

‘Attention Internet Shoppers’

E-Tailers’ Strategies Attract More Online Eyeglass Buyers



BY JOHN SAILER / SENIOR EDITOR

Just as digital media is maturing in all categories, such as merchandising and health care, so too is eyeglass retailing. To gain traction with consumers, optical e-tailers are adapting technologies and trying out a number of tactics for selling eyewear online.

While it's difficult to accurately quantify the amount of eyeglasses sold online and how much revenue they are generating, it's clear that their numbers are growing. As more optical e-tailers pop up on the web, existing sites draw more traffic and make more sales, with estimates, *VM* has learned, ranging as far apart as 2 percent of total eyeglass units sold to as high as 14 percent, depending on how one measures and how one gauges “purchases” from “research” and “site visits.”

The 2012 *Vision Council Internet Influence Report* places U.S. prescription eyeglass unit sales online at 2.0 million pairs in 2012, just 2.9 percent of the total

69.1 million pairs of prescription lenses sold overall. However, industry insiders intimately familiar with this category believe that the actual numbers are even higher. Some online optical retailers themselves place the current size of the market as high as 6 percent or 7 percent of total unit sales of eyeglasses in the U.S.

Based on the number of unique visitors to just the top three or four online optical retailers and a very conservative conversion rate of 0.5 percent (in which conversions represent the number of unique visitors who actually make a purchase), online eyeglass sales could be well over 10 million pairs, representing well over 14 percent of the market.

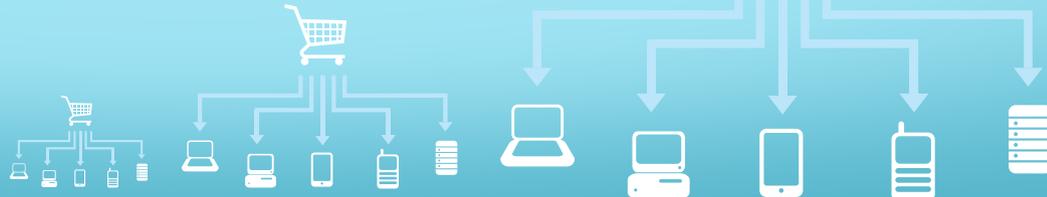
For another view, VSP Global board member, Matthew Alpert, OD, of Alpert Vision Care estimated that \$1 billion was spent online on optical products in 2011, derived from The Vision Council's Dec. 2011 *Consumer Barometer* and its 2011 *Internet Influence Report* as well as from *Consumers Digest, Special Investigative Report: Optical Illusion*, August 2008.

Optical e-tailers have become so prevalent that peripheral sites and guides have sprung up in reaction to them. For example, consumer website Knoji (www.Knoji.com), which provides information related to shopping, e-commerce and consumer issues, released a report in February comparing the leading online eyeglasses companies. In addition, www.online-eyewear.com reviews websites that sell eyeglasses online.

Simultaneously, the lines between online and brick-and-mortar are starting to blur, with Coastal in the process of opening a physical store in Vancouver and Warby Parker doing the same in New York.

While the online optical space may still be viewed as a disruptive upstart category, its visibility continues to increase and its influence on traditional eyewear sales is growing, as the following in-depth *Vision Monday* report shows. For an exclusive listing of the top eyeglasses e-tailers, go to VisionMonday.com for our first ever ranking of online eyeglass retailers. ■

jsailer@jobson.com



Attracting Eyeballs to Eyeglasses and Closing the Sale

How are the leading optical e-tailers attracting the eyewear-buying public to their websites, and what techniques are they using to convert those eyeballs into eyeglass purchases? Beyond the basics of search engine optimization (both paid and natural), affiliate marketing and sending e-mail alerts to regular customers, the technological and marketing savvy sites are employing a combination of traditional media and internet marketing with some good new-fashioned publicity-grabbing attention getting thrown in to shake things up.

SOCIAL EYES

Considering that it's a short click from social media to an e-tailer's web page, it's no surprise that Facebook, Twitter and other similar sites are among the more prominent ways in which online optical retailers are generating traffic. Among the most effective is Coastal.com, according to *Internet Retailer*, which ranked the site at number three in its 2013 *Social Media 300*. Coastal.com generated approximately 25 percent of its search traffic from social media sources, including Facebook, Twitter, Pinterest and YouTube, the third highest percentage in the e-commerce market, according to the social media ranking.



Coastal generated approximately 25 percent of its search traffic from social media sources, the third highest percentage in the e-commerce market.

"The importance of social media is on the rise as we create a community of Coastal.com users and they, in turn, generate further content about our products and how they feel about Coastal.com," said Aaron Magness, Coastal.com's vice president of marketing. "With more than 900,000 'likes' or 'friends' the effect has gone viral and is a key piece of our marketing strategy going forward."

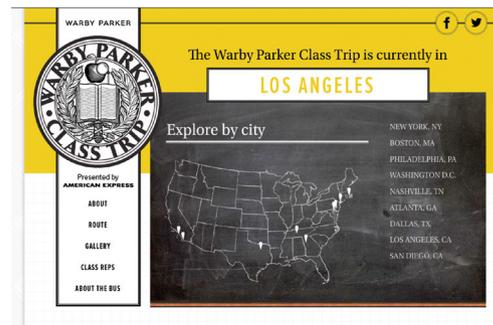
"Ultimately, social media is a valuable tool for business as it results in lower customer acquisition costs as our customers become our sales force," said Coastal's founder and CEO, Roger Hardy.

Many other online eyeglass e-tailers are also tapping the power of Facebook and Twitter to bring buyers to their pages. One common technique is encouraging those participating in at-home try-on programs to share pictures of themselves on these and other social media sites.

Like many optical e-tailers, Lookmatic.com is also using blogs in addition to social media to generate traffic. The site is currently running a promotion where it partners with local culture blogs to run giveaways. Fans can enter with theoretical raffle tickets generated by posting and sharing the information about the promotion, whether on Twitter, Facebook or in an e-mail, with a link to the website/promotion. Among the local blogs it is currently partnering with are Brokelynn in Brooklyn and PopVille in Washington, D.C.

MEDIA DARLINGS

With articles appearing regularly in the consumer media and business press, Warby Parker has proven to be a master at public relations and made its founders celebrities in the entrepreneurial community. Since four Wharton School classmates launched the company in 2010 with \$1.5 million in seed money to begin selling eyeglasses online for \$95 a pair, the company has grown to well over 100 employees. It raised an additional \$37.5 million in



Television advertising and a cross-country "Class Trip" are two of the many unique ways Warby Parker drives traffic to its website.

funding in 2012, but left time for additional investors, which included among them American Express and the CEO of J. Crew, when funding closed at \$41.5 million in January of this year, according to *The New York Times*.

The idiosyncratic marketing ploys that Warby Parker has used to garner attention have included "launching" a line of eyewear for dogs called Warby Barker on April Fool's Day, its Class Trip in which a real school bus renovated to look like a library is bringing its showroom on the road to nine U.S. cities in six months, and uniquely designed annual reports featuring figures that traditional businesses would never report.

According to Warby Parker's 2012 annual report, the company has given away more than 250,000 pairs of glasses to people in need since its founding. Combining its "Buy a Pair, Give a Pair" policy of providing a pair to someone in need for every pair of glasses the company sells with its price point of \$95 per pair, without stating it explicitly, the annual report does imply a rough estimate of revenue generated since the company's founding at approximately \$23,750,000.

Tapping into that revenue plus its millions in funding, the company even produced a television commercial for broadcast to select markets, a



technique unique to eyewear companies in general, let alone e-tailers. Glasses.com, the online eyeglass site affiliated with 1-800 CONTACTS, has also started to run TV spots this year in a range of markets and media.

MOBILE OPTIMIZATION

With the proliferation of consumers using tablets and smartphones to browse as well as to purchase products online, eyeglass e-tailers are taking steps toward optimizing the shopping experience on these devices. *Internet Retailer* reports that online spending via portable devices such as smartphones and tablets was up 46 percent year over year in the fourth quarter of 2012, and that shopping on tablets alone has increased 11 percent from the third quarter of 2012 to the fourth quarter of 2012, and 37 percent since the fourth quarter of 2011.

In response, optical e-tailers are making sure that eyeglass shoppers' browsing and buying experiences are equally effective across all devices. For example, Coastal.com found that visitors coming to the website from iPhones and other mobile devices were not converting to sales as often as the company would have liked, according to Braden Hoepfner, vice president of web sales. Investing in a customer-friendly mobile website through the Mobify interface resulted in double digit growth in both mobile traffic and mobile revenue.

"Over the last five years, we've seen the percentage of overall traffic go from single digits to 20 percent to 30 percent per day on mobile," said Hoepfner. "From an e-commerce perspective, for years we focused on what the site looks like on a normal desktop browser. Within a couple of years, that has changed to catering to shoppers in a lean-back mode on the couch while watching TV." Now, Coastal's site recognizes what device is being used and modifies the website on the fly.

While Coastal does not disclose its specific sales figures related to devices, Hoepfner did indicate that sales conversion rates can be device dependent. "Conversion rates on some devices are similar or better than on a desktop, and on some devices they are lower," he said, ultimately working toward getting certain devices to convert at the same rate as a desktop. "For us, the goal is to ensure that the experience they have with us as a company is consistent and enabled on all devices," Hoepfner concluded.

MANAGED CARE EMERGES ONLINE

Discount programs and insurance plans are taking their first baby steps onto the internet, and VSP, a leader in the vision benefits realm, is venturing onto the web as well. Eyeconic.com, an online eyewear store for VSP Vision Care members and providers, now allows VSP members to buy single vision prescription glasses (between +4.50 and -4.50) online. For final inspection, verification and dispensing, glasses are sent directly to the eyecare professional, who gets paid for the purchase.

VSP conducted a test that allowed company employees to use their VSP benefits online. "VSP Global employees provided valuable insights that helped us improve the online user experience as well as the seamless integration with their VSP doctors," a VSP spokesperson told *Vision Monday*.

Currently, testing is underway with three small VSP Vision Care clients who are offering their employees the ability to use their vision benefit online. "The purpose of the test is to ensure that the concept of keeping patients who prefer to shop online connected to their VSP network doctors is valid and that the systems supporting the site work," the VSP spokesperson said. "We also talked to a small group of doctors with patients

participating in the test."

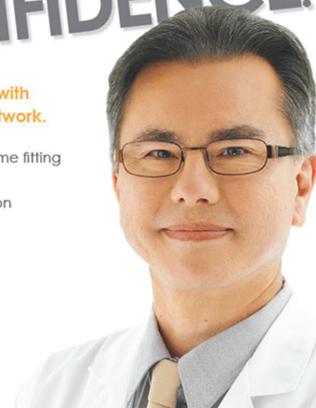
Here's what Eagle Vision Care Optometric Group of Sacramento, Calif., had to say: "By using Eyeconic, our patient can order from the convenience of their home, utilizing their family's input and opinions, and they also still get to have the professional optician experience at the time of pick up."

SHOP FOR EYEWEAR WITH CONFIDENCE.

Eyeconic partners with the VSP® doctor network.

1. Complimentary frame fitting by VSP practice
2. Active RX verification
3. No PD-no problem

[Learn more!](#)



VSP's Eyeconic allows customers to shop for eyeglasses online while ensuring that they are dispensed by an eyecare professional.

Since the launch of Eyeconic in 2011, both VSP members and non-members could use the website to buy contact lenses, browse eyewear and sunwear and find a VSP doctor. Now, members can buy prescription eyeglasses on the site, and the company is looking toward allowing for the use of benefits online as well. If this test were to lead to all 56 million VSP members using VSP benefits to purchase contact lenses and prescription eyeglasses on eyeconic.com, that would be the most far-reaching and dramatic influence of managed vision care in the online space.

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Try Then Buy: Overcoming the Virtual Divide

One of the biggest challenges of selling eyeglasses online is the fact that the shopper is not there in person to try them on. This dilemma was summed up by Kate Endress, co-founder and CEO of Ditto Technologies Inc., when she launched the online optical retailing site, Ditto.com: “Buying online hasn’t been a viable option because of one big question: Do they fit?”

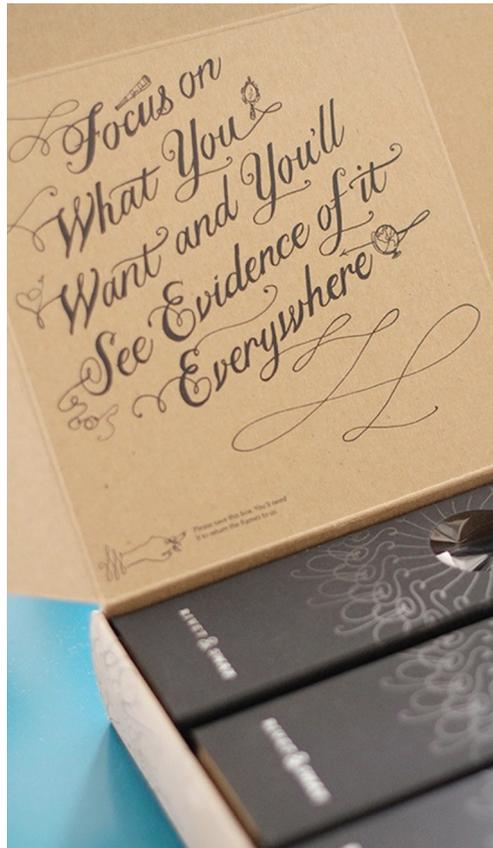
Dr. Marc Weinstein, CEO of 39DollarGlasses.com made a similar observation: “One of the greatest challenges an online eyeglass store has to face is helping the new customer overcome any anxiety they may have about buying their eyeglasses online.”

In response, optical retailing websites have developed both high tech as well as low tech ways around this. While some sites have instituted sophisticated virtual try-on technologies that enable users to upload their pictures to see how they will look in selected frames, others employ a very basic technique—simply sending frames to the buyer.

AT-HOME TRY-ON

These at-home try-on programs are employed by a wide variety of online optical retailers. Some simply state that because they offer free shipping on all orders and all returns that this effectively functions as an at-home try-on system.

Others offer more official at-home try-on policies. Glasses.com’s “Try Before You Buy” program states, “Choose any five frames and we’ll send them to you absolutely free. Try them out for seven fun-filled days, and don’t worry, the shipping is on us.” Warby Parker also lets shoppers select five pairs they’d like to try on and mails them out for free. The potential customer has five days to try them on, get feedback from Warby Parker on Facebook and mail them back,



Rivet & Sway’s packaging is designed to inspire and motivate its customer base of busy women.

also for free. Benji Frank’s Try 5 Program also allows customers to try out their selected five pairs of eyeglasses for five days at no cost.

Rivet & Sway’s CEO John Lusk told *Vision Monday* that in an effort to appeal to its demographic of busy women, the packaging it sends with its at-home try-on program was designed to “inspire and motivate women.” The campaign has been so successful that the company’s packaging is a finalist in Consolidated Graphics’ Encore Awards, which honors print and packaging design. In addition, Rivet & Sway also makes an effort to provide speedy delivery, relying on two-day FedEx both for shipping and returns.

VTO: VIRTUAL TRY-ON

Considering the fact that the platform online optical retailers are using is itself inherently technologically advanced, it’s no surprise that a number of them offer their customers the opportunity to virtually try on frames right on the website without ever physically touching the product. While some present a two-dimensional image, more sophisticated systems enable customers to view frames on their face in three dimensions.

“We have a patented, virtual try-on technology that allows users to try on over 100,000 frames,” Mark Agnew, CEO of Eyeglasses.com told *Vision Monday*. “The unique and patented aspect of our VTO is that the frames are scaled to the user’s head (after they have input their PD). So if a frame is too big, the user will see that.” He backs that up with a flexible return policy. “We have a 30-day, no hassle, no restock fee return policy on frames. You can order up to three frames and return them all for a full refund,” said Agnew.

The TruFit online try-on technology at 39DollarGlasses.com also makes it possible for a shopper to see exactly how the frames are going to look and fit on their face before they make their purchasing decision. “Our new TrueFit Technology makes it possible for the shopper to upload a picture of themselves to our website so they can see exactly what our frames look like on their unique face, and this is important because each face is uniquely different,” said Dr. Marc Weinstein, CEO of 39DollarGlasses.com. This tool also allows users to input their pupillary distance, after which the program automatically resizes the frames so users can see exactly how the frames are going to look and fit on their faces.

EyeFly.com describes its virtual try-on program in three steps: “1) hover over a product of your choice and click Try Online; 2) virtually try

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Virtually Try On Frames in Three Dimensions

Major Players Encourage Independent ECPs to Compete in the Online Space

While the total number of eyeglasses sold online can vary dramatically depending on the source of the information and who is conducting the research, industry participants are acutely aware of this category, and some are taking steps to address its existence and growth.

For example, Essilor, the world's largest lens company, launched MyOnlineOptical three years ago to allow independent optical practices to create an online presence through which their patients could shop for eyewear. Today, the program has grown to over 1,000 websites.

The company announced that it will launch MyOnlineOptical 2.0 in April this year. Improvements will include an expanded designer frame selection, a higher profit split to the eyecare professional, enhanced search and navigation on the site and improved reporting to the ECP, according to an Essilor spokesperson.

Beyond offering eyewear shopping from any internet connection, MO2 will also enable ECPs to use the site in their office to sell to patients who might be looking for a wider selection.

In addition, the country's largest managed care plan, VSP, launched Eyeconic in 2011, enabling both members and non-members to buy contact lenses, browse eyewear and sunwear and find a VSP doctor. Now, VSP members can purchase single vision lenses from the website, and the company is in the midst of testing allowing members to use their vision benefits online. (See "Managed Care Emerges Online, page 45.)

VSP also developed eStores by Eyeconic to serve as an online extension of an individual VSP practice's brick-and-mortar dispensary. Both VSP members and non-members can shop online for contact lenses as well as plano and prescription eyewear. ■

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on your pick by uploading a photo, using one of our models, or using your webcam to take a new snapshot of yourself; 3) send your favorites to your friends."

GlassesUSA.com offers the Virtual Optician that enables online shoppers to find frames by frame features, frame measurements or even by the customer's own personality. After the first two self-explanatory categories, the Virtual Optician asks, "What's your frame personality?" followed by, "In order to choose the right frame to fit your face, you also need to consider that the frame should fit your personality!" It then offers a personality quiz that accounts for a person's interests and hobbies to determine which frames will best fit their face and personality.

3D VTO

While many virtual try-on technologies only allow users to see their faces and selected frames in two dimensions, head on, more advanced systems provide a three-dimensional view. Launched last year, Ditto Technologies Inc. even incorporates this capability into its name. Ditto.com's 3D virtual fitting technology allows consumers to record a short video with their webcam to create a 3D virtual self (or "ditto"). Users can then try on eyewear in 180-degree virtual views.



Ditto.com's 3D virtual fitting technology allows consumers to record a short video with their webcam to create a 3D virtual self (or "ditto").



FittingBox enables internet users to virtually see eyewear on their face in high definition on their own photo or in real time through a webcam.

Using augmented reality technology, FittingBox, which is based in France but serves its North American customers through Jobson Healthcare Information, enables internet users to virtually see eyewear on their face in high definition, on their own photo or in real time through a webcam, viewing not only how a particular frame looks head on but also from the sides as well. Called Fit-Photo and FitLive, these virtual try-on solutions transform the user's screen into a virtual mirror. Through a long-term strategic partnership, Jobson is FittingBox's authorized sales agent to promote, sell and distribute FittingBox virtual try-on solutions in North America.

With FittingBox's advanced technology and Jobson's Frames Data group, the two companies will create together the world's largest database of 360-degree views of eyewear frames to showcase products in digital environments and help increase eyewear sales across all channels.

FittingBox has more than 700 clients around the world, including well-known eyewear brands, leading optical retailers, e-business websites and opticians. Among the North American websites on

which the FittingBox technology is available live are WarbyParker.com, EyeFly.com, Eyeconic.com and Flutterreyewear.com.

FACE RECOGNITION TOOL

Measuring pupillary distance has proven to be one of the stumbling blocks for obtaining accurate measurements for online eyeglasses sales. FramesDirect's new face recognition tool overcomes that hurdle. Most sites require that the customer input their own PD along with the prescription that they get from their optician.

"There was a huge need for this technology because many customers wanted to purchase prescription eyeglasses and prescription sunglasses, but they didn't have the appropriate pupil distance measurements to complete their order online, and it was a hassle to get the data," said Dr. Dhavid Cooper, CEO and co-founder. "Many times, the information is omitted from the prescription, current tools require a simulated PD-ruler, and we receive approximately one out of 10 prescriptions without a PD."

To get a PD measurement, customers place a compact disc under their chin, take a photo cap-

turing a full headshot, and then e-mail the image to FramesDirect.com.

Need Your PD Measured?
We can help!

SIMPLY FOLLOW THESE STEPS

- 1 Place an order for prescription eyeglasses or prescription sunglasses on FramesDirect.com (Valid order required.)
- 2 Remove your eyeglasses.
- 3 Place a CD/DVD under your chin holding it straight up and down, with the label side facing the camera. (See photo)
- 4 Take a photo close enough to capture a FULL view of your head and the CD/DVD. Be sure to look straight ahead.
- 5 Send photo to PD@framesdirect.com. Don't forget to include your order number in the subject line!

To get a PD measurement, customers place a compact disc under their chin, snap a full headshot picture and e-mail the image to FramesDirect.com.

TALK TO A REAL PERSON

To further assist customers, some websites offer real people who act as personal consultants to enhance the online shopping experience. Ritzy is Rivet & Sway's personal stylist. Women can fill out a questionnaire and submit photos to Ritzy to schedule an

appointment, which can be conducted either by telephone, e-mail, instant message chat, on Skype or with FaceTime.

"She'll recommend the best frame for your face shape, a color and style for a particular occasion, and if we don't have a frame or style in our collection, we'll send her examples of other frames," CEO John Lusk told *Vision Monday*. "Our ultimate goal is to make a woman more beautiful and brassy. It keeps her coming back to us. Given that we are laser focused on personalization, there's no way we would consider automating this type of service."

Benji Frank Eyewear also offers a real person to help consult with purchasing decisions with a recently implemented service called LiveChat. With a simple click, customers can communicate with a representative formally between the hours of 9 a.m. and 9 p.m. but also any time someone is in the office, which often falls outside of that time range. Co-founder Mohsin Momin told *Vision Monday* that this provides the "best customer service" because consumers are able to get their questions answered quickly and efficiently without putting in much effort. This allows for virtual online shopping for many hours throughout the day while still providing that personal touch. ■

Managed Care Helps Attract Eyeballs and Close the Sale

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On a much smaller scale, other websites are offering their own versions of optical insurance for purchasing eyewear over the internet. GlassesUSA.com has begun offering its own individual and family Vision Benefit Plan. Annual membership fees range from \$20 for an individual standard plan to \$55 for a family "Plus Plan." Covering single vision lenses and a limited selection of frames, the standard plan offers a 35 percent discount for three purchases per

year by an individual and eight purchases per year by a family. The unlimited Plus Plan covers all lenses and frames, includes coatings and shipping, and offers members a 45 percent discount.

Coastal.com has launched a vision benefit plan for employers and membership organizations to provide their employees and members with preferred access to Coastal.com's prescription eyewear and contact lenses. The Coastal Vision Plan provides each employee and his or her depen-

dents with an initial free pair of prescription eyeglasses and ongoing savings on prescription eyeglasses, sunglasses and contact lenses. Other options allow employers to customize their plan.

Whether through discounts or insurance plans, iPads or iPhones, social media or creative marketing, optical e-tailers are doing everything they can—and proving effective at—bringing more eyeballs to the eyeglasses that they are selling online. ■

More →

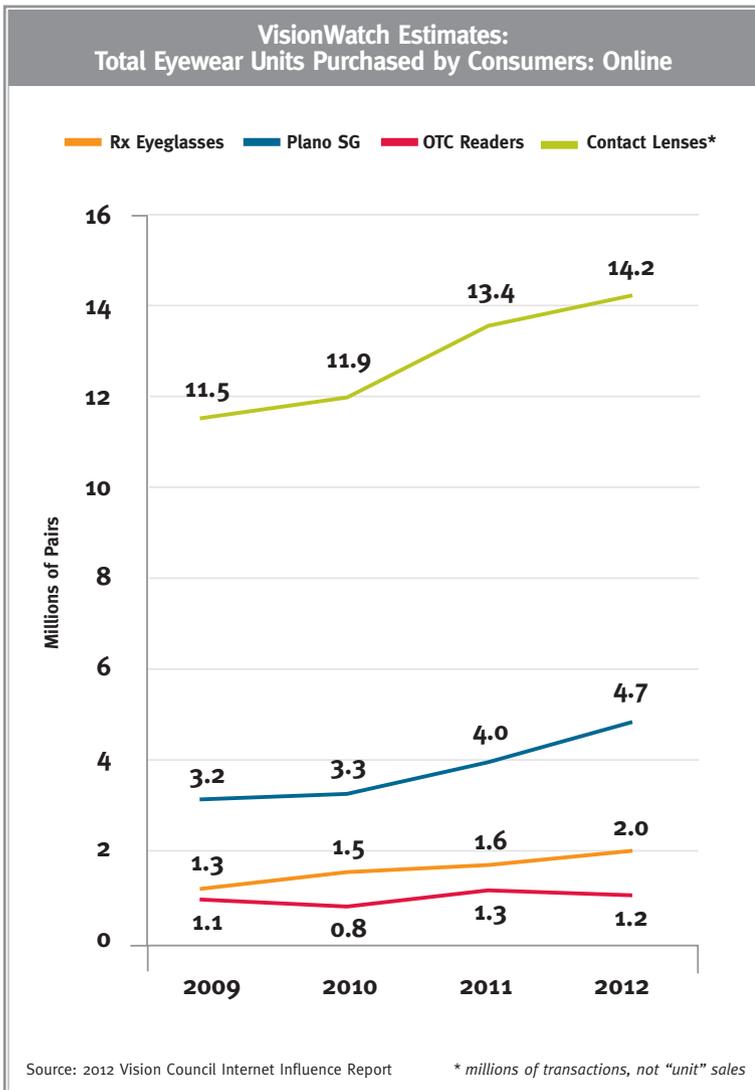


Researching and Buying Eyewear Online

The Vision Council's *Internet Influence Report* estimates the total number of eyeglasses sold online

How many pairs of eyeglasses are sold online is an elusive figure, with varying estimates from a variety of sources. In the following charts, The Vision Council's *Internet Influence Report* estimates that 1.2 million pairs of eyewear units were sold online in 2012.

In addition to making eyewear purchases online, consumers also used the internet for research as well. See the following charts for statistics regarding how consumers used the internet when purchasing eyewear. ■



**VisionWatch Estimates:
Breakdown of Retail and Online Eyewear Purchases, Total U.S.***

| Rx Eyeglasses (millions of pairs) | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|
| Total Units Purchased: All Outlets | 66.2 | 66.6 | 67.1 | 69.1 |
| Total Units Purchased: Online | 1.3 | 1.5 | 1.6 | 2.0 |
| Share % of Units Purchased Online | 1.9% | 2.2% | 2.4% | 2.9% |

| Plano SG (millions of pairs) | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|
| Total Units Purchased: All Outlets | 98.3 | 92.5 | 92.2 | 95.9 |
| Total Units Purchased: Online | 3.2 | 3.3 | 4.0 | 4.7 |
| Share % of Units Purchased Online | 3.3% | 3.6% | 4.3% | 4.9% |

| OTC Readers (millions of pairs) | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|
| Total Units Purchased: All Outlets | 44.2 | 43.8 | 43.9 | 46.2 |
| Total Units Purchased: Online | 1.1 | 0.8 | 1.3 | 1.2 |
| Share % of Units Purchased Online | 2.5% | 1.9% | 3.0% | 2.6% |

| Contact Lenses (millions of transactions, not "unit" sales) | 2009 | 2010 | 2011 | 2012 |
|---|-------|-------|-------|-------|
| Total Transactions: All Outlets | 74.5 | 75.1 | 81.8 | 85.2 |
| Total Transactions: Online | 11.5 | 11.9 | 13.4 | 14.2 |
| Share % of Transactions Online | 15.4% | 15.8% | 16.4% | 16.7% |

Source: 2012 Vision Council Internet Influence Report

*The Total Unit Sales for "All Outlets" represents any and all purchases made. For Rx eyeglasses this includes purchases from the major distribution channels such as independent ECPs, conventional chain retailers, mass merchandisers, wholesale clubs, department stores. It also includes purchases from smaller channels and retailers like designer boutiques, government entities (VA clinics, etc.) and online retailers.

The above definition applies for plano SG and OTC readers. The figure includes all sunglasses and readers purchased anywhere in the U.S. This includes major distribution channels like optical stores (independent ECPs, conventional chains), department stores, sunglass specialty stores, sporting goods retailers, mass merchants, drug stores, wholesale clubs, grocery stores, convenience stores, flea markets, gift shops, mall kiosks, catalogs, online retailers, etc.

**2012 VisionWatch Estimates:
Percent of Consumer Online Research and Buying**

| Product | Purchased Directly Online | Examined / Determined Brand | Examined / Determined Retailer | Examined Customer Reviews | Compared Prices | Other |
|------------------|---------------------------|-----------------------------|--------------------------------|---------------------------|-----------------|-------|
| Rx Eyeglasses | 2.9% | 8.2% | 8.2% | 6.7% | 6.4% | |
| Plano Sunglasses | 4.9% | 11.7% | 9.6% | 8.3% | 8.7% | |
| OTC Readers | 2.6% | 2.8% | 2.6% | 2.4% | 2.5% | |
| Contact Lenses* | 16.7% | | | | | 27.8% |

Source: 2012 Vision Council Internet Influence Report * millions of transactions, not "unit" sales