wear glasses or not, I would love to know what you thought of the show. The place for that is our lovely new community forum, which you can get to at community.leonardoenglish.com

[00:16:11] You've been listening to English Learning for Curious Minds, by Leonardo English.

⁴¹ bad

⁴² using in a way that helps you, often at the expense of others

⁴³ increasing prices by a large amount

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[00:16:16] I'm Alastair Budge, you stay safe, and I'll catch you in the next episode.

[END OF PODCAST]

Key vocabulary

Word	Definition
Myopic	not able to see things that are far away
Hyperopic	not able to see things that are close
Short-sighted	not able to see things that are far away
Long-sighted	not able to see things that are close
Mildly	slightly
Vision correction	glasses, contact lenses or laser eye surgery
Trend	a general development
To make ends meet	to be able to earn enough money to survive
Orphanage	a home for children with no parents, or whose parents cannot care for them
Apprentice	someone who works for a skilled craftsman, normally as a way to learn how to do a particular job
Engraving	the skill of designing by cutting into metal
Isolated	not close to other places

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Encouraging	trying to get others to do something
Optician	someone who examines people's eyes
Prescribe	(of a doctor or optician) to say what treatment is required
Distributors	companies that supply products to shops
Retailers	shops that sell products to the public
Chunk	piece
Profits	the money that is made after the costs are taken away
At the mercy of	if you are at the mercy of something, you cannot do anything to protect yourself from it
Fashion statement	a piece of clothing that is chosen to make others notice you
Swiftly	quickly
Vast	very big
Self-made	rich and successful because of what you have done, not because you have been given money by your family
Net worth	the value of your assets
Unglased	without glasses

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Kitted out	provided with
Monopoly	a monopoly is when a company or organisation has total control of a market
Frames	the part of glasses that hold the lenses
Beforehand	earlier
Merged	if a company merges with another, they join and become one company
Suppliers	companies that supply products to other companies
Prescription	an optical prescription is a piece of paper that details what strength glasses or vision correction is required
Discretionary purchase	something you buy that you don't need
UV light	ultraviolet light
Scratches	cuts or damages
Raw deal	a bad deal
Plummeted	fell quickly
Share price	the price of shares in a company

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Cut-down	very low
Ill	bad
Exploiting	using in a way that helps you, often at the expense of others
Jacking up	increasing prices by a large amount

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What did you struggle to understand?

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