George Kwan – Managing Director (Hong Kong & Macau), Hoya Lens



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George Kwan, managing director of Hoya Lens, one of the first contact lens manufacturers in Hong Kong, introduces recent new innovation introduced to the market, public sector collaboration, and future strategy.

George, could you start by introducing Hoya Lens Hong Kong to our international audience?

Hoya Lens Hong Kong was established in 1978 so we have been here for 40 years now. We were actually one of the earliest established lens manufacturer in Hong Kong. Today, we serve all optical retailers in Hong Kong (around 1,200 shops) and Macau (around 80-plus shops).

Hoya Lens Hong Kong is also interesting because we are an 'all-in-one' affiliate: we have sales and marketing, Rx laboratory, and warehouses, which is why our head office is based in one of Hong Kong's industrial zones. We also have two other service centers in more touristic locations like Tsim Sha Tsui and Causeway Bay to serve tourists.

I am extremely proud because Hoya Lens Hong Kong has the largest market share in optical lens, and in particular, we are leaders in progressive lenses and other high-value products. This is our company's main objective and we have been in this market-leading position for a number of years

now.

A piece of market research done in 2015 awarded us a few achievements, namely the Most Reliable Progressive Lens in Hong Kong, Highest Quality of Progressive Lens, and Most Technology Advanced Progressive Lens. These is a testament to the excellence of our core business. We are committed to building on our success with additional product launches to deliver more value to our clients. If you can deliver value to retailers and consumers, they will be very happy to buy your products.

What new innovations and products has Hoya Lens introduced to Hong Kong recently?

The past few years have been particularly interesting for Hoya Lens Hong Kong. Following our global acquisition of Seiko Optical Products Co. Ltd. in 2014, Seiko Optical Products became a consolidated subsidiary of Hoya. Our global direction is to finish all of Seiko's previous distributorship and go for direct sales in January 2019. Including the Pentax brand we launched in 2016, we now have three brands on hand.

While Hoya, Seiko and Pentax are all Japanese brands, they all have different market positioning and value propositions so they form part of a complementary portfolio. Hoya, as our flagship brand, has been very well-established in Hong Kong as a value-added product for the mid- and high-level market, and particularly for progressive and functional lenses. We launched Pentax at the mid-low level market with a focus more on independent optical shops that are not in the city center. The new Seiko branding, or what we call Seiko 2.0, will be positioned at higher than Hoya, with more premium, tailor-made products. Each brand has its own strength and market channel.

In addition, this year, we launched an amazing product for myopia control called MyoSmart, which is our first product in this category. What is even more exciting is that this product was developed in Hong Kong itself through a collaboration with Hong Kong Polytechnic University (PolyU), and it even won the Grand Prize at the 46th International Exhibition of Inventions of Geneva in 2018, marking the third time a Hong Kong innovation has won the highest prize at the conference. We were honored to be able to meet Hong Kong Chief Executive Carrie Lam as a result of this win. Having launched this market in Hong Kong in July, we have already received extremely good feedback from the market. In addition to this, we have already received many requests and product enquiries from other markets like Canada, Australia, the UK and so on.

Hong Kong and mainland China are the pilot markets for this new innovation. In Hong Kong, we have initially selected around 150 stores to begin selling this product, mainly targeting eye care clinics, myopia control centers and specific optical shops with more experience in dispensing and eye examinations, to ensure that children using this product can receive the best eye care and expert advice.

Myopia is a major concern in Asia, especially as it has been estimated that 50 percent of the population in the world will suffer from myopia by 2050! There is clearly a great need. Hoya has plans to launch MyoSmart in more markets globally by 2019 and we are proud that Hong Kong was able to develop such an important and innovative product.

How did Hoya Lens manage to collaborate with Hong Kong PolyU to develop and commercialize this product?

The entire story started because I met with one of the professors at PolyU at an industry event, who told me about their success in applying ‘myopic defocus theory’ for myopia control in contact lenses. Due to this success, they had the intention to further apply this theory to optical lenses, especially for children who do not wear contact lenses. To improve public quality of eyesight, I coordinated and organized meetings between our R&D team and Hong Kong Poly University professors to see how we can work together on a solution. That was nearly seven years ago so I was very happy when this product was launched – it was like my baby being born.

The lenses comprise of a central optical zone for correcting refractive error and multi-segments of constant myopic defocus surrounding the central zone extending to mid-periphery of the lens. It provides clear vision and myopic defocus for vision correction simultaneously for the wearer at all viewing distances. In doing so, the lens makes use of the natural homeostatic mechanism known as ‘emmetropization’, whereby the eyeball adapts and shapes to receive focused images as it does for normal vision.

What is amazing is that the project could kick off in Hong Kong. The researchers conducted two years of clinical trials in 160 Chinese children here in Hong Kong, and showed that the spectacles can slow down myopia progression by 59 percent, one of the best results in optical lens. Another huge advantage is that this technology is non-invasive, compared to existing myopia control options like orthokeratology or eye drops, which is particularly important for children.

Subsequently, to ensure a smooth product launch, we worked extensively with PolyU and our global team to develop a suitable protocol for this product, because dispensing is completely different. We suggested a six month revisit/review frequency so eye-care practitioners (ECP) can track prescription changes, and also set up ECP and end user guidelines for correct product usage. We have also invested in building up our own internal capabilities to ensure that we can launch this new product successfully.

What are your strategic priorities for maintaining Hoya Lens' market leadership position and growing the business further in Hong Kong?

I am proud that Hoya Lens has performed very well in the past year. Looking towards the future, Hoya Lens Hong Kong has four pillars of growth.

Firstly, we will continue to cement our leadership position in our core business of progressive lenses. This will continue to be a great need in Hong Kong due to the aging population, as well as government initiatives like the Health Care Voucher, which awards every elderly person over the age of 65 years a voucher worth HKD 2000 (USD 255) to be used on healthcare-related services and products. In 2017, 15 percent of this healthcare voucher scheme was used within the optical industry! In addition, with the changing lifestyles of consumers, particularly the extended usage of digital devices; more people pursuing active lifestyles involving outdoor sports; and a more affluent and growing middle class, functional lenses are becoming more and more popular, so we have launched a few products in recent years such as optical lenses for driving and for viewing digital screens.

Our second and third pillars are our new brands, Pentax, and MyoSmart, as discussed.

Finally, our fourth pillar comes from a very interesting new market dynamic, which is the introduction and growing popularity of fast-fashion optical chains from Japan, like OWNDAYS, Zoff and JINS, who have recently started to expand their presence in the rest of Asia. These companies offer new, fashionable and very affordable optical lenses and glasses packages, which really appeal to the younger consumers. Looking at Singapore as a case study, for instance, within three years of Owndays's entry into the market, they opened 26 stores and become the market leader in Singapore! Previously, the only players in Hong Kong were eye care clinics, chain stores and independent stores, all of which are more traditional retailers, so this is definitely a disruptive market trend, which will bring both opportunities and challenges. For instance, these chains often invest in advertising and marketing, which will boost the overall awareness and image of the

industry. However, their lower prices will increase competition and also perhaps change the consumer’s perception of more premium, higher-quality lenses.

As Hoya pursues a multi-brand strategy in Hong Kong and with our group’s operational capabilities, acquired through various corporate acquisitions in recent years, we can also offer OEM or private-label manufacturing services to these fast-fashion optical chains. This would be the fourth pillar of our business.

Finally, as an experienced managering director that has brought Hoya Lens to number one positioning in Hong Kong and now with exciting new brand launches to come, what are some management tips you would like to share?

When it comes to running a company, people are the top priority. Today, we have around 90 employees and I am proud of the commercial team we have here, as they are young, energetic and very committed to Hoya. I invest in and train them personally, because talent development, and particularly developing the second tier, is critical. I also like to expose them to the larger picture, so I bring them with me to visit optical fairs, and also to our main manufacturing facility at our business division headquarters in Thailand. I remember that as a salesman, I was so amazed on my own visit there, and it gave me the confidence that our products were truly high-quality, which I was then able to convey to potential clients.

To my sales people, I always say: you are not selling Hoya lenses or a product, but yourself. The customer needs to trust you. No matter what you are selling, if the customer trusts you, then they will buy from you.

My personal journey through Hoya has been very rewarding. I joined initially as a marketing assistant, the entry position in the company, and moved up through different departments to eventually become managing director in 2009. I attribute this to my willingness to try new things and take up new opportunities. When offered a new role or new responsibilities, I never say, ‘this is none of my business’, because that is how new opportunities come.

This is my key sentence in my life: do the best preparation and the worst forecast, because you never know what will happen tomorrow!

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