

***Characteristics of a Unicorn -
A guide for aspirants***



lenskart

ASSIGNMENT COVER SHEET

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1. Executive Summary

Nearly one-third of the population of India today needs spectacles. So, with the vision to “Give India a vision”, Peyush Bansal founded Lenskart in 2010 along with co-founders Sumeet Kapahi and Amit Chaudhary.

Lenskart is an Indian multinational optical prescription eyewear retail chain, based in New Delhi, India. It is revolutionizing the eyewear industry and operates on both an online and offline distribution platform.

Lenskart offers 5000+ different models of eyewear and offers free home delivery with a 14-day replacement guarantee. The company manufactures everything in the eyewear category, from sunglasses to reading glasses to contact lenses.

In the eyewear sector, there are 3 key success factors: product quality, delivery time, and after-sales support. The value proposition of the brand is straightforward, which is to "deliver a high-quality product at a reasonable price."

Lenskart operates on a Business to Customer concept and controls the entire supply chain, which helps it to keep costs in check by eliminating intermediaries. Though Lenskart started as an online business, it soon realized that customers in India like to touch and feel the product before making a purchase. So, it adopted the Omni-channel approach to expand its scope to offline stores as well.

The total funding of Lenskart is \$554.6 million raised over 10 rounds of funding and its investors are as follows: Kohlberg Kravis Roberts, Temasek Holdings, SoftBank Vision Fund, Kedaara, Chiratae Ventures, T&R, Unilazer, IFC, TPG, Adveq, IDG Ventures.

94.5% of Lenskart's revenue is driven by the sale of its products via physical stores and online apps/websites with the remaining revenue coming from subscription fees. Lenskart is recognised as one of the top 3 optical businesses in India and has served over 10 million people. It is spread over 235 cities in India and has seen a growth of over 200% in the last 2 years.

This splendid growth can be majorly attributed to its services such as the first of its kind “Home eye check-ups”, “First frame is free” offer, “Try at home” scheme and its 3D facial scanner feature.

Lenskart's future seems to be promising as it aims to reach the masses by developing a low-cost franchise model. Through Lenskart Lite, it aims to reach tier 3 and tier 4 cities and further expand itself in tier 2 cities. Its main goal is to close the gap between selected and unselected lenses, and the company plans to open more than 500 stores in the next two years. It intends to open 2,000 stores by the end of the next five years.

2. Introduction

Currently, one-third of India's population requires spectacles. Over 1.5 million (15 lacs) spectacles are sold in India every day. The industry is highly fragmented, with mom-and-pop shops ruling supreme. Since the birth of Lenskart in 2010, the eyewear industry has taken a new direction.

Lenskart is an Indian multinational optical prescription eyewear retail chain headquartered in New Delhi, India, that serves as an eCommerce marketplace for prescription power glasses, BLU glasses, frames, and goggles. Lenskart also focuses on physical stores. Lenskart had 500+ stores in over 40 cities across India as of September 2020. Every month, its Delhi manufacturing unit produces more than 300,000 glasses. The company is also known as a unicorn prescription eyewear company, having entered the coveted club of Indian unicorns in December 2019.

Lenskart is transforming the eyewear industry with the very first 'Home eye check-up.' Lenskart delivers glasses that are accurate to three decimal places using specialized robots.

Lenskart's mission statement says, "Our mission is to give India a vision," as the world's fastest-growing eyewear company and largest presence online.

Lenskart - Name and Logo

The Lenskart logo was created by editing the three most widely recognized frame shapes - a square, a circle, and a triangle - into slightly more abstract forms. The Lenskart logo font was narrowed down to Rajdhani.



3. About Founders

Lenskart was founded by Peyush Bansal, Sumeet Kapahi, and Amit Chaudhary.

Peyush Bansal is the CEO and founder of Lenskart's parent company, Valyoo Technologies.

Valyoo Technologies is an online retailer based in New Delhi, India that sells fashion accessories. It owns and operates e-commerce sites such as Jewelskart.com, Watchkart.com, Bagskart.com, and Lenskart.com.

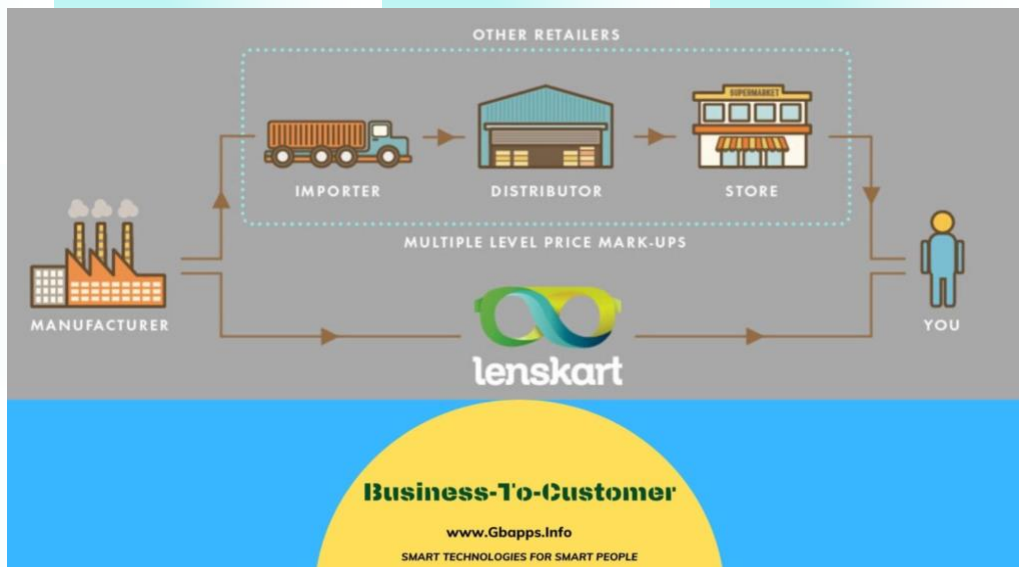
Sumeet Kapahi, another Lenskart co-founder, is the Vice President of Supply at Valyoo Technologies Pvt. Ltd.

Another co-founder of Lenskart is Amit Chaudhary, a former National gold medalist bodybuilder.



4. Business model/strategy

Lenskart operates on an inventory-driven business model with a B2C (Business to Consumer) concept, sourcing equally from India and China. Its in-house stylists and designers keep up with the latest eyewear trends. These designs are then given to manufacturers. The company is able to reduce costs by controlling the entire supply chain.



The Omni Channel Method:

Lenskart began as an online business, but when they realized that Indian customers prefer to touch and feel the product before purchasing a high-involvement product, they switched to the Omni Strategy. Its scope covers online as well as offline interactions with the customer.

The company's strategy focuses on delivering the right product, at the right time, and in the right place. Customer engagement is more important to Lenskart because it allows them to provide their customers with a shopping experience that is tailored to their preferences. Lenskart is attempting to stay close to its customers and build trust by offering a value proposition. Lenskart achieved a good balance by spreading its reach across metro and non-metro areas.

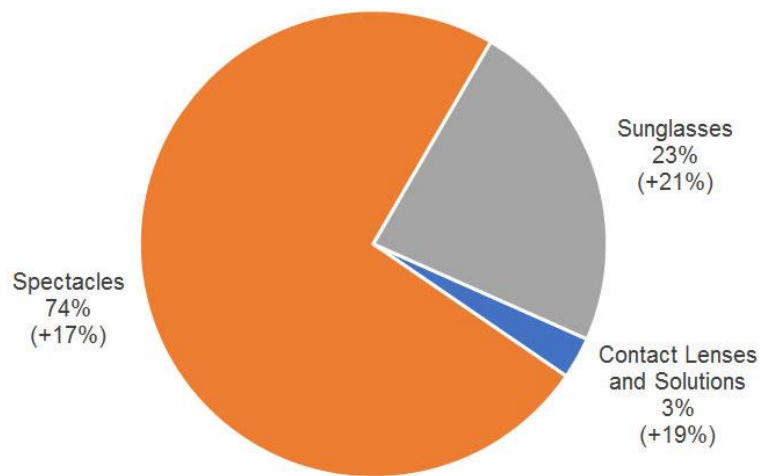


Lenskart currently serves 4000 people a day and plans to increase that number to 200,000 in the coming years. It has a team of over 5000 people to assist with this endeavour, which works across verticals such as manufacturing, eye technicians, customer care, technology, and logistics, and will continue to develop as the company grows.

Target Segment:

Capitalizing on Lenskart's existing image as a cool and trendy eyewear brand makes Millennials (in urban and semi-urban markets) a desirable target market for Lenskart. They want to appear fashionable in their social circles, are open about their likes and interests, and are comfortable making frequent online purchases with their increasing disposable income. Focusing on millennials would help build a whole community around eyewear fashion by influencing and bringing in new customers for the industry.

Eyewear Sales in India in 2017



Figures in brackets indicate year-on-year growth on 2017/2016
Source: Euromonitor

5. Product and Services

Lenskart has over 5000 frames and glasses to choose from, as well as over 45 different types of high-quality lenses. Its product offerings range from -

- Eyeglasses
- Premium Eyeglasses
- Sunglasses
- Shape - Wayfarer, Oval, Rounders, Cat Eye
- Size- Small, Medium and Large
- Brands - Bausch and Lomb, Johnson & Johnson, Alcon
- Colour Contact Lenses, and many more.

Expressions colors lenses



Lenskart's services include the following:

- Facial Analysis
- Eye Check-ups - Both Online and offline
- Customization of frames

6. Funding

Lenskart has raised a total of \$554.6 million in funding over 10 rounds. Their latest funding was raised on May 16, 2021, from a Secondary Market round. The company is funded by 15 investors namely, Kohlberg Kravis Roberts, Temasek Holdings, SoftBank Vision Fund, Kedaara, Chiratae Ventures, T&R, Unilazer, IFC, TPG, Adveq, IDG Ventures.

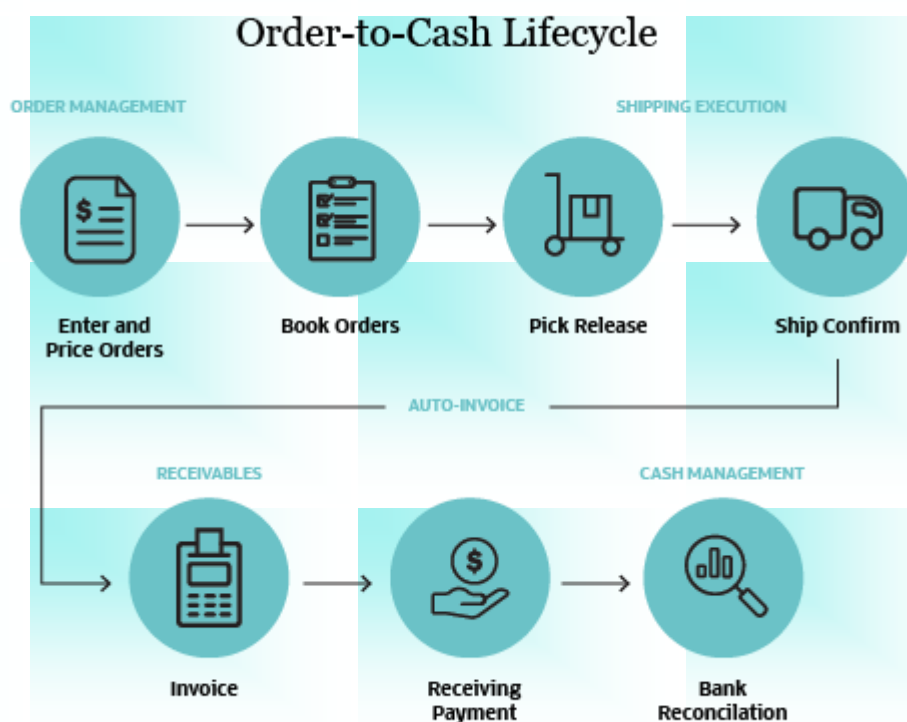
The total funding of Lenskart is \$554.6 million and its funding timeline is as follows:



7. Revenue and Growth

Overall, Lenskart operating revenues witnessed less than 1% growth, which was Rs 900.2 crore in FY20 and became Rs 905.3 crore during FY21.

The sale of Lenskart products via physical stores and online apps/websites is the largest revenue driver for the brand, which was responsible for contributing 94.5% of the revenue. This revenue stream remained relatively flat from Rs 851.2 crore in FY20 to stand at Rs 855.7 crore during FY21. Another 4.6% of the operating revenue of the company was contributed by the recurring revenue generated from its subscription fees, which grew by around 11% from Rs 37.2 crore in FY20 to Rs 41.24 crore during FY21



Some important growth highlights of Lenskart can be summed up as:

- Lenskart is currently recognized as one of the top 3 optical businesses in India
- Lenskart has served 10 million customers
- The company reaches out to over 1,00,000 customers a month
- Lenskart is spread over 235 cities in India
- It has seen a growth of over 200% in the last 2 years

Growth Drivers for Lenskart:



- **“Try at home”** – where customers can choose a maximum of 5 frames and try them at home before making a final purchase. This has led to more sampling by customers.



Lenskart has been doing **1500 checkups a day** and have a conversion of 50%



- Innovative use of technology – developed a 3D facial visualizer where customers can see how the frames will look on them.

8. Features/characteristics

Over the years, Lenskart has grown manifold as a brand and has introduced many features such as:

- Live chat with the customer support team

- Scan product barcodes with the camera.

- Order online and pay cash on delivery.

- Shop from a range of 100% authentic brands

- Book Eye checkup at your own home

- Replace Old Eyeglasses.

- 3D Try On.

- Latest collection with fashionable trends

- Find a frame that suits your style

- Infinite variations and model of Eyewear.

9. Future Plans

"Vision to India," Lenskart India's vision, aims to reach the masses by developing a low-cost franchise model. Lenskart Lite is a model that will assist them in introducing the framework in Tier 3 and 4 cities, as well as expanding their presence in Tier 2 cities. It also introduced disposable contact lenses. With the help of their Aqualens product, Lenskart's goal is to provide affordable and simple eyewear solutions. It would be extremely affordable to the daily masses who want both trends and costs at just Rs.40 per day.

Lenskart India's main goal is to close the gap between selected and unselected lenses, and the company plans to open more than 500 stores in the next two years. It intends to open 2,000 stores by the end of the next five years.

10. Recommendations for “Best Practices”

The success story of how Lenskart became a Unicorn company can be an inspiration for many upcoming High Potential Start-Ups (HPSUs).

- Diversification into Omni strategy – Reachability
- Market Penetration
- Identifying the need of target market – “Vision for India”
- Attractive introductory offers
- Innovative services such as “Home eye check-ups”
- Wide variety of products
- Adopting B2C concept (Saves costs due to elimination of intermediaries)

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