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TRADE LENS

Focus on investment.

LENS INSIGHT / No.15

AI EYEWEAR | Hardware, optics and platform economics

# The AI Glasses Era

## Who Captures the Value: Samsung, Google or Eyewear Brands?

From device sales and lenses to the cost of continued AI use

### Device
Supply price is not retail price

### Optics
Incremental lens and channel value

### Service
Value after the recurring cost

**The first payment and the lasting profit do not necessarily go to the same place.**

Assess customer access, contracts, retained usage and cash—not technology leadership alone.

Analysis date 2026.11.14

TRADELENS.KR

Industry structure, competitive advantage and monetization

01 / RESEARCH VIEW

# Retail monetizes first; lasting value depends on use

TradeLens view | Link cash earned at sale to costs incurred during use.

**Core conclusion**

Brands with prescription lenses and customer access are better placed to monetize early demand. Sustainable AI-eyewear profit, however, requires continued wear and revenue left after returns, support and inference. Platform control alone does not guarantee recurring earnings.

Samsung and Google are connecting fashion, optics and mobile services, not merely adding another device. Their new collection is at the pre-order stage. Attention before general availability and partner funding are not evidence of successful consumer sales. [1] [2] [4]

| Participant | Nearest monetization route | What determines the outcome |
|---|---|---|
| Eyewear brands / retail | Frames, lenses, fitting and services | Net price, incremental lens profit, returns and repeat purchases |
| Samsung / device suppliers | Technology, components, manufacturing and supply | Contract receipts, yield, warranty/support and firm orders |
| Google / AI services | Potential uplift in existing services and paid conversion | Incremental monetization, active users, inference and fixed costs |

The base case is differentiated profitability, rather than one company capturing the entire profit pool. Retail can monetize earlier, but hardware competition can compress contribution. Platforms gain a new service interface while taking on continuing compute costs.

**Evidence that would change the view**

Persistent use, low returns and paid conversion together would strengthen the recurring-service case. If growth depends on discounts, development reimbursements or channel inventory, shipments alone do not establish profitability.

02 / LAUNCH & PRODUCT SCOPE

# Pre-orders begin; the earnings test comes later

Confirmed timing and product scope | As of 14 November 2026

**May 2025**

### Partnership announced

Google announced Android XR eyewear collaboration with Gentle Monster and Warby Parker. [8]

**May 2026**

### Categories separated

Audio and display glasses were presented as different types; their features are not a single launch configuration. [9]

**12 Nov 2026**

### Pre-orders begin

Samsung, Google and the eyewear partners announced timing and commercial configurations. [1] [2]

**10 Dec 2026**

### Planned availability

Both collections in the U.S.; Gentle Monster also in Korea. This is a future launch, not current sell-through. [1]

| Category | Different demand and cost drivers |
|---|---|
| Everyday AI audio / camera | Weight, fit, calls and visual assistance; electronics must coexist with optical fitting and design. [1] |
| Display eyewear | Optical displays, prescription compatibility and yield add complexity; audio-only economics do not transfer unchanged. [6] [9] |
| Wired XR eyewear | AURA uses an external compute unit and targets spatial work/content. Do not treat it as the same everyday product. [10] |

Pooling every product called “smart glasses” can distort market size, pricing and component demand. This report focuses on everyday AI eyewear; display and wired XR devices are comparators, not interchangeable units.

**What this launch establishes**

Market entry is not habit formation. Move the evidence standard from orders to delivery, activation and continued wear.

03 / VALUE CHAIN

# One consumer payment is not several profit pools

Economic structure | No undisclosed partner revenue split is assumed.

**Consumer**
Device and lens payment

›

**Brand / retail**
Supply, optical and service costs

›

**Supply chain**
Components, assembly, warranty

The retail price is neither Samsung revenue nor Google income. Contracts determine the receipts and obligations of the retailer, hardware provider, lens processor and platform. Adding transactions along the same supply chain double-counts final spending and confuses revenue with value added.

| Cash flow | Boundary | What to examine |
|---|---|---|
| Device receipts | Retail and supply prices differ | Discounts, channel fees, defects and returns |
| Lenses / fitting | Exclude displaced legacy purchases | Incremental attachment, remakes and service |
| Development / equity funding | Not product sales or end-user demand | Recognition, collection, conditions and capital |
| Services / subscriptions | Separate new value from shifted usage | Incremental revenue, sharing, inference and support |

Google reimbursement lowers Warby Parker's burden without eliminating system-wide expenditure. It is not new customer revenue for both counterparties. The same reasoning applies to co-marketing support and sales incentives. [4]

**Key distinction**

Who receives the first payment is less important than who retains cash after costs and risks. Public evidence supports a map of roles, not a definitive ranking of undisclosed contract margins.

04 / MARKET EVIDENCE

# Commercial demand is visible; standalone profit is not

Do not use different disclosure scopes as interchangeable margin measures.

**€7,486m**
EssilorLuxottica Q3 group revenue [5]

**+20%**
Wearables revenue, constant FX [5]

**54.4%**
Warby Parker group gross margin [4]

EssilorLuxottica's Q3 revenue grew 9.0% at current exchange rates and 7.2% at constant rates. The 20% wearables growth includes AI glasses and Nuance Audio. It is neither a particular AI model's volume growth nor its operating margin. [5]

| Evidence | What it supports | What it does not establish |
|---|---|---|
| Existing wearables growth | Commercial demand exists | A new rival will sell at the same rate |
| Warby Parker group results | An existing optical business base | Unit margins on new AI eyewear |
| Samsung / Google pre-orders | Product, channel and price specificity | Targets achieved or profitable scale |

Meta and EssilorLuxottica announced camera-free audio eyewear alongside a new Ray-Ban Meta generation in September. Competition is spreading across use cases, brands and price positions, not only features. Entrants must challenge established customer access as well as product breadth. [6]

> **Analytical baseline**
> Legacy brands and distribution are starting assets. Applying a group margin directly to a new electronic product can omit manufacturing, return and continuing AI costs.

05 / BRAND, PRICE & DISTRIBUTION

# The price difference is not just a technology difference

Announced U.S. prices | Configurations and options differ; not a like-for-like margin comparison.

**Warby Parker**

**From US$395**

Announced starting price [1]

**Gentle Monster**

**US$449–489**

Announced model range [1]

Even within the same technology partnership, consumers can choose on design, fit, prescriptions, lens options and adjustment service. Price differences are not proof of margin differences. Components, contracts and selling costs must be scoped first.

| Discover / try | Buy / customize | Keep / replace |
|---|---|---|
| Brand trust and stores | Prescription, width, lenses | Fitting, service, upgrades |

Google identifies demos at more than 360 Warby Parker locations and prescription options for most Gentle Monster frames. AI demonstrations meet an existing optical consultation journey. [2]

| Distribution benefit | Associated burden |
|---|---|
| Explaining fit and use lowers adoption friction | Demonstration staff, training and display stock |
| Prescription and fit personalization | Processing, remakes and exchange handling |
| Access to existing customers | Possible displacement of high-margin conventional eyewear |

**The brand-profit question**

Examine net price after discounts and consultation/return costs, not premium positioning alone. Store count measures potential access, not AI-eyewear sell-through.

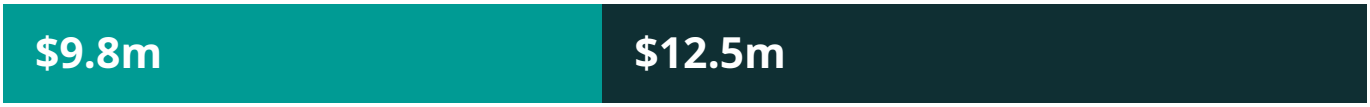
06 / WARBY PARKER CASE

# Funding transfers the burden; it does not prove demand

Filing evidence | Separate commitments, expense reimbursement and cash collection.

Google committed up to $75m for development/commercialization. A further equity investment of up to $75m is at Warby Parker's option and subject to collaboration milestones. These are commitments, not fully paid cash or product revenue. [4]

**Cumulative reimbursable costs: $22.3m [4]**




**Collected 43.9%** **Outstanding 56.1%**

At 30 September 2026 · incurred costs versus cash collected

In Q3 2026, $12.7m of reimbursable costs offset SG&A. Of $22.3m incurred cumulatively, $9.8m had been collected and $12.5m remained outstanding. Expense matching is not cash receipt. [4]

| Item | Interpretation |
|---|---|
| Expense reimbursement | Read with the corresponding costs. Removing the offset alone does not produce a normalized profit figure. |
| Uncollected reimbursement | A funding-timing exposure remains before collection; not the same as ordinary sales receivables. |
| Equity commitment | A capital route, not product earnings. Separate options, milestones and execution. |

The arrangement shows a platform's incentive to support an eyewear brand's development and market entry. After support ends, incremental device, lens and service contribution must still cover fixed costs. Test contractual support and independent economics together before treating temporary cost relief as a durable advantage.

> **The commercialization test**
>
> Economics ultimately depend on what customers keep paying after launch, not the announced funding ceiling. Partner support lowers entry costs; it cannot replace demand.

07 / SAMSUNG & DEVICE ECONOMICS

# Integration creates opportunity; contracts decide profit

Link design, components, manufacturing and service without assigning retail revenue to Samsung.

Samsung describes Snapdragon AR1 Gen 1, split processing with a smartphone, and integrated camera, audio and battery design. These roles highlight power and thermal constraints in lightweight frames, not disclosed supply prices or partner margins. [1]

| Stage | Value-creation condition | Profit risk |
|---|---|---|
| Design / validation | Balance functionality and comfort | Redesign, certification and development costs |
| Manufacturing / supply | Good yields and stable orders | Frame-specific inventory and compatibility |
| After-sales operation | Low defects, returns and support demand | Battery aging, replacement and software support |
| Ecosystem linkage | Greater value from existing devices/services | Cross-device compatibility can weaken lock-in |

Shared electronics across brands can spread engineering cost and support component scale. But more frames can fragment finished-goods inventory. Assess platform efficiency and model-level inventory risk together.

Placing workloads where they are most efficient can ease battery and heat constraints. Moving computation from glasses to a phone or the cloud does not eliminate system-wide cost. The next question is which counterparty bears it.

> **Judgment**
>
> Manufacturing capability is necessary, not sufficient. Without firm orders, supply prices, yields and warranty costs, technical leadership cannot be converted into an assured high margin.

08 / GOOGLE & RECURRING VALUE

# More use creates value—and a continuing compute bill

Platform economics | Distinguish monetization evidence from strategic options.

**Active users**
Use, not unit sales

›

**Assistance / actions**
Apps and service engagement

›

**Incremental value**
New payments and retention

Extending Gemini and Google apps into a hands-free interface has strategic value. Announced integrations do not establish a standalone subscription, advertising stream or per-device license fee. Separate usage shifted from phones from genuinely incremental receipts. [2]

| Possible route: TradeLens analysis | Evidence required |
|---|---|
| Retention / conversion in existing paid services | Incremental subscriptions and churn versus a comparison group |
| Actions and transactions | Completed activity and contractual platform take |
| Paid AI service | Actual prices, conversion, retention and support cost |
| Enterprise services / partnerships | Recurring contracts, cost allocation and collections |

Assuming every camera view can become advertising revenue conflicts with the stated policy. Google says Gemini camera visuals are not used for AI training or ad targeting. Distinguish these visuals from chat history/settings and photos a user deliberately saves to the gallery. [3]

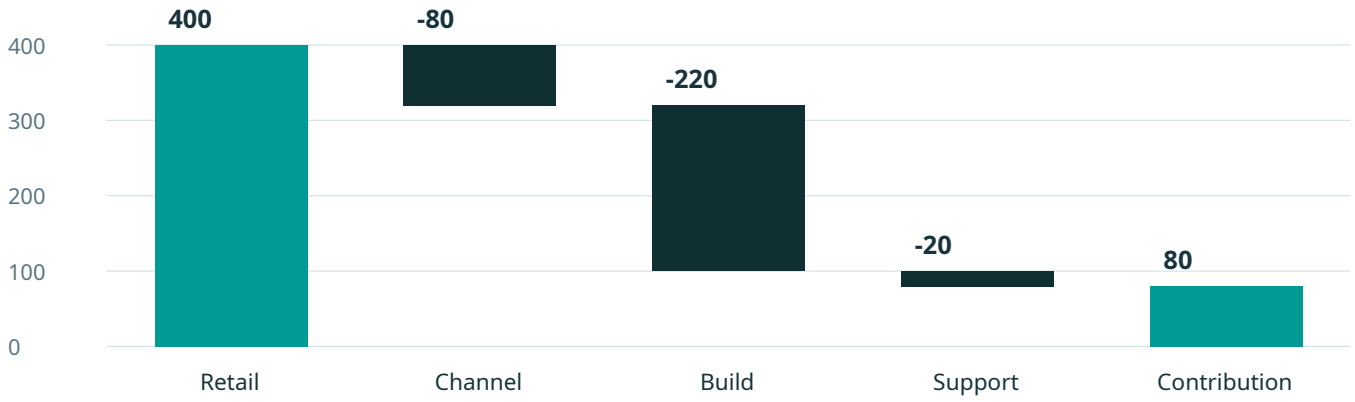
> **The recurring-income condition**
> A better measure is incremental value per active user after inference, support and distribution payments. More time spent is not automatically more profit.

09 / HARDWARE SENSITIVITY

# A 10% discount can cut unit contribution by 40%

Illustrative assumptions | Not actual product costs, fees or company earnings estimates.

Assume one analytical brand/device operator: pretax retail price $400, a 20% channel charge, $220 of components/manufacturing and $20 of variable support/warranty cost. Contribution is before R&D, corporate fixed costs and tax; separate ongoing AI costs are excluded.




USD/device · illustrative assumptions

| Price condition | Operator receipts | Unit contribution | Units to cover $20m fixed cost |
|---|---|---|---|
| Base: $400 | $320 | $80 | 250,000 |
| 10% discount: $360 | $288 | $48 | About 416,667 |
| 20% discount: $320 | $256 | $16 | 1,250,000 |

A 10% retail discount reduces contribution by 40% and raises break-even volume by about 66.7%. Unless additional demand closes the gap, higher market share can coexist with lower business profit.

**Use and limitation**

Fixed supply prices, per-unit fees or revenue-sharing contracts would change who absorbs the pressure. This is a tool for identifying the relevant contract variables, not an allocation of actual partner profit.

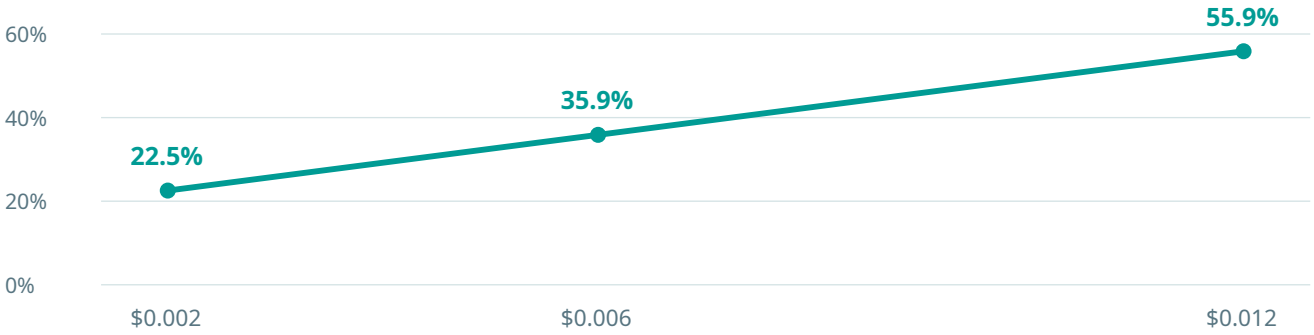
10 / AI SERVICE SENSITIVITY

# Paid conversion must be read alongside usage and cost

Illustrative assumptions | Not actual Gemini prices, costs, conversion or guidance.

Assume 100,000 activated devices, a 70% monthly-active rate, 10 queries per active user per day and 30 days per month: 70,000 users generate 21m queries. Net monthly receipts per paid customer are $9 after fees; other fixed operating costs are $100,000 per month.

**Break-even paid share of active users**




X-axis: variable cost per query · illustrative

| Variable cost/query | Compute/month | Break-even paid share | Monthly result at 20% paid |
|---|---|---|---|
| $0.002 | $42,000 | 22.5% | -$16,000 |
| $0.006 | $126,000 | 35.9% | -$100,000 |
| $0.012 | $252,000 | 55.9% | -$226,000 |

Break-even paid share = (compute plus other fixed cost) / (active users × net receipts per paid user). The denominator is active users, not all devices sold. Cost per query is an assumed blended variable cost across processing locations.

**Economic meaning**

Usage can demonstrate utility while still increasing losses without monetization. Free/paid feature design, on-device processing, pricing, bundles and incremental existing-service profit must work together.

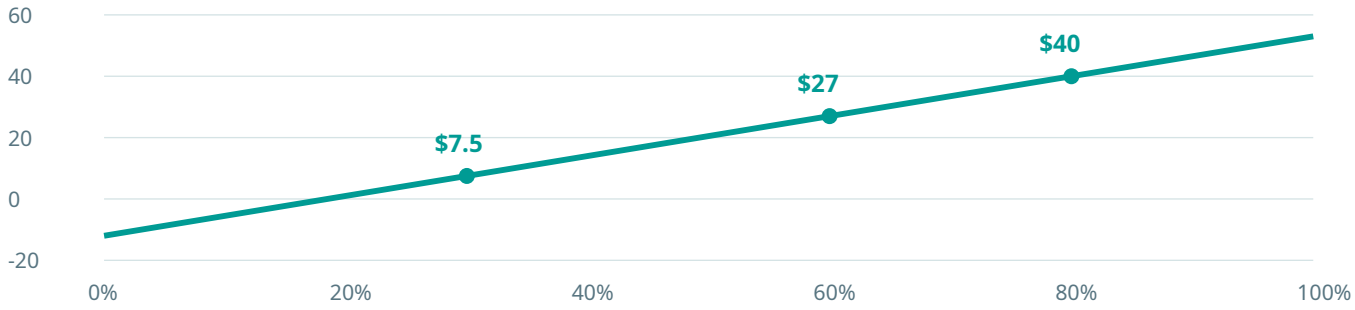
11 / OPTICAL ECONOMICS

# Lens value depends on attachment and displaced profit

Optical capabilities | Connect attachment, processing, fitting and exchanges.

Meta and EssilorLuxottica expanded prescription-first frames, adjustability and optical distribution. This puts vision correction and prolonged wear into the design, rather than treating the product purely as electronics. [7]

### Incremental optical contribution per device




X: lens attachment · Y: USD/device · illustrative

| Incremental lens-option attachment | Added contribution per device |
|---|---|
| 30% | $7.50 |
| 60% | $27.00 |
| 80% | $40.00 |

Assume $120 incremental net lens revenue, $55 additional materials/processing and $12 extra consultation/support on every device. Contribution = attachment × $65 - $12. Frame profit, fixed costs and tax are excluded. These are not estimates of actual lens prices or brand margins.

The relevant value is incremental contribution, not all lens revenue. Subtract displaced profit when AI eyewear replaces a conventional prescription purchase. Limited lens reuse on returns, or a shorter electronics life, can create further remake and replacement costs.

> **Value capture**
>
> Optical fitting combines repeat-purchase potential with control of avoidable defects. Independent optical channels can capture contribution; technology firms do not automatically receive the lens revenue.

12 / ADOPTION & TRUST

# Continued everyday wear is harder than the first sale

Social acceptance and quality are costs—and preconditions for revenue.

| Validation stage | Evidence | Economic channel |
|---|---|---|
| Delivery to activation | Compatibility, setup completion, return reasons | Cancellations and support-center cost |
| Activation to sustained use | 30- and 90-day cohort retention | Paying base and recurring compute |
| Use to repeat value | Useful task success and latency | Upsell, churn and repurchase |
| Personal utility to social acceptance | Recording indicators, complaints, restricted places | Usable contexts and brand trust |

Blocking recording when an indicator is obscured and redacting bystanders' faces before Gemini processing are more than presentation features. They can expand the contexts in which consumers feel able to wear the device. These are design/policy statements, not guarantees against all misuse. [3]

Google Play policies restrict camera use for social live-streaming and real-time facial identification. The analysis therefore does not assign value to unrestricted visual collection for advertising or data sales. Excluded monetization paths matter as much as potential ones. [3]

> **Minimum evidence for profitable growth**
>
> Look for deliveries alongside stable net returns, retained usage and controlled support costs. Units alone do not reveal which optical, hardware or platform participant earns more.

13 / KOREA & SUPPLY CHAIN

# Korean opportunities extend beyond the finished device

Distinguish potential participation from contracted revenue.

| Area | Potential role | Evidence before recognizing opportunity |
|---|---|---|
| Brands / optical channels | Frames, prescriptions, fitting, relationships | Delivery, lens attachment, repeat purchases and returns |
| Integration / components | Power, audio, camera and reliability | Design win, firm order and supply terms |
| Display / AR optics | Future display lenses and optical systems | Development versus production approval and yields |
| Enterprise / operations | Workflow services and support | Paid contract, work benefit, security and recurring cash |

The EssilorLuxottica–Applied Materials optical development agreement is a long-term technology example, not an order for components in today's audio eyewear. Agordo production lines are a plan for operation by early 2027, not currently completed output. [11] [12]

Evaluate Korean companies by contract and role, not thematic association. Consumer brands and component vendors have different recognition, inventory and defect exposures. Capacity expansion without customer qualification and economically recoverable orders does not yet establish profit.

> **Execution before scale**
>
> Follow development, design selection, production approval, delivery and collection. No undisclosed Korean supplier, customer, order, price or margin is assigned in this report.

14 / OUTLOOK & FALSIFICATION

# Role differentiation is the base case; cash is the test

TradeLens outlook | Conditional industry scenarios, not probabilities or price targets.

| Scenario | Conditions | Implication for profit capture |
|---|---|---|
| Base: selective adoption | Deliveries rise; use cases form; monetization is gradual | Brands/channels monetize relatively early; platform returns need separate proof |
| Upside: everyday tool | Retained use, stable returns, incremental paid/service value | Scale benefits across electronics, optics and platforms; splits still depend on contracts |
| Downside: discount-led | Weak activation; more inventory, returns and support | Lower unit contribution and cash recovery despite shipment growth |

The strongest evidence against the base view would be incremental customer payments rising faster than costs—not the size of an announcement. Strong paid conversion or incremental service profit with controlled inference could shift long-run value toward Google. Conversely, mere replacement of conventional glasses would weaken the optical channel's incremental-profit case.

| After launch | Key observations |
|---|---|
| First deliveries / 30 days | Receipt, activation, compatibility, returns and support |
| 90-day cohorts | Retention, incremental payments, inference cost and paid-user persistence |
| Subsequent results / scaling | Net revenue, inventory, reimbursement collections, fixed-cost recovery and cash flow |

**Final answer**

Customer access, lenses and distribution favor earlier monetization. Samsung's profit depends on supply terms and quality cost; Google's long-run value depends on monetizing repeated use. Winning revenue and retaining final profit are different capabilities.

15 / SOURCE REGISTER

# Link each claim to its primary evidence

In-text numbers, source titles and “Open source” link directly to the original.

**01. Samsung | Intelligent Eyewear: launch, pricing and specifications** Open source

2026.11.12 · Company release · launch, list prices, engineering and compatibility

**02. Google | Intelligent Eyewear collections and pre-orders** Open source

2026.11.12 · Company release · frames, lens options and demo channels

**03. Google | Designing for privacy on intelligent eyewear** Open source

2026.11.12 · Policy/design explanation · visuals, recording and app restrictions

**04. Warby Parker / SEC | Form 10-Q for the quarter ended 30 September 2026** Open source

2026.09.30 as of · Filing · earnings, Google collaboration, reimbursements and cash

**05. EssilorLuxottica | Q3 2026 revenue** Open source

2026.10.20 · Company results · group/wearables and currency scope

**06. EssilorLuxottica / Meta | New AI glasses products at Meta Connect 2026** Open source

2026.09.24 · Company release · audio, camera and display product categories

Scope: pricing, launch and policies are company statements. Group financials are distinct from standalone AI-eyewear economics.

16 / SOURCE REGISTER

# Separate product stages and technical scope

In-text numbers, source titles and “Open source” link directly to the original.

**07. EssilorLuxottica / Meta | Ray-Ban Meta Optics: prescription-first styles** Open source

2026.03.31 · Company release · prescription fit and optical distribution

**08. Google | I/O 2025: Android XR glasses partnerships** Open source

2025.05.20 · Initial partnership announcement · historical plan, not current sales

**09. Google | I/O 2026: audio and display eyewear categories** Open source

2026.05 · Company announcement · product types and development stages

**10. Google / XREAL | XREAL AURA: wired Android XR glasses** Open source

2026.10.28 · Company release · external compute and wired XR comparison

**11. EssilorLuxottica / Applied Materials | Joint development of next-generation AR optics** Open source

2026.06.16 · Development agreement · optical opportunity, not volume production

**12. EssilorLuxottica | Wearable production plan at Agordo, Italy** Open source

2026.06.09 · Company plan · lines scheduled to start by early 2027

Comparators: audio, camera, display and wired XR are not interchangeable products. Development and capacity plans are not completed production or sales.

17 / METHODOLOGY & USE

# Methodology, disclaimer and permitted use

Reported facts, company plans, TradeLens analysis and illustrative assumptions are distinguished.

| Item | Basis |
|---|---|
| Date / scope | 14 Nov 2026. Everyday AI-eyewear economics across Samsung, Google and optical brands. Future launch is separate from realized results. |
| Evidence | Company statements and SEC filings take priority. Reported facts, plans, TradeLens analysis and illustrative assumptions are distinguished. |
| Metrics | U.S. list prices vary by configuration. Group margins and combined-wearables growth are not standalone AI-eyewear metrics. |
| Calculations | Pages 10–12 use assumed hardware, service and lens models, not actual contract costs or guidance. USD unless otherwise stated. |
| Use | General industry, competitive and profitability analysis. No recommendations, trading timing, price targets, personal advice or contract-specific legal opinion. |

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