

By Craig Saruwatari, Oakley

90 hours of work: Oakley's ultrapremium C Six shades are made with about 80 layers of pricey carbon fiber.

A price so high you've got to wear shades

Oakley plans a line of \$4,000 sunglasses

By Bruce Horovitz
USA TODAY

For \$4,000, you can land a luxurious week in Europe, an Armani 100% cashmere overcoat or a diamond ring from Tiffany's.

Or perhaps you'd prefer a new pair of sunglasses?

We're not yet out of the worst economic crisis since the Great Depression, but Oakley, the ego-centric sunglasses maker that prides itself on outside-the-box craftsmanship and marketing chutzpah, today will announce plans for a line of \$4,000 sunglasses.

The move comes at a time when the \$200 billion luxury-products industry, once thought recession-proof, is spiraling downward. Luxury-product sales globally are expected to fall a hefty 8% in 2009, projects a Bain & Co. study.

Pooh-poohing all that is Oakley CEO Colin Baden. "Why not go after the Holy Grail of elite sunglasses? It's less a business objective and more Oakley flexing its R&D muscle and thumbing its nose at the other expensive eyewear makers."

The ultrapremium Oakley Elite C Six will sell at almost seven times the price of the \$600 Pit Boss, which had been Oakley's costliest line. Sporting goods gurus and sports marketing experts are hard-pressed to name a pricier line of sunglasses, or to explain why Oakley is launching it now.

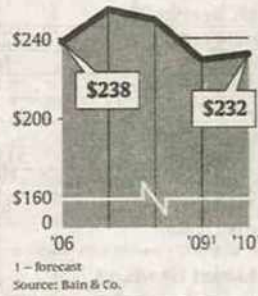
"I could have seen something like this selling three years ago," says John Horan, publisher of *Sporting Goods Intelligence* newsletter. "But conspicuous consumption is out."

Stephen Greyser, sports marketing professor at Harvard University, agrees. "Just how much better can the best sunglass be that it would be perceived to be worth \$4,000?"

Evidently, better enough. "We have guys trying to buy it before

Luxury loses favor

Worldwide spending on luxury goods:
(in billions)



By Julie Snider, USA TODAY

it's out the door," Baden says. One pair was rushed to biking legend and Oakley endorser Lance Armstrong to wear on the last day of this summer's Tour de France. Armstrong declined to comment on the shades.

About 80 layers of costly carbon fiber — a material more common to the aerospace and motor sports industries — are pressed into the frame. The ultracostly material and design make the frames more flexible and comfortable for athletes, says Neil Ferrier, Oakley's advanced product development chief.

Another reason for the high price tag, Ferrier says, is the number of worker hours devoted to them. About 90 hours of machine time go into crafting each pair, he estimates.

Oakley will limit the line to 200 pairs over the next year. They'll be sold at Oakley retailers and designer sunglasses boutiques. The target customer, Baden says, "is the guy who doesn't blink at spending \$300,000 on a car."

But he doesn't expect to make money on the line. "We're doing this because it's brand-positive. It's Oakley being Oakley."

One luxury-market expert even predicts strong sales. "There's pent-up demand for exclusive luxury products," says Milton Pedraza, CEO of the Luxury Institute, a consulting firm. "They could sell out quickly."