



The Smart Glasses Gold Rush, Explained

Meta's \$3.5 billion investment in EssilorLuxottica is the clearest sign yet that some of the biggest names in tech and eyewear see smart glasses as a commercially viable category with a long-term future.

By Marc Bain



The future of smart glasses is looking so bright that Meta went out and bought itself some shades.

The social-media company — and, increasingly, tech hardware player — has acquired just under 3 percent of eyewear giant EssilorLuxottica for \$3.5 billion, according to a **report this week by Bloomberg**, and could increase that stake to 5 percent over time. EssilorLuxottica is the parent company of Ray-Ban and Oakley, which Meta has partnered with to create smart glasses that incorporate audio, video and now AI features such as live translation into the brands' well-known frames.

The move is the clearest sign yet that the biggest names in tech and eyewear see smart glasses as a commercially viable category with a long-term future. After a decade of false starts by the likes of Google, Snap and others that long made it seem that they would never be more than a novelty item, the glasses are finally winning over a significant, and still growing, number of consumers.

"The investment should be read as a vote of confidence in EssilorLuxottica in the smart-glasses opportunity," Bernstein analyst Luca Solca wrote in a research note.

There's still a long way to go before smart glasses can genuinely be called a widespread device, of course. In the US, between 3 percent and 5 percent of adults own any kind of AI wearable, according to Bain & Company.

But the momentum of the last year has given companies hope that they could finally be moving from fantasy to reality, and it's clear they're not about to pass up the opportunity. The space has seen a flurry of activity in recent weeks as tech players have announced new plans and new deals with eyewear makers to bring their visions for the category to life.

What's happening in smart glasses?

Meta and EssilorLuxottica had been growing closer for months before this week's investment. In June, the two companies **expanded their partnership to EssilorLuxottica's Oakley brand**, introducing a new line of what they called "performance AI" glasses aimed at Oakley's audience of athletes. **CNBC also reported** that Meta is working on a line of smart glasses with Prada, whose eyewear EssilorLuxottica holds the license to produce, though details have yet to be revealed.





And Meta isn't the only tech giant with its eye on the category. In May, Google signalled its intent to make a big push into smart glasses by announcing partnerships with Warby Parker, Gentle Monster and Kering Eyewear, which makes glasses for Kering brands including Gucci, Bottega Veneta and Balenciaga, as well as other labels such as Cartier, Alaïa, Maui Jim and Puma.

Google had already been working with Samsung on smart glasses, and while it hasn't yet shown what any of the glasses from these new partnerships might look like, they will be built on its **Android XR platform**, which mixes AI and extended reality, meaning digital text and images that appear in the wearer's field of vision — something Meta is working on but has yet to introduce in its EssilorLuxottica products. The launches are planned for after 2025.

In a sign of Google's seriousness, **it's also investing up to \$150 million in Warby Parker**, representing a roughly 5 percent stake based on Warby's current market capitalisation, half of which it's fronting to the company for product development and bringing goods to market and the remaining half being additional investment in Warby Parker. (It is also reportedly investing up to \$100 million in Gentle Monster, though neither company has confirmed the investment.)

The smart-glass landscape is consequently shaping up to be a battle between Meta and Google, each with their own eyewear partners, though other contenders look set to emerge. Apple is planning its own AI-powered smart glasses for 2026, **Bloomberg reported** in May, while China's Xiaomi, a large maker of consumer electronics and electric vehicles, has unveiled its own take on the device. Snap hasn't found success with its previous smart glasses but continues to invest in the technology.

OpenAI, which recently **acquired the AI device startup of former Apple designer Jony Ive** for \$6.5 billion, is the rare big tech player that doesn't seem to be interested in making smart glasses: Co-founder Sam Altman has made clear that their product with Ive won't be a pair of glasses.

Others that have yet to announce plans might just be working quietly for now.

"We would not be surprised to see new entrants soon, with joint development and marketing efforts by players like Apple, Samsung, LVMH/Thelios or Safilo just fostering the advent of smartglasses as mass-market products," Jefferies analyst Julien Dormois wrote in a July 9 research note.

What changed the outlook on smart glasses?

One reason for the activity right now is clear: **The surprise success of the second generation of Ray-Ban Meta glasses** created confidence that consumers will actually buy smart glasses — if they're done right.

The glasses preserved the look of classic Ray-Ban styles like the Wayfarer while adding features that made them useful. People use them to listen to music, take phone calls, snap pictures, record video, live stream to Instagram and hear live translations of other languages, so far including English, Spanish, French and Italian.

As of February, more than 2 million pairs of the glasses had sold since their late-2023 debut, Francesco Milleri, chairman and chief executive of EssilorLuxottica, said on an earnings call that month. He added that the company would scale production to 10 million units annually by the end of next year.

The results have given Meta — and others, like Google — reason to invest more in smart glasses.

"If you have a proof point in scale, that tables a lot of risk," TD Cowen analyst Oliver Chen, who covers Warby Parker, said in an interview.

Though that may not be the only reason for the rush now. "It's a bit of a race to leverage the AI models," Chen said.





The rapid advance of AI has enabled companies to augment their glasses with more abilities. **A recent Bain survey** found that three of the top four uses of the Ray-Ban Meta glasses involved generative AI, namely general information searches, getting tailored recommendations and identifying locations or products. The AI is far from perfect at this point. **Wired** documented its difficulties with translating last year, for instance. But as AI improves, companies will likely leverage those capabilities to add even more features to convince shoppers to buy a pair.

How big is the market for smart glasses?

Smart glasses are still very much in their infancy. In terms of dollars, they remain a niche business. For EssilorLuxottica, which generated €26.5 billion (about \$31 billion) in revenue in 2024, even selling 2 million pairs of its Meta Ray-Ban glasses for \$299 to \$379 apiece amounts to a drop in the bucket.

That could change. Bain estimates that adoption of AI wearables, including smart glasses, by US adults could rise from between 3 percent and 5 percent around the start of 2025 to 10 percent or higher by the end of the year, thanks largely to products like the Ray-Ban Meta glasses.

By 2030, Chen of TD Cowen estimates that the total addressable market of smart glasses could be \$2 billion to \$4 billion in the US alone.

Companies will each be fighting for their share. Chen pointed out that what could separate the winners from losers is how effective their AI features are and factors like their synergies with existing apps. It will also matter how they segment the marketplace. Different companies will offer different fashion propositions, and there's also the possibility that one might corner the market for leisure and entertainment while another could emphasise B2B uses, much like what happened in the initial development of the smartphone landscape.

"Is there a BlackBerry relative to Nokia, and then does it all converge later?" Chen said.

That convergence would be something like the iPhone of smart glasses, which may or may not ever emerge. But plenty of companies are now racing to build it.

