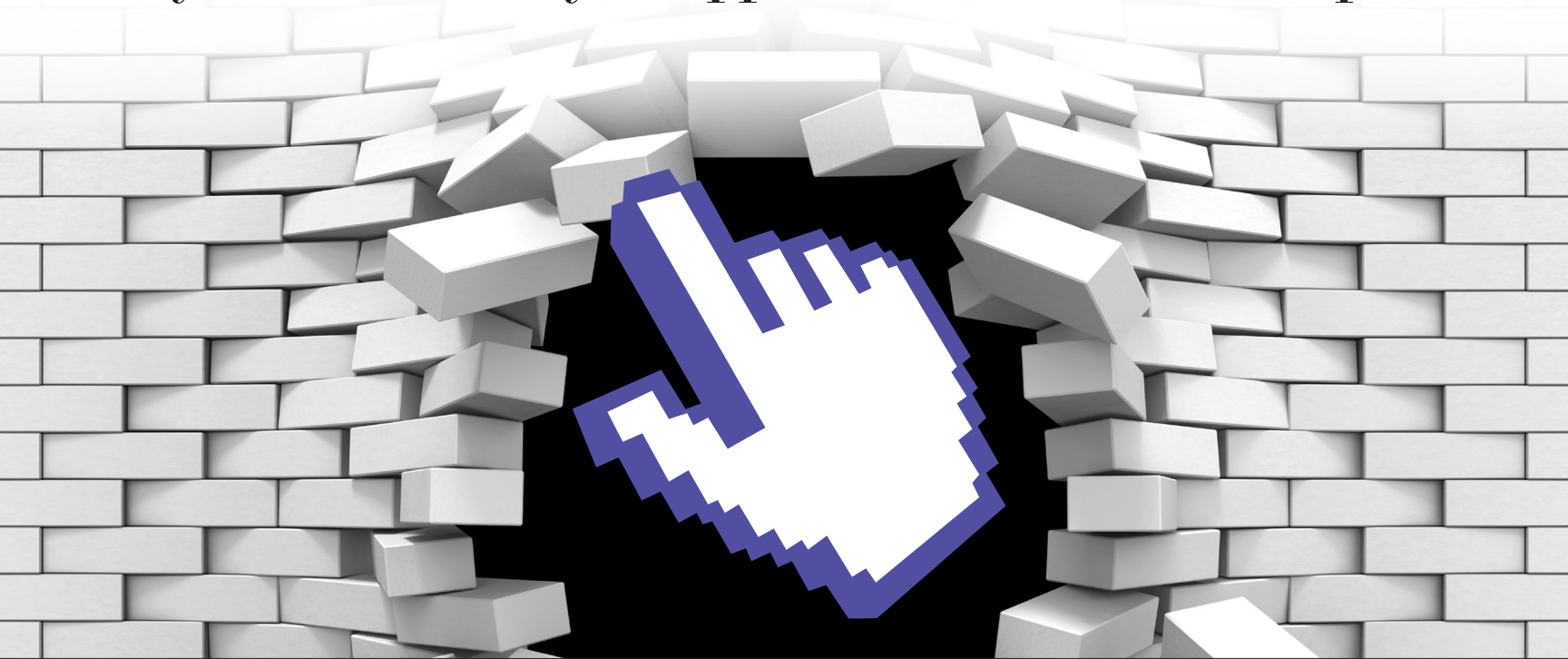


Brick & Click

Eyewear Industry Grapples With E-Tailers' Impact



BY JOHN SAILER / SENIOR EDITOR

There's no ignoring it. Internet retailing is an essential part of everyday life. It even has its own day, CyberMonday, right at the start of the holiday shopping season. Against last year's lingering economic uncertainty, 2011 proved that e-commerce is still growing. "Throughout the year, growth rates versus the prior year remained in double digits to significantly outpace growth at brick-and-mortar retail," according to comScore's digital business analytics. "Retail e-commerce (non-travel) spending jumped 13 percent to \$161.5 billion for the year."

The optical field has been slower to adapt the e-commerce model, eyeglasses in particular. According to the 2011 Vision Council VisionWatch Internet Influence Report, "Despite a relatively high number of consumers using the internet to some extent

when shopping for general retail goods, the practice is still not as prevalent when consumers are shopping for eyewear... Approximately 32 percent of people using the internet to assist in their last purchase of eyewear actually made the purchase directly online. By category: eyeglasses (2.4 percent), OTC readers (3 percent), plano sunglasses (4.3 percent) and contact lenses (16.4 percent)... It is likely that close to 1.5 million to 1.7 million pairs of Rx eyeglasses were purchased online during the 12-month period ending December 2011."

To some extent, optical being slow to adapt to e-commerce is due to the fact that eyewear is customized for each individual and doesn't lend itself to commoditization. This is also in part because manufacturing and distribution involve a chain of materials suppliers and manufacturers and a hierarchy of professionals. However, many online-only optical retailers are overcoming these obstacles by building their

own optical labs and sending their customers actual frames to try on before making their final selection.

This month's Cover Story attempts to capture a panoramic screenshot of online optical retailing, from how traditional brick-and-mortar stores are dipping their PD sticks into this tsunami of internet activity ("When Will Brick Add Click," page 42) to how online-only dispensers are addressing the needs of a customer who is also a patient with a unique prescription ("Online Retailers Talk Shop," page 44); from the latest Vision Council statistics that corroborate the fact that "the number of buyers who will use the internet to buy eyewear in the future will increase" ("Vision Council Internet Report," page 53) to websites that provide consumers with the best of both worlds of brick and click, launching distribution models that sync up the online world with traditional dispensers ("Brick and Click Sync Up," page 50). ■ jsailer@jobson.com



When Will Brick Add Click?

The leading traditional brick-and-mortar optical retailers are still reluctant to sell products online... or at least to speak about any plans to do so.

As part of the larger trend of people shopping for virtually everything online, consumers are also using the web with increasing regularity to purchase eyeglasses as well. While opinions differ regarding online optical retailing, there's no denying that some companies are already making money selling eyeglasses online and gearing up to make much more. The majority of these are not connected with any tradi-


is in their plans. However, some have already begun to sell contact lenses online or added the ability to virtually try on frames to their websites. A few have even begun or will soon actually begin to offer eyeglasses for sale online. Whatever stage they are at, "everybody knows it's going to happen," as one executive representing one of the leading national chains said about online optical retailing.

El Paso, Texas.

"Online sales of frames and contacts certainly has proven its value to many consumers," said Suzanne Berardi-Gould, director of creative services for Doctors Vision Center, with 45 stores, based in Rocky Mount, N.C., "and we will be testing online sales as a part of our integrated strategy in 2012."

However, like most traditional optical retailers, Berardi-Gould did point out the prevailing view among them about the benefits of the personal touch that comes with being able to visit a physical location. "We believe there is a distinct advantage that we have over online purchases by having a patient relationship with the doctor and frames stylist in the practice versus what happens online," she said.

This was actually the more prevalent attitude among the national and regional chains, with some simply negating any competition that might come from online sales. "Although we respect those marketing eyewear online, from our perspective, at this point, it's not something we concern ourselves with in our stores," said Richard Golden, CEO of SEE, with 24 locations, based in Southfield, Mich.

 **"We believe there is a distinct advantage that we have over online purchases by having a patient relationship with the doctor and frames stylist in the practice versus what happens online."**— Suzanne Berardi-Gould, Doctors Vision Center, Rocky Mount, N.C.

tional brick-and-mortar optical retailers or manufacturers, but rather they are upstarts that are taking advantage of the internet and digital media and forging a new distribution channel (see "Online Retailers Talk Shop," page 44.)

In fact, when *Vision Monday* reached out to the leading national and regional brick-and-mortar retailers in the U.S. to ask them about their plans regarding online retailing, most were silent on this topic, preferring to keep what they might be doing in the online space confidential at this point. It's this consistent reluctance among them to discuss online optical retailing on the part of the brick-and-mortar retailers that might actually point to the fact that there is some planning going on in corporate boardrooms regarding how they'll respond to the steadily growing competition coming from online-only optical retailers.

Most of the traditional brick-and-mortar retailers are playing their cards close to their chest, in effect saying that they can neither confirm nor deny that launching an online retail eyeglass store

Those who were willing to talk about this controversial subject suggested that online retailing is a strategic issue for traditional brick-and-mortar retailers, and before they can launch a website that will enable them to sell eyewear online, they must first determine how they'll handle pricing, delivery, and other competitive concerns while also not jeopardizing their existing stores or their relationships with their patients and suppliers.

 **"Although we respect those marketing eyewear online, from our perspective, at this point, it's not something we concern ourselves with in our stores."**
— Richard Golden, SEE, Southfield, Mich.

Still, some did reveal that although they may not be currently selling products online they may be doing so soon. "Presently, we're not selling anything online. It will be about three months before we do," said Gordon Bishop, president and CEO of Sunland Optical, with 36 stores, based in

Anushka Figueroa, director of marketing and brand management for Nationwide Vision, with 64 locations, based in Chandler, Ariz., agreed that the focus of the large Arizona chain she represents will remain where it's been. "Because of all of our

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Online Optical Retailers Talk Shop

BY DELIA PAUNESCU / ASSISTANT EDITOR

Selling eyeglasses online is one of the most challenging issues optical has faced in quite some time. Though the divide between brick and click is narrowing in some quarters, online players are still considered a stepchild by many in the industry. Online retailers, or e-tailers, are often thought to be taking business away from traditional ODs and opticians, and are still perceived by many as an “unauthorized” channel that is strictly promotionally priced. But is that really true? And just how does selling glasses work on the internet?

Be they ODs, opticians or former executives at various optical companies, most of the bigger e-tailers have industry experience. Though the reasons they took eyeglasses online vary, one thing rings true: all emphasize great customer service, are quick to discuss their success both on and away from the web and spread their reach via social media. But despite their confidence, internet retailers tell *VM* they are keenly aware of the stigma they face. Since the product requires significant customization, these companies focus on making their customer happy at any cost.

Several of the larger players started out in contact lenses. Both Coastal Contacts (now Coastal) and 1-800-Contacts began by fulfilling orders for CLs before moving into the eyewear spectrum. For these companies, the initial buyer pool was already in place as contact lens customers were the first to purchase a pair of glasses from their newer sites.

Similar to a store or dispensary’s interior design, an e-commerce-enabled website is the retail space in which a customer shops. It can induce a feeling of welcome and calm, or just the opposite. Several e-tailers are re-examining how they present choices and information in that space.

Even more important than design is the merchandise. Just what frames are selling on the internet? Similar to the brick-and-mortar sector, eye-

wear selection online runs the gamut of styles and price points. Most optical e-tailers speak of providing a wider selection at lower cost, though a few, like Glasses.com, simply want to provide a selection to those customers without direct access to certain brands and frame styles. And when it comes to processing Rx lenses, online players are pretty evenly split between outsourcing the work and keeping full control of the lens process with their own in-house labs.

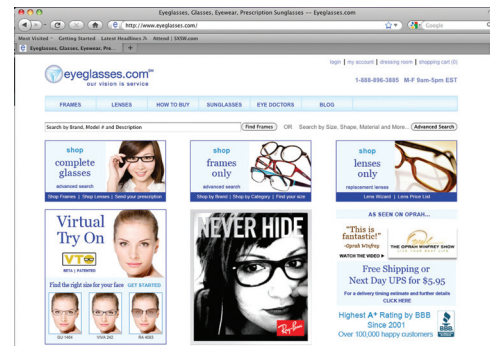
“The big difference between us and brick and mortar is that our customers can’t physically try on the frames,” Zenni Optical’s Levente Laczy said. This is the challenge all online retailers face, regardless of product. Almost all have opted to include a virtual try-on (VTO) system on their sites, some built in-house and others outsourced. Others are developing at-home try-on systems.

So what does the future hold for these online players? With the web as amorphous as ever, internet retailers have their sights on expanded inventory, better customer interaction and faster shipping.

In this roundup of major optical e-tailers, nine such sites explain their appeal to a more general consumer. While the January Front Lines feature on “The Seenster Set” introduced a very particular type of web retailer in the industry, focusing on contemporary customers with private label product, the companies featured here have a wider scope. They told *VM* how they are handling brand development, frame selection, lens finishing and other issues in 2012.

EYEGASSES.COM

Eyeglasses.com started in 1999 with a vision of manifesting a new type of service philosophy: “Our Vision is Service,” said CEO Mark Agnew. “We do not provide the same service as a regular retail dispensary and most opticians would say our service level must be lower than theirs, because we are incapable of doing fitting, seg heights and PD mea-



surements. However, most customers come to us because they received poor service at a local optical shop.” He added, “We are the only online eyewear store with an A+ rating from the Better Business Bureau, and we have held that since 2001.”

While Agnew boasts 200,000 sku inventory, the company works on a keystone markup and does not accept insurance, but does offer a 30-day money back guarantee on frames and a one-time free redo on lenses. The site, Agnew said, uses an Essilor lab for the majority of its work.

The company’s virtual try-on app is the only one that “scales” eyeglass frames to the customers’ head, Agnew stated. “On all the other VTO applications out there, the frame image is not scaled to the user’s head, so you don’t really know whether that 54mm frame is going to be too big for you when you receive it. This ‘scaling’ feature is patented, which is why nobody else can do it.”

FRAMESDIRECT.COM

Frames Direct’s website tells the story of partners Dhavid Cooper, OD, and Guy Hodgson, OD, who started a chain of successful optometric practices in Houston before assembling a small team to launch their site 15 years ago. “We wanted a way to provide patients with better selection and more competitive pricing than we could offer in our brick and mortar.” The doctors currently boast “more than a million satisfied customers.” Essilor

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When Will Brick Add Click?

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locations, we don't want to get away from selling frames in our brick-and-mortar stores," she said.

Judd Sky, president of Partners in Vision, with 34 locations, based in Linden, N.J., alluded to why some traditional retailers may be reluctant to venture into the realm of online sales, even while "putting our toes in the water exploring it." He said, "We have concerns about the quality of service as well as the legality of pure online sales. These concerns, along with our store presence, have made us slow to embrace purely online sales. However, we have expanded our online presence to include virtual try-on of frames, listing frame brands carried, and messaging with patients."

Sky takes a more philosophical approach to his group's plans regarding going online: "We see online sales not as a yes or no question, but as a spectrum. Even pure brick-and-mortar retailers need an online presence for such purposes as marketing, social media presence, store location and hours, etc. On the other end of the spectrum, even relatively pure online retailers need some in-person expertise to acquire measurements and perform repairs and adjustments, as well as a place to try on frames. The larger segment is the brick-and-mortar store with an online presence which can provide the convenience of online sales with the comfort and service of in-store assistance."



"We have expanded our online presence to include virtual try-on of frames, listing frame brands carried, and messaging with patients."— Judd Sky, Partners in Vision, Linden, N.J.

Still, while most traditional brick-and-mortar stores have not yet made the leap into online eyeglass retailing, many are primarily selling only contact lenses. "The only products we sell online are contact lenses," said Figueroa of Nationwide Vision.

The same is true for Optyx, the New York area retailer with nine locations, based in New Providence, N.J. "We are currently selling contacts online," said Mitchell Barkley, president. "We are not selling frames and sunglasses."

"We only do a small amount of online contact lens business through our Lens123.com," added George Yanoshik, a spokesman for the HVHC Retail Group, based in Pittsburgh, Pa., with 541 locations, including Eye Care Centers of America and VisionWorks stores.

And Don Bye, vice president of optical services for ShopKo Stores, with 137 stores based in Green Bay, Wis., said, "Our only activity on the web is our own contact lens site." ■



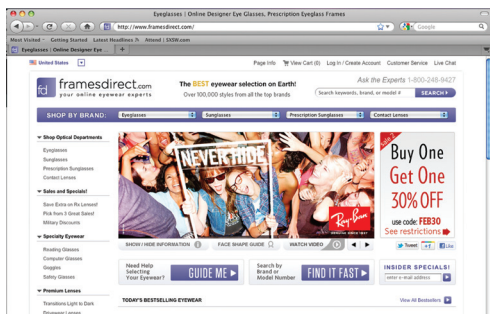
How Selling Eyeglasses Works Online

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acquired a majority stake in the company in 2010. According to marketing, merchandising and product manager Clotilde Bedoya, 80 percent of FramesDirect's sales today come from customers based in the U.S., with the rest from customers in Canada, Brazil, Australia, and the U.K.

Bedoya said of Frames Direct: "Since we sell mostly designer brands, our site reflects the fashion positioning of those brands. We use a clean white background to make the products stand out and make searching easy with a 'Guide Me' feature that helps consumers narrow down their choices from the 100,000 products we carry."

The company uses Essilor's products for plastic, polycarbonate and high-index lenses and a premium AR coating.



Frames Direct does have a try-on tool but also encourages customers to use the printable PD measuring stick for customers to assure fit of their over 400 major brands. The company sells no private labels and purchases their frames from major vendors. Branded plano and prescription sunglasses are also available. "We follow brand guidelines and offer products at the suggested retail price or offer them at a discount depending on the brands. We also run different promotions throughout the year," Bedoya explained.

Going forward, Frames Direct looks to increase its status in search engines through pay per click. "We launched our redesigned site at the begin-

ning of 2011 and keep making enhancements to improve conversion. In particular, we launched a new lens recommender mid-2011 in order to make the lens selection easier for customers," Bedoya explained

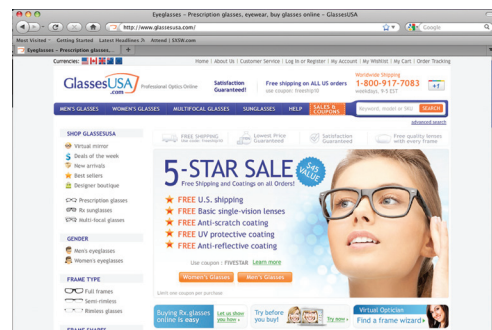
GLASSESUSA.COM

GlassesUSA.com launched in January 2009. The company was established to address the need for quality prescription glasses in the online field and to position itself as a viable alternative to brick-and-mortar stores by focusing corporate efforts on production and service, according to Jay Engelmayer, vice president of business development. "Our business philosophy can be summed up into three values: our vision is to change the way people buy eyeglasses; our mission is to guarantee the highest quality optical products at the most affordable prices in the fastest time-span possible with the best service throughout and beyond the entire process; and our goal is to become the most significant online presence in the prescription optical market," he explained.

The site believes in being "friendly from the first glance." Engelmayer said theirs was built so visitors can easily find what they are looking for and designed to enable customers to choose their frames using one or more user-defined parameters. "The store is always a work in progress. Our focus from the beginning was on service, and service begins the instant the customer enters our store," he said.

Glasses USA continues to advocate getting a prescription from an ophthalmologist or optometrist and having that doctor include the PD. For customers who do not have a PD and do not want to go and get one, though, the site offers a downloadable PD ruler. "Part of our 2012 development is a unique tool that will measure your PD from a smartphone. This should launch in the next few months," Engelmayer said. A virtual mirror is present throughout one's time online, the flow enabling customers to "try-on" various frames.

But to help the customer find the best frame for their face as well as personality, the company created their Virtual Optician, a feature Engelmayer said is unique in the industry.



The company acquires their frames through vendors that supply both designer and generic brands. "We do work with a manufacturer to develop private label brands Yoshi Ayaka, iSee and Reece Jakob, among others," Engelmayer said, adding that the company is in the process of expanding to include more designers and products. "All frames can be made into plano or prescription sunglasses using color tinted or polarized lenses. It was only recently that we began to offer pre-fab sunglasses," he said. Glasses USA owns a state-of-the-art, in-house, fully automated laboratory and offers various combinations of lens materials and coatings for customers to choose.

Engelmayer believes the company's growth is the result of providing great service and delivering a high quality product to his customers. "Referrals are a significant force in our overall sales; couple that with 28 percent of sales coming from existing customers. As with every aspect of our business, service is an in-house department staffed with, well-trained, full-time employees. They operate with a proprietary system that enables them to know exactly where a specific order is at any given moment," he said.

"We also developed a Vision Benefit Plan which we launched late in 2011. In the less than three months it has been active we have seen a spike in sales and traffic that has remained consis-

tent. The driving force behind our mission and is to do for the consumer and this industry what Amazon did for books and eBay did for yard sales. I believe we are well on our way to getting there,” Engelmayer said.

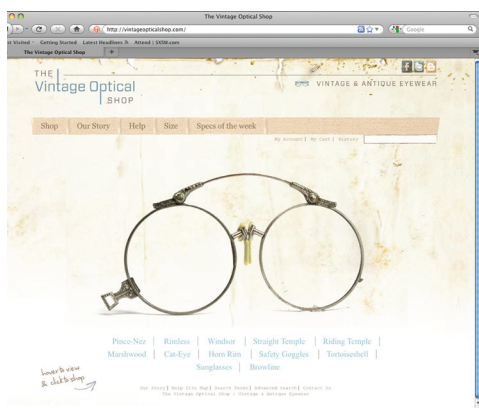
VINTAGEOPTICALSHOP.COM

All of Vintage Optical Shop’s frames are antique and come from estate sales, auctions, flea markets and antique dealers. “We got started purchasing some antique eyeglass frames for ourselves to wear and selling the frames that didn’t fit on eBay. We realized that there was a market and started selling online, slowly growing to our own website. We aim to be at the crossroads of history and technology, bringing eyewear of the past to the web of 2012. Antiques are usually sold in antiquated forms like flea markets and auctions. We aim to change that by having the most user friendly and technologically advanced website with a great selection of frames spanning over 100 years, making them readily available to anyone, worldwide,” said Levi Shloush, owner and CEO of VintageOpticalShop.com. “Our site has an antique feel because we wanted it to correspond to the age of our products yet be as user-friendly and technologically advanced as possible,” he added.

Frames are priced at the \$100-\$150 range to be affordable without compromising on condition. While the site does not fill prescriptions, they do have some vintage and antique sunglasses. “The lenses are old and not always UV protected,” Shloush pointed out.

For his company, it’s all about the trend. “People from different cultures are constantly looking for different styles of vintage frames. There has lately been a big surge in interest for 1960s frames in Japan as well as cat eye glasses in Australia. It’s hard to know what will be the next trend to which people or what causes it.” Shloush added, “We need to sense these things as they are happening in order to fully understand and serve our customers.”

In doing so, Vintage Optical Shop spends a lot of time on Facebook, Twitter, etc. “Social media is rapidly changing and we are constantly looking for the hottest sites. Of late there has been much action on Pinterest,” Shloush said.



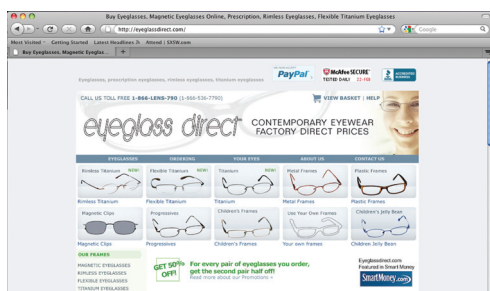
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Optical E-tailers Explain Their Business

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EYGLASSDIRECT.COM

“We started eight years ago in the basement of my house. We try to target all age groups and income ranges and our customers today range from teenagers to wealthy business owners,” Eyeglass Direct owner Randy Appelbaum told *VM*. “With high quality, great customer service and great pricing, people will always find you.” To help customers come his way, Eyeglass Direct uses direct e-mailing and Google ads.



Appelbaum made his site easy to use and simple. According to him, it should educate customers but never over sell. While not offering designer brands, Appelbaum is confident in the metal, plastic, flex, titanium and rimless titanium and kids' frames available. The company believes it's found “a happy medium” in using an outside lab for surfacing and doing all the finished work at their own lab. The site recently added high-end lenses and coatings because, “people want to have better vision and they do not mind paying extra for better lenses. With our deep discount pricing, there is already a big savings for the customer,” he explained.

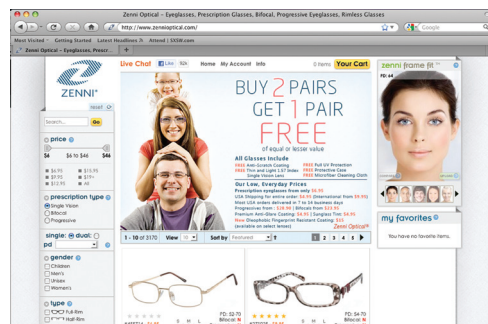
Eyeglass Direct encourages customers to have a doctor or optician measure their PD.

ZENNOPTICAL.COM

According to owner Levente Laczy, Zenni Optical is always asking: what does it cost to make a frame and still make a minimum amount of profit? “We are not a nonprofit, we do make a profit. But if we

can make it for \$6 and sell it for \$7, why not? Our goal is to provide as high quality eyeglasses as inexpensively as possible for people who can't afford expensive ones. This is especially great for kids when they break them all the time. Even \$100 is a lot to a single mother if she has to buy a new pair every few months,” he explained.

Vertically integrated with their own factory, Zenni Optical directly controls the entire manufacturing process and says it is certified by U.S. FDA inspectors. Laczy said, “We make, we sell, direct to retail customer. The way we differed was because we make everything internally. We pioneered the way of doing everything in China because you can save another \$15 to \$20 by having lenses cut and shaved there.



“Our factory in China only makes frames for us,” Laczy added about Zenni Optical's private label collections. “We're constantly expanding our availability in terms of lenses or frames.” Currently, Zenni Optical offers 4,000 different frame options and would like to grow to 5,000 or 6,000 frames. Laczy said all of Zenni's \$29 progressives are made free-form and his company carries lenses of all indexes. Laczy also recently brought in Transitions lenses because of the brand's strong name. “Customers like it,” he said. For 2012, sunglasses are the focus at Zenni Optical. Until now, frames could be tinted to make them into prescription sun but Laczy is looking to add frames that will be sun-exclusive.

“When you buy a frame from us, we guarantee that our prescription is accurate. If you get it and you don't like it, for whatever reason, you can get a 50 percent refund within 30 days. They are custom made products so we can't resell it,” Laczy explained. Despite the return policy, he finds that most buyers will return to Zenni Optical. “Once someone becomes a customer, they'll end up being repeat buyers 90-plus percent of the time. We see it as a lifetime relationship. We want your business and your family's business and your friend's,” Laczy admitted.

GLASSES.COM

“Online is a scary space because a lot of the competition out there now feels like a race to the bottom. We want to build brands,” John Graham, senior vice president and general manager of Glasses.com, told *VM* in an exclusive interview. “We're interested in developing a value proposition so brands see us as complementary to brick and mortar. We can tell a brand's story much better online—it's not just a logo on a wall. On the web, you can include video, photos, etc.” A new and separate venture from 1-800-Contacts, the Glasses.com site was created in June of 2011.

For Glasses.com, the goal is to bring designer frames where they might not be sold. Graham explained that the company works with well-known manufacturers and brands to maintain brand integrity and keep price points at a level that is competitive on the internet, but also keeping with MSRP (manufacturer suggested retail price). “Brands are important to people, especially in the sunglass market, and we're proud to carry the lines we do,” he said, adding that Glasses.com curates every frame and collection offering. “We don't want to create confusion. We want every collection to have a reason.” The site also offers three lines of private label glasses at a more value conscious price point.

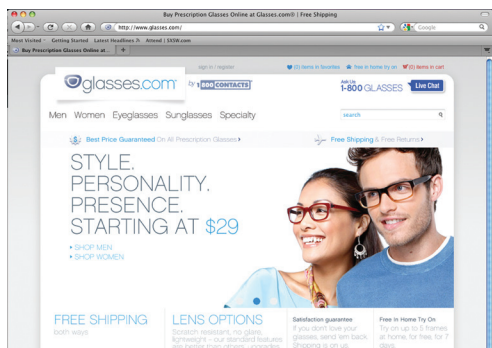
Graham said the company uses a network of Carl Zeiss labs for their lenses and has also outsourced



their virtual try-on.

As the newest among these online retailers, Glasses.com is focused on helping their customer “find a product she loves.” (Graham uses his words carefully, adding that the company’s customer tends to skew female). They are looking

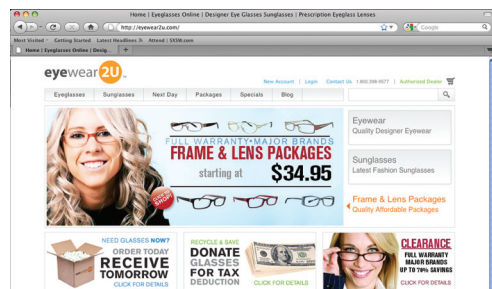
to expand present selection, improve the try-on process and create a web experience that is more aligned to the browsing/shopping feeling found in brick-and-mortar stores. “Merchandizing is phenomenally important online,” he added.



EYEWEAR2U.COM

John Morris, founder of Eyewear2U.com, built and managed 12 optometry offices in Southern California for a decade before the concept of developing an internet-based optical business was born. “I was struck with the relatively un-modern business atmosphere of the typical dispensary. I wanted to use emerging web-based technologies to capitalize on basic market inefficiencies that still exist in retail optical,” he said. According to him, EyeWear2U is in its second phase, creating a new retail business that will not just present frames and lenses, but will actually service these customers at precisely the moment and place they wish. “EyeWear2U’s background in consumer marketing heightens our attentiveness to develop a solid relationship with our customers, key suppliers and service providers,” Morris added.

The e-tailer’s site architecture is open, clean, easily used and specifically designed to address key consumer areas necessary to replicate the experience of an optical brick-and-mortar business, but without the limitation of frame selection and the time needed for traveling back and forward to order and then pick up their eyewear, Morris told *VM*.



Over several years, Eyewear2u has developed accounts with over 90 major frame manufacturers and also sells their own private label frames, offering the latter for next-day service, ranging in price from \$34.95 to \$99. “We respect the need for our manufacturers to maintain a certain retail value,”

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Brick and Click Sync Up

While many online-only optical retailers position themselves as competitive adversaries to traditional brick-and-mortar stores, there are a few that work in harmony with them, combining the convenience of shopping online with the services available from an eyecare professional's practice.

For example, Essilor launched MyOnlineOptical two years ago to enable independent U.S. eyecare professionals to sell eyeglasses, contact lenses, frames and sunglasses online. Zip Eyewear also allows consumers to buy prescription eyeglasses and sunglasses online and then sends them to an ECP for dispensing. The most recent addition to this list, eStores by Eyeconic just emerged from beta testing to be introduced this month.

MYONLINEOPTICAL

Since its launch two years ago in March 2010, MyOnlineOptical has grown to the point where it now services 1,100 practices, "all at different stages of maturity," according to Matthieu Tagnon, director of services marketing for Essilor of America. MyOnlineOptical.com connects with a practice's website, reflecting its look and feel, and each practice has the option to use the tool as they see fit. Some use it simply to attract patients. Others utilize it more extensively to augment their product selection and also incorporate it into the dispensing process, including using the service's virtual try-on technology.

"Some are using it very proactively, reaching out to patients and promoting services. Some are cautious about it," said Tagnon. "There's not one right way to do this."

Tagnon explained how the reaction to MyOnlineOptical has changed since it was introduced two years ago. "At the beginning of this venture, it was a very emotional subject, and we faced an adoption challenge where we had to explain what's in it for the practice," he said. "Now this has changed.

Adoption is really not a challenge at all. Everybody has heard about the web as a way for patients to find eyeglasses, and everybody has to make a decision about how they will go to the web."

However, each practice wants to customize its approach to the web, and MyOnlineOptical accommodates that. "There are a wide variety of strategies that we are seeing," said Tagnon, "and usage depends on each practice. We're not pushing any particular strategy. We're here to support them with best practices and let them know what works and what doesn't work."

One of those best practices is for the entire office to adopt MyOnlineOptical as a tool for dispensing eyewear. "It's extremely important for the whole practice, not just the doctor but the staff also, to embrace it and make it their own tool," said Tagnon.

MyOnlineOptical supports the practice by offering it an additional channel through which it can dispense eyewear while at the same time enabling it to compete with the growing number of online optical retailers. Tagnon explained that MyOnlineOptical's objective is not to capture the online sale. "It's so the practice captures the sale regardless of the channel." However, he added, "The real question is what do we do to support those patients who are tempted to go online? Do we let them go to existing dotcom solutions, or do we help ECPs participate in this?" Essilor's answer to this is MyOnlineOptical.

"For a private practice, MyOnlineOptical gives you a turnkey operation," said David H. Hettler, OD, CFO and vice president of May & Hettler, based in Alexandria, Va., with seven stores. "The program is very flexible and allows us to set our own pricing and decide what products we offer. It makes us seem up to date by having online optical sales and gives us a presence we wouldn't have otherwise."



ZIP EYEWEAR

Following a simple system that combines internet shopping with fitting and dispensing by an ECP, Zip Eyewear gives consumers the best of both worlds. Now a year old, the Zip Eyewear model begins when a consumer visits zipeyewear.com to order glasses online, either just the frames or lenses with the frames. Participating eyecare providers are notified of the order, and consumers are given a voucher for the eyewear they select. The buyer then redeems the voucher in person at the optician's office where the eyewear is fitted and dispensed or any necessary changes can be made.

Since Zip Eyewear launched one year ago, "We now have a network of over 500 locations," said Michael Nasson, president and co-founder. The initial plan was to go national, but Zip Eyewear is

Don't fear [Internet Eyewear](#) sales.

Zip Eyewear directs new, local patients who choose to shop on the Internet to your optical practice.

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• Earn incremental revenue from a new channel of clients.

COVER TOPIC

now focused on Dallas, Boston, Chicago and New York City. “Rather than target every single metropolitan area, we had to take a step back and target a few markets,” said Nasson. “We want enough coverage before we market to consumers so they can order online and be within 15 to 20 minutes of a provider.” In this way, the Zip Eyewear model can build a base of providers as well as consumers at the same time.

While Nasson explained that Zip Eyewear is “small and just starting out,” he did allude to the fact that he is in talks to enroll two large corporations that could add thousands of locations as providers within just a couple of months.

The model benefits not only the consumer who wants the convenience of shopping online, but it’s a winning formula for the ECP too. “We provide the e-commerce platform and are able to help the ECP capture customers who go online to shop, which is happening more often,” Nasson said.

ESTORES BY EYECONIC (PROJECT OF VSP GLOBAL)

Just out of beta testing and to be introduced this month to coincide with Vision Expo East, eStores by Eyeconic was developed by VSP Global and serves as an online extension of an individual VSP practice’s brick-and-mortar dispensary. Both VSP and non-VSP members can shop online for contact lenses as well as plano and prescription eyewear.

“Consumers are voting every day with their keyboard and their mouse that they want to shop this way, and this gives our doctors a new way to satisfy the patient and a new channel for revenue,” said Steve Baker, president of Eyefinity. “It’s our core mission to provide services that engage our partner practices and help them compete in this new world.”

While the model is so new that few ECPs have actually been able to gauge its success using the internet to sell eyewear to their patients, a couple of ECPs using eStores by Eyeconic told *Vision Monday* that the beauty of the system is how easy it is to set up and maintain, and the fact that it can expand the number of frames they can offer beyond those that can fit on their boards. More ECPs will have the opportunity to test that feature out as the system deploys later this month.

VSP’s eStores by Eyeconic will be available to all eWebExtra customers starting March 21. At first, available frames will be limited to Altair and Marchon, but additional brands may be added in the future. ■



Vision Council Survey Predicts Online Retailing Will Increase

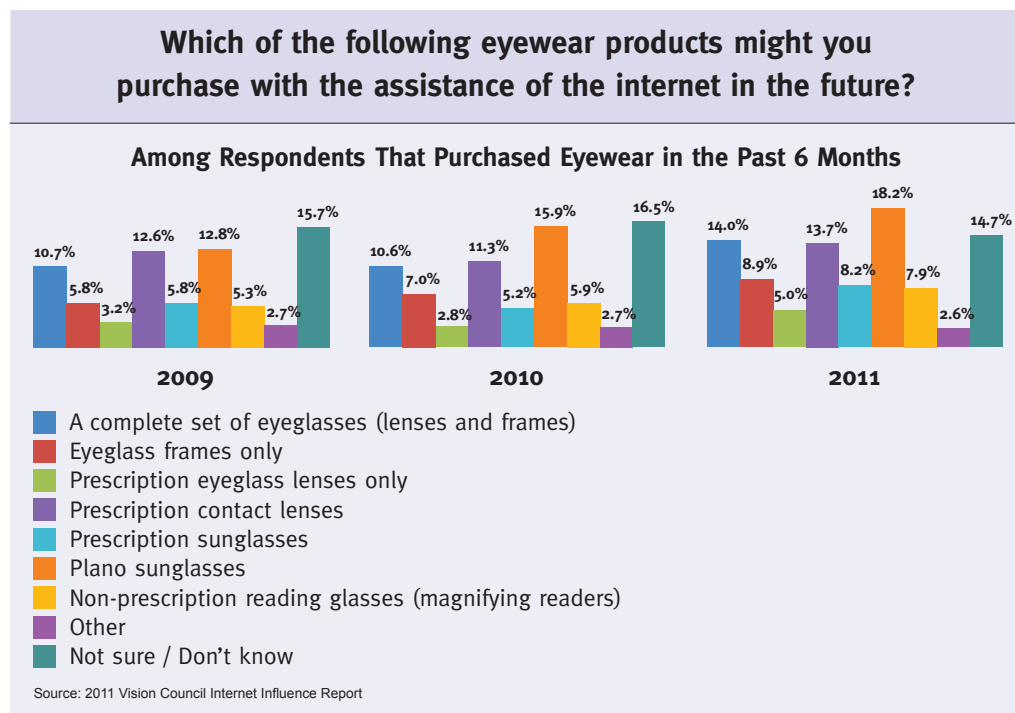
While the majority of leading national and regional brick-and-mortar retailers in the U.S. are not talking about their plans for online optical retailing (see “When Will Brick Add Click?,” page 42) and eyeglass retailers with online-only operations are doing all they can to compete with each other (see “Online Retailers Talk Shop,” page 44), The December 2011 Vision Council VisionWatch Internet Influence Report has determined that “over the years, the number of buyers who will possibly or probably use the internet to buy eyewear in the future will increase.”

The VisionWatch study set out to gauge how consumers are using the internet when shopping for Rx eyeglasses, plano sunglasses, contact lenses and over-the-counter readers based on 9,408 responses from American adults during December 2011 who had purchased at least one of these products over the previous six months.

The 2011 Internet Influence Report compares 2011 results with those of 2010 and 2009. Regarding eyeglasses specifically, those who indicated they would “use the internet in any capacity whatsoever (including any basic searching and comparisons) when purchasing” eyeglasses increased from 11.1 percent in 2010 to 16.8 percent in 2011. The report estimates that “it is likely that close to 1.5 million to 1.7 million pairs of Rx eyeglasses were purchased online during the 12-month period ending December 2011.”

In the other product categories, those who purchased through a particular website also decreased for sunglasses (from 28.4 percent in 2010 to 26.1 percent in 2011), but increased about 10 percent for OTC readers (from 35.1 percent in 2010 to 45.7 percent in 2011) and also for contact lenses (from 35.1 percent in 2010 to 45.7 percent in 2011).

So, while actually purchasing products directly from a website is on the increase in some categories,



it is not in others. “Americans were most likely to use the internet when buying contact lenses, and 26.7 percent of recent buyers used the internet to any extent during their last contact lens purchase. Even fewer Rx eyeglass buyers (16.8 percent), plano sunglass buyers (17.5 percent) and OTC readers buyers (7.1 percent) used the internet for any assistance during their last purchase,” according to the study.

Other major conclusions reached by the VisionWatch study included:

- Despite a relatively high number of consumers using the internet to some extent when shopping for general retail goods, the practice is still not as prevalent when consumers are shopping for eyewear.
- When using the internet to search for eyewear, most Americans are usually window shopping online, conducting research and

activities that are utilized to help them purchase eyewear in-person at a future date.

- While many consumers generally turn to internet search engines for assistance when buying eyewear, there were some differences in the types of websites used based on the type of eyewear being purchased. For Rx eyeglasses, people tend to use websites operated by known eyeglass retailers.
- Approximately 32 percent of people using the internet to assist in their last purchase of eyewear actually made the purchase directly online. By category, the purchases broke down as follows: eyeglasses (2.4 percent), OTC readers (3 percent), plano sunglasses (4.3 percent) and contact lenses (16.4 percent).
- Men, younger Americans, Americans with relatively high incomes, Americans from the Northeast region of the country, and Ameri-

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Vision Watch Study Determines Trends in Online Retailing

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- cans who use the internet when shopping for general retail goods were all more likely than other groups to have directly purchased eyewear online within the past six months.
- Online eyeglass buyers prefer to use websites operated by eyewear retailers, especially retailers that only have a presence on the web (e.g. eyebuydirect.com, framesdirect.com, coastal.com).
- Over the years, the number of eyewear buyers who will possibly or probably use the internet to buy eyewear in the future continues to increase.
- Consumers using the internet to some extent already when purchasing eyewear will likely continue to do so in the future.
- Most of the 563 consumers that recently purchased eyewear online within the past six months are satisfied with their purchase online. In fact, 48.5 percent rated their recent online buying experience as “excellent” and 40.5 percent rated it as “good.”
- It seems that most people are avoiding the internet when shopping for eyewear because they enjoy buying eyewear in-person and cannot physically try on eyewear online. For American adults who recently purchased Rx eyeglasses, the trusted relationship they have with their eyecare professional or retailer was another factor that impeded their use of the internet when recently purchasing eyeglasses.
- About 35.7 percent of recent eyewear buyers with easy access to the internet claimed that they will not use the internet for any assistance or functions when purchasing eyewear in the future (continuing a steady decline from 2007 through 2010).

- One of the main differences when comparing the 2007-2009 studies to the 2010-2011 studies is that there are more eyewear buyers who purchased from independent retailers in 2010 and 2011 who are likely to use the internet for future optical shopping and buying functions. Moreover, it seems that a larger portion of Americans over the age of 35 are likely to try buying eyewear from the internet at some point in the future. In the past, an overwhelming majority of eyewear buyers who were likely to “defect” to the internet came from the 18- to 34-year-old group and were primarily consumers who bought from conventional chain or mass merchant retailers. The results of this report indicate that the profile of potential “optical online buyer” is changing slightly now.

The study concluded: “When compared with the results from 2007-2010 Internet Influence studies, Americans seem more likely to be interested in using the internet to help them buy all types of eyewear. From 2010 to 2011, interest in using the internet to buy eyewear increased the most for plano sunglasses, Rx eyeglasses and Rx lenses. The portion of consumers planning to use the internet to purchase contact lenses has also increased; however, it has not risen as fast as future online purchase intent for other optical products—most likely because there are already a large number of consumers online buying contact lenses over the internet.

In terms of demographics, there has been an increase in possible internet usage across most consumer demographics, but from 2010 to 2011 the largest increases occurred among men, middle aged Americans (between the ages of 35 to 54) and among consumers who recently purchased eyewear from an independent ECP retailer. ■

AOA Study Cites Safety, Compliance Issues for Rx Eyeglasses Ordered Online

Consumers who order prescription eyeglasses online often receive glasses that fail to comply with optical tolerance and impact resistance requirements, according to a study conducted last year by the American Optometric Association in conjunction with the Optical Laboratories Association and The Vision Council.

The study, which was published in the September issue of *Optometry: Journal of the American Optometric Association*, found that nearly half of the prescription eyewear ordered online in the U.S.—44.8 percent—had incorrect prescriptions or did not meet physical parameters to provide sufficient protection to the wearer.

Over a two-month period in 2010, 10 individuals from across the U.S. ordered two pairs of glasses, including pairs for both adults and children, from each of 10 of the most visited online optical vendors, for a total of 200 pairs of glasses. Frame styles were chosen from the mid-range options offered by each vendor, in varying frame materials, lens styles and prescriptions. The AOA’s published article did not identify the online optical vendors/retailers selected.

Of the eyeglasses ordered, 154 pairs were received. After they were received, lens analysis included measurement of sphere power, cylinder power and axis, add power (if specified), separation of distance optical centers and center thickness.

Several pairs were provided incorrectly such as single vision instead of bifocals, or lens treatments that were added or omitted, the AOA reported. In 29 percent of glasses received, at least one lens was not within the parameters of the prescription. Nearly 23 percent of the lenses failed impact testing. ■

Talking Shop With the Web's Dispensaries

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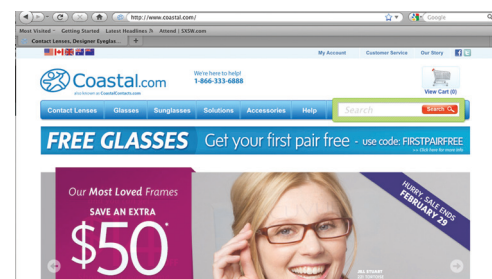
Morris said. “Most of the top brands are priced to insure that we don’t violate the pricing standards set by the manufacturers and their brand managers.” Prescription sunglasses are also available and the company relies on several outside labs “depending on the order.” According to Morris, lens pricing is done in ratio to the company’s gross margin in order to maintain business model profit projections.

While Eyewear2U always has their mind on increasing product selection, the immediate goal is upgrading their site’s programming to “accommodate a more robust consumer environment and give EyeWear2u the ability to bring special orders and pricing to its customers on a more one-to-one basis.” Morris also plans to develop a stronger presence in social media.

COASTAL.COM

Aaron Magness, vice president of marketing for Coastal, explained that the company formerly known as Coastal Contacts rolled out their glasses offering in 2010. “We had glasses available as early as 2009, but we didn’t market them until we were sure we had the best possible quality for our customers.”

At Coastal, the view toward frames is slightly different as the company looks to provide “what’s best for the customer and not just the view we want to push onto them.” Through Coastal’s wide-reaching social network, real time opinions from existing customers are more easily accelerated. In fact, of Coastal’s present eyeglass customers worldwide, Magness cited data which shows that 22 percent will purchase again within six months, while 78 percent will buy again within 24 months. “It’s a very exciting position to be in because we’re seeing



great numbers year over year and we’re still growing very quickly,” he said. To accommodate their international expansion, the publicly-traded Canadian company (COA:CN) invested \$8 million into their own Vancouver optical lab last year alone. A U.S.-only “First Pair Free” program, one that’s ongoing, encourages CL purchasers to try a pair from a selection of frames, either private label or brand name. “We want to take away the barriers of buying glasses online and are willing to offer up that experience. We’re confident we can blow customers away.” ■