

# RETAIL RISING



VM Top 50 U.S. Optical Retailers 2016

## The Top 50 U.S. Optical Retailers Hit Record Sales Over \$12B

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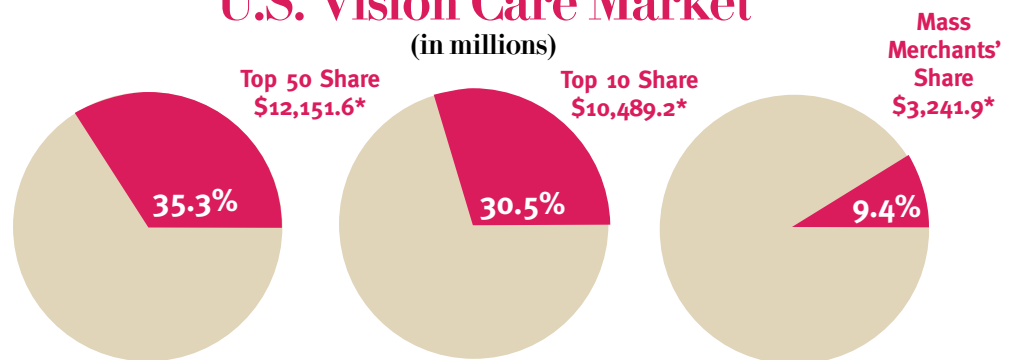
NEW YORK—The Top 50 U.S. Optical Retailers achieved record collective sales of over \$12 billion for calendar year 2015, according to Vision Monday's estimates. The dollars reflect a respectable sales performance for most of the year, and include revenues from the retail sales of products, eyecare services and, when applicable, a small percentage of online sales.

But most of the movement in the Top 50 rankings for the period, particularly among the Top 10 and Top 25, was, propelled by the effect of a

**Continued on page 54**

### U.S. Vision Care Market

(in millions)



**Total 2015 Market: \$34,446.0\*\***

\* VM Estimate \*\* Vision care products and services sold at optical retail locations. Source: VisionWatch  
Data is from 12ME Dec. 2015

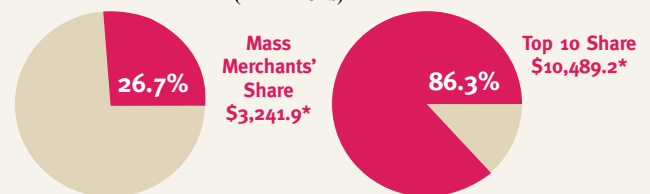
### Consolidation Marks Sales Among VM's Top 10

NEW YORK—The collective estimated sales of the Top 10, as a proportion of the Top 50 U.S. Optical Retailers, is pronounced, as it's been for the past several years. Based on calendar year 2015 estimates, the Top 10's share of the Top 50 amounted to 86.3 percent of the Top 50's total. This was on par with the 86.1 percent share of last year's Top 10.

The mass merchants/wholesale clubs amounted to a collective, estimated 26.7 percent of the Top 50's total estimated sales for the 12 ME December 2015. The Top 10's collective retail dollar share of the total U.S. vision care market amounted to 30.5 percent of the total, or about \$10.5 billion of the total market's \$34.4 billion in revenues. ■

### Top 50 Retailers' Sales

(in millions)



**Total Top 50 Sales: \$12,151.6\***

\* VM Estimate Source: VisionWatch Data is from 12ME Dec. 2015

# VM Top 50 U.S. Optical Retailers Key Optical Players Ranked by U.S. Sales in 2015

2015 Rank	2014 Rank	Retailer	2015 Sales <sup>1</sup> (\$ Millions)	2014 Sales <sup>1</sup> (\$ Millions)	2015 Units <sup>4</sup>	2014 Units <sup>4</sup>	Comments
1	1	Luxottica Retail	\$2,530.0*	\$2,318.5*	2,311	2,291	U.S. sales estimate includes revenues from company-owned and franchised Pearle Vision stores as well as Glasses.com. Retail brands: LensCrafters (852 units), Pearle Vision (63 company-owned and 410 franchised units), Sears Optical (556 units), Target Optical (390 units), Ilori/Optical Shops of Aspen (28 units), Oliver Peoples (10 units), Alain Mikli (2 units). All U.S. and P.R. locations.
2	2	Vision Source L.P.	\$2,511.5	\$2,212.9	3,262	3,023	In accordance with franchise law, Vision Source is a franchisor, and its members are franchisees who own their respective practice. Vision Source was acquired by Essilor of America, a division of Essilor International, in fall 2015.
3	3	Wal-Mart Stores	\$1,714.0*	\$1,521.0*	3,582*	3,310*	Retail brands: Walmart Vision Center (3,000* company-owned units), Sam's Club Optical (582* units).
4	4	National Vision, Inc.	\$945.0*	\$890.0*	860*	792	Retail brands: America's Best Contacts & Eyeglasses (462*units), The Vision Center (Walmart 228* units), Eyeglass World (93*units), Vista Optical (Fred Meyer 29* units), National Vision (military 48* units). Revenue figures include e-commerce.
5	6	Costco Wholesale	\$915.2	\$833.0	475	457	Retail brand: Costco Optical
6	5	Visionworks of America, Inc.	\$908.4	\$880.1	699	652	Retail brand: Visionworks
7	10	MyEyeDr./Capital Vision Services, LLC	\$305.0	\$165.0	205	139	Retail brands: MyEyeDr. acquired many independent locations and acquired 27 Eye Care Associates locations in North Carolina, Dec. 2014, Eye Express, The Hour Glass in 2015
8	7	Refac Optical Group	\$275.2	\$274.8	780	736	U.S. Vision store count by retail brand: JCPenney Optical (346 units), BJ's Optical (201 units), Nationwide Vision Centers (69 units), The Optical Shop at Meijer (78 units), Boscov's Optical (39 units), Sears Optical (19 units), AAFES (27 leased depts/military), 20/20 Vision Center (1 company-owned store).
9	8	Eyemart Express, Ltd.	\$233.0	\$228.0	171	168	"Retail brands: Dr. Barnes' Eyemart Express (154 units), Dr. Barnes' Vision 4 Less (14 units), Dr. Barnes' Eyewear Express (2 units), Dr. Barnes' VisionMart Express (1 unit).
10	11	Cohen's Fashion Optical	\$152.0	\$150.0	126	128	All stores are franchised.
11	18	Eyecare Partners (used to be Clarkson)	\$139.3	\$65.5*	129	63	A new entity composed of Clarkson Eyecare (64 units), Thoma & Sutton Eyecare (24 units), EyeCare Associates (19 units), acquired 2015 and eyecarecenter, p.a. (21 units), acquired 2015.
12	12	Texas State Optical	\$111.0*	\$105.0*	122	125	All locations are independent network affiliates.
13	N	Warby Parker	\$110.0* <sup>3</sup>	N	20 <sup>3</sup>	N	VM Estimates include total revenue from online sales including 20 retail/showroom locations open at end of Calendar Year 2015.
14	14	Emerging Vision, Inc.	\$107.3	\$93.5	120	126	Sales include revenue from company-owned and franchised stores. Retail brands: Site for Sore Eyes (40 franchised units), Sterling Optical (7 company-owned and 63 franchised units), The Eye Gallery (9 company-owned units), Singer Specs (1 franchised unit), Kindy Optical (1 franchised unit), and The Artful Eye (1 company-owned unit).
15	9	For Eyes/Insight Optical Mfg.	\$105.0*	\$175.0*	116	144*	Retail brand: For Eyes Optical. Acquired by GrandVision NV in Dec. 2015
16	13	Shopko Stores Operating Co., LLC	\$94.0*	\$94.0*	140	140	Retail brands: Shopko Eyecare Center (129 units), Shopko Hometown Eyecare Center (9 units), Shopko Express Eyecare Center (2 units).
17	16	Henry Ford OptimEyes	\$89.0	\$68.0	19	19	Retail brands: Henry Ford Optimeyes
18	17	Luxury Optical Holdings	\$79.7	\$67.3	61	59	Retail brands: Optica (24 units), Morgenthal Frederics (12 units), Robert Marc (8 units), Scene (5 units), Davante (4 units), Leonard Opticians (3 units), Aucourant (1 units), Optic Masters (1 unit), Opticians3 (1 unit), Specs Optical (1 unit), Riehle Optical (1 unit).
19	20	Vision Precision Holdings LLC (formerly Macarius & Daniel)	\$74.9	\$63.8	45	43	Retail brands: Stanton Optical (35 units), MyEyeLab (10 units).

Source: VM's 2016 Top 50 U.S. Optical Retailers. When 2015 sales are the same for more than one company, the retailer with fewer 2015 U.S. stores is ranked first.

\*VM ESTIMATE includes company sources and documents, reports and industry sources.

\*=VM estimate.

R=Revised

N=Not on last year's list.

## COVER TOPIC

2015 Rank	2014 Rank	Retailer	2015 Sales <sup>1</sup> (\$ Millions)	2014 Sales <sup>1</sup> (\$ Millions)	2015 Units	2014 Units	Comments
20	19	SVS Vision	\$70.0	\$65.4	68	63	
21	21	Ossip	\$52.0*	\$48.0*	45*	47*	Ossip Optometry and Ophthalmology.
22	23	NuCrown, Inc.	\$43.0	\$40.8	28	28	Retail brand: Crown Vision Center.
23	28	Eye Doctor's Optical Outlets	\$40.7	\$31.8	44	44	Retail brand: Optical Outlets.
24	27	Partners In Vision, Inc.	\$40.2	\$34.0	104	92	Operates leased optical departments in MD practices.
25	24	Allegany Optical	\$36.5	\$34.5	27	27	Retail brands: Allegany Optical (18 units), National Optometry (9 units).
26	25	Today's Vision Licensing Corp.	\$36.0	\$34.4	46	44	All locations are independent network affiliates.
27	30	Wisconsin Vision, Inc./ Heartland Vision	\$35.5	\$30.0	38	37	Retail brands: Wisconsin Vision/Heartland Vision (30 units), Eye Boutique (8 units).
28	29	SEE, Inc.	\$34.7	\$31.2	37	36	
29	26	OptiCare Eye Health Centers, Inc.	\$34.0	\$34.0	18	18	Retail brand: OptiCare Eye Health & Vision Centers. Acquired in Feb. 2016 by MyEyeDr.
30	31	Rx Optical Laboratories, Inc.	\$30.1*	\$29.3*	51	51	Sales revenue from 51 company-owned units.
31	33	HW Holdings, LLC	\$28.4	\$25.5	21	22	Retail brand: All About Eyes.
32	32	Schaeffer Eye Centers	\$28.1*	\$27.5*	17	17 <sup>R</sup>	
33	34	Houston Eye Associates	\$26.3	\$21.7	21	19	
34	38	Rosin Eyecare	\$19.0	\$16.5	23	19	Retail brands: Rosin Eyecare (16 Rosin Eyecare, 1 Dr. Weinstein at Rosin Eyecare, 4 'Centers of Excellence' with ODs, MDs and optical), 2 university optical shops. Added 4 locations in 2015.
35	35	Standard Optical	\$18.5	\$19.0	18	19	Retail brands: Standard Optical, Opticare of Utah.
36	37	Dr. Tavel Optical Group	\$18.5*	\$17.4*	19	19	Retail brands: Dr. Tavel Family Eyecare (17 units), Vision Values (2 units).
37	39	Spex	\$17.0*	\$16.2*	25	22	
38	40	Eyeticque	\$16.2*	\$15.0*	21	17	Retail brands: Eyeticque (13 units), Three Guys Optical (6 units), Norman Childs Eyewear by Eyeticque (1 unit); Chromos Eyewear (1 unit). Acquired 1 location in 2015, now operating stores in Pittsburgh as well as Stowe, Oh and Cleveland, Oh.
39	41	J.A.K. Enterprises, Inc.	\$16.0	\$14.0*	21	20	Retail brand: Bard Optical.
40	43	Horizon Eyecare	\$13.0*	\$12.5*	6	6	Based in Charlotte, N.C.
41	44	Cocolunette Holding, LLC	\$12.8	\$12.3	12	12	Retail brand: Edward Beiner Purveyor of Fine Eyewear.
42	46	See Center/Group Health	\$12.0*	\$11.5*	14	14	Retail brand: The See Center.
43	45	Accurate Optical Co., Inc.	\$11.1	\$11.9	14	14	Retail brands: Accurate Optical (8 units), H. Ruben Vision Centers (6 units).
44	47	Midwest Vision Centers, Inc.	\$10.1	\$9.0	19	19	Midwest Vision Centers (18 units), Taft Optical (1 unit).
45	N	Shawnee Optical	\$10.0*	N	10	N	
46	48	Eye Surgeons of Richmond, Inc.	\$9.2	\$8.8	7	11	Retail brands: Virginia Eye Institute (7 units).
47	N	Lange Eyecare	\$9.0*	N	9	N	
48	N	DaVinci Equity Group	\$8.8	N	6	N	Retail brands: Riverfront Eyecare, Bloomberg Eyecare
49	N	Optyx	\$8.5*	N	9	N	
50	50	WCE, LLC	\$7.0	\$6.5	7	8	Retails brands: Co/Op Optical.
		<b>TOTAL</b>	<b>\$12,151.6*</b>	<b>\$10,864.1*</b>	<b>14,048*</b>	<b>13,160*</b>	

<sup>1</sup> Includes retailers' product sales, professional services, managed vision benefit revenues and e-commerce sales when applicable. U.S. sales include Puerto Rico, not Canada.

<sup>2</sup> The retailers and totals given for 2014 are different from what appeared on the May 2015 VM Top 50 list because the Top 50 companies differ from year to year due to industry consolidation and other factors.

<sup>3</sup> VM Estimate\* includes online sales, including 20 retail/showroom units open as of Dec. 2015.

<sup>4</sup> Optical locations

## Snapshots of Optical's 10 Largest U.S. Retail Players

### 1 LUXOTTICA RETAIL

Against the backdrop of Luxottica Group's senior level management changes, which, at the beginning of this year saw founder Leonardo Del Vecchio assume the executive chairman role overseeing markets, working with the CEO of products and operations, Massimo Vian, the company reported that its overall sales in Retail North America (RONA) group were a major "growth engine" for the group in fiscal year 2015. LensCrafters in North America strongly contributed with comparable stores sales up by 4.3 percent. A major reinvestment in LensCrafters via a new store design is in the works to debut this year. In addition, in November 2015, the company announced a new agreement with Macy's, to bring LensCrafters to as many as 500 Macy's department stores in the U.S. over the next three years. The first of those locations is to open later this year.

Also fueling growth in 2015 were the opening of 44 new optical departments within Target Stores in the U.S., with the division of Retail Optical North America generating double-digit gains for the period.

In addition to 852 LensCrafters stores operating in the U.S. and P.R., Pearle Vision moved more locations into a franchise model, operating 410 franchised units and 63 company-owned Pearle locations in 2015. The company's licensed brands unit also includes 556 Sears Optical locations in the U.S. On the luxury side of the business, the group oversees Ilori/Optical Shops of Aspen, Oliver Peoples stores and, at the end of 2015, two Alain Mikli stores.

In February of this year, a series of senior leadership changes were announced in RONA under the direction of Retail North America president, Nicola Brandolese. Mary Anne Stangby, formerly SVP & GM of Sears Optical was promoted to SVP & GM of Sunglass Hut North America (SGH). Pete Bridgman who had been SVP & GM of Pearle Vision was promoted to SVP & GM of LensCrafters. He assumes the role from Eric Anderson, a longtime Luxottica executive, who left the company.

Alexis McLaughlin, SVP & GM of Target Optical added Sears Optical to her leadership respon-

sibilities, managing both of the group's hosted environments. Target and Sears now have two different leadership teams reporting to her. Alex Wilkes, formerly VP of eyecare for LensCrafters, was promoted to SVP & GM for Pearle Vision.

This year's estimates for Luxottica Retail's U.S. sales also include estimated revenue from the Glasses.com e-commerce business.

### 2 VISION SOURCE

After it reported a milestone in December 2014 by adding its 3,000th location, Vision Source continued its expansion in 2015, adding over 260 additional locations throughout the year. The group has over 4,000 members.

The group aligns independent optometrists for the purpose of growing their practices, lowering their cost of goods and sharing best practices to increase their profitability.

Each member of Vision Source is a franchised member, an independent optometrist who owns their location and manages their location, leveraging the franchise as they deem necessary. Vision Source members pay a fee based on practice size.

The group's suite of practice enhancement solutions includes: local leadership/mentors, development of managed care relationships, practice management consultation, staff training and performance programs, as well as practice and group marketing.

The group was acquired by Essilor of America, a longtime business partner, in a move announced in July 2015 and finalized this past fall.

The company launched Optical Dream in 2015, a program designed to enhance patient experience and increase optical sales, via trainings, webinars and local member meetings. Over 2,300 practices registered for the program which is being enhanced this year, along with general spatial analytics, helping members pinpoint where to locate new practices. A new program to expand digital and social marketing was also debuted at the group's most recent annual member meeting, The Exchange, which marked Vision Source's 25th anniversary.

### 3 WAL-MART STORES

With approximately 3,000 of its own Walmart Vision Centers and another estimated 582 Sam's Club optical locations, Wal-Mart Stores remains entrenched at number 3 on VM's ranking again for 2015.

Walmart opened some 263 new vision centers in 2015. (An additional estimated 228 Walmart Vision locations, operated by arrangement by National Vision, Inc., generate additional sales. These are tallied within NVI's results but ranked as their own number on VM's Leading Mass Merchants Chart on Page 50).

Independent optometrists operate private offices next to Walmart Vision Centers and Sam's Club Optical Centers to provide comprehensive eye exams, lens fitting and prescriptions by appointment and on a walk-in basis. In addition, Walmart and Sam's Club have on-site opticians in their respective Vision Centers and Optical Centers to assist with fitting glasses in store or in club.

Taken collectively, combining Walmart's own corporate vision centers, the estimated revenue from its Sam's Club opticals and VM estimates for the NVI leased vision departments within Walmart puts Walmart's total vision care revenues at an estimated \$1,746 million for 2015.

### 4 NATIONAL VISION

Since being acquired by investment firm KKR in 2014, National Vision Inc. (NVI) has grown from 750 retail locations to 860 locations spread across the country. With estimated sales of \$945 million in 2015, up from \$890 million in 2014, NVI is solidly entrenched as the fourth largest retailer, having claimed that spot for the second year in a row.

NVI is one of the few retailers focused exclusively on the value segment of the industry. The company operates vision centers across the country, including America's Best Contacts & Eyeglasses and Eyeglass World freestanding concepts and vision centers inside Walmart, Fred Meyer and on U.S. military bases. NVI also sells its products directly to consumers through 25 consumer-facing websites, including

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## Snapshots of Optical's 10 Largest U.S. Retail Players (cont'd)

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ACLens.com and DiscountContactLenses.com.

In June, 2015, NVI broke new ground, literally and figuratively, when it became the first major optical retailer to add smart glasses to its product mix. At the opening of its new Eyeglass World store in San Diego, Calif., NVI executives unveiled a wearable technology department featuring a special area stocked with state-of-the-art specs from Recon, Vuzix and Epson.

In December, NVI expanded its patient financing agreement with CareCredit, a leading provider of patient financing, across its family of brands. The multi-year agreement extends the availability of the CareCredit health, wellness and beauty credit card at select NVI retail locations nationwide.

NVI also initiated a new program with the Boys & Girls Clubs of America in 2016, kicking off what will be a multi-year national partnership to provide vision screenings, access to comprehensive eye exams and free eyeglasses for qualified members at select Boys & Girls Clubs around the country through NVI's America's Best Contacts & Eyeglasses retail locations. NVI will also contribute \$1 million annually over the next three years to support BGCA and its preventive care and wellness initiatives.

### 5 COSTCO WHOLESAL

Costco Wholesale operated 475 Costco Optical vision centers in 492 locations in the U.S. and Puerto Rico for 2015, up from 457 in 2014. The company generated \$915.2 million in revenue from its vision centers during calendar year 2015, a 9 percent increase over calendar year 2014.

Costco Optical's optical locations nationwide provide frames, prescription lenses, contact lenses and a variety of lens options. For comprehensive eye exams, most have an independent doctor of optometry in or near the optical department. These ODs are contracted individually.

Costco Wholesale has taken a leading role in the battle over control of contact lens sales in the U.S. It recently banded together with 1-800 Contacts and Lens.com to form an advocacy group called the Coalition for Contact Lens Consumer Choice, which is pushing to deregulate sales of contact lenses and

is opposed by major manufacturers such as Johnson & Johnson, Alcon and Bausch + Lomb as well as the American Optometric Association.

### 6 VISIONWORKS

2015 was the second full year Visionworks operating nationally as a unified retail optical brand. The group is a division of HVHC, Inc., which also includes Davis Vision, all of which are headquartered in San Antonio, Texas. HVHC's parent company, Highmark Health, is a Pittsburgh, Pa.-based enterprise that is one of the largest integrated health care delivery and financing networks in the country.

Visionworks continued its geographic expansion in existing as well as new markets during the year. Under the direction of president and CEO, Jim Eisen, Visionworks operated 699 retail stores in 42 states in 2015, adding 56 new stores last year in key metro markets such as Detroit, Michigan and the boroughs of New York City and realized a 5.3 percent increase in comparable store retail sales.

The national profile enabled more consistent and robust national media advertising for Visionworks. And, earlier this year, Visionworks became one of the first major optical retailers to roll out e-commerce capabilities to work along with its physical stores.

The national retailer said it is bringing its large assortment of eyewear and eyecare expertise to consumers who can browse, try on and purchase prescription eyeglasses, fashion frames and sunglasses and have them delivered directly to their door. Said Eisen, "Today's consumer is constantly on the go, so we're proud to make our products even more easily accessible by providing the ability to buy online, pick up in-store or select delivery to any destination nationwide. Plus with over 700 locations throughout the U.S., customers can easily drop in for a professional fit—it's exciting to offer a complete multi-channel experience for our customers."

Visionworks was also ranked number 150 on last month's Forbes' "Best Employers" list, among 500 companies among a range of industries and institutions, and was also ranked number 14 on the related "Best Employers in Texas" report.



### 7 MYEYEDR./CAPITAL VISION SERVICES

Already in a major expansion mode in 2014, MyEyeDr./Capital Vision Services continued on a path to bring both independent eyecare practices and strong regional groups into the fold, backed by a substantial infrastructure of support and service teams.

At the end of 2015, the group's CEO Sue Downes told VM that MyEyeDr. operated over 200 practices, up from 139 at the start of the year. Downes said, "We remain highly selective with the practices we are acquiring and ultimately decide to move forward with less than 5 percent of the practices we speak to. We look for the right combination of quality clinician(s), strong reputation, positive financial metrics and geographic fit. The integration into the MyEyeDr. family is a key focus for us. We want the patients, doctors and staff to not feel a strain as a result of the acquisition and view the change in a positive light."

Among the group's deals in 2015 were dozens of single practices and additional optometric groups, along with acquisitions of The Hour Glass in Florida, Doctors on Sight in Maryland and Virginia, Eye Express in Florida, Vision Associates in Maryland and Halpern Eyecare in Delaware.

MyEyeDr.'s expansion into other U.S. geographic markets is continuing into 2016.



### 8 REFAC OPTICAL GROUP

Refac Optical Group, the eighth largest retailer, experienced a slight increase in sales in 2015, from \$274.8 million to \$275.2 million, although its store count rose from 736 to 780.

Refac has been owned by ACON Investments, a Washington, D.C.-based private equity investment firm, since 2011. Its main operating company consists of U.S. Vision, Inc. and Nationwide Vision, which it acquired in 2013. Refac's retail brands are JCPenney Optical, BJ's Optical, Nationwide Vision Centers, The Optical Shop at Meijer, Boscov's Optical, Sears Optical, AAFES (in military locations) and 20/20 Vision Center.

Adam Levy was named CEO and president of Refac

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## Additional Value-Oriented Mass Merchant Locations Added to Growth of Optical Sales in Clubs/Chains in 2015

NEW YORK—An estimated 700 new locations of optical departments within mass merchants as well as some wholesale clubs contributed to an increase in revenues for the country's leading players in this sector for the calendar year 2015, according to VM's estimates and ranking.

The group's estimated sales of \$3,242 million in 2015, compared to \$2,814 million in the prior year, represents a very strong collective retail dollar increase of 15 percent.

The expansion of optical centers within Walmart, Sam's Club and Target helped the total number of optical departments within mass/clubs

to grow to 5,045 locations in 2015, compared to 4,705 in the prior year.

The rankings among leading mass merchants/clubs with optical departments mostly stayed the same this year. The notable change is the increase in ranking of Target/Super Target stores with optical departments, which are part of the licensed brands division of Luxottica Retail. Target moved from 346 locations in 2014 to 390 locations in 2015 and the stores open for more than a year experienced strong comps.

Number one Wal-Mart stores held firmly to that spot, taking into account its approximate 3,000

Walmart Vision Centers (in stores operated directly by the company), along with another estimated 228 departments run inside Walmart by National Vision Inc. The Sam's Clubs with optical departments numbered 582 for the period. All together, that brings all of Walmart's vision operations generating sales of \$1,714 million for the year.

The share of mass merchant and wholesale clubs' optical sales is now estimated to be 9.4 percent of the total U.S. vision care market at retail. This represents 26.7 percent of the VM Top 50. ■

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### Leading Mass Merchants, Clubs With Optical Departments

Rank 2015	Rank 2014	Mass Merchant (Operator)	2015 Retail Sales (\$ in Millions)	2015 Units <sup>1</sup>	Class	2014 Retail Sales (\$ in Millions)	2014 Units <sup>1</sup>
1	1	Walmart Wal-Mart Stores National Vision	\$1,746.0* \$1,554.0* \$192.0*	3,228* 3,000* 228*	MM	\$1,538.0* \$1,367.0* \$171.0*	2,964* 2,737* 227
2	2	Costco Wholesale	\$915.2	475	WC	\$833.0*	457
3	4	Target/Super Target Luxottica Retail	\$225.0*	390	MM	\$95.0*	346
4	3	Sam's Club Wal-Mart Stores	\$160.0*	582*	WC	\$154.0*	573*
5	5	Shopko Stores	\$94.0*	140	MM	\$94.0*	140
6	6	BJ's Wholesale Refac Optical Group	\$86.7	201	WC	\$85.3*	195
7	7	Fred Meyer National Vision	\$15.0*	29*	MM	\$15.0*	30
		<b>Totals</b>	<b>\$3,241.9*</b>	<b>5,045*</b>		<b>\$2,814.3*</b>	<b>4,705.0*</b>

Source: VM's 2016 Top 50 Optical Retailers

\*=VM Estimate MM=Mass merchant WC=Warehouse club 1 Optical locations

For a look at prior years' reports, go to the VM Reports category on [VisionMonday.com](http://VisionMonday.com).



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Optical Group in September, 2015. Al Bernstein is president of Nationwide Vision.

### 9 EYEMART EXPRESS, LTD.

Eyemart Express, a leader in the value segment of the market, went from seventh to ninth position in this year's Top 50 ranking. The company, now owned by private equity investment firm FFL Partners, generated \$233 million in sales in 2015, up 2.1 percent from 2014. Its store count grew to 171, three more than the previous year.

The company's retail brands are Dr. Barnes' Eyemart Express, Dr. Barnes' Vision 4 Less, Dr. Barnes' Eyewear Express and Dr. Barnes' VisionMart Express.

In June, Eyemart Express celebrated its 25th anniversary. Fueled by the investment from FFL

Partners, the company plans to open nearly 200 more stores by 2020.

In April, 2015, FFL expanded its footprint in the optical industry with an investment in Clarkson Eyecare, a leading independent, full-service eyecare provider. Chris Harris, managing director of FFL, said Eyemart Express is run separately from Clarkson. Since then, FFL has helped Clarkson acquire two additional groups, Eyecare Associates and eyecarecenter, p.a. during 2015.

### 10 COHEN'S FASHION OPTICAL

One of the oldest names in the New York City optical retail market, Cohen's Fashion Optical is now completely a franchise operation, with 126 locations operating in 2015 in the U.S. and Puerto Rico.

In 2016, the group, which has inaugurated a new marketing approach over the past year, said it was embracing the spirit of founder Jack Cohen, who operated a pushcart business in the area and opened this first NYC fashion retail location 85 years ago.

At its original landmark shop on the corner of Orchard and Delancey streets on Manhattan's famed Lower East Side, Cohen's presented a new retail environment and concept shop. A new in-house eyewear collection, called The Collective, also debuted, designed to target a new and youthful eyewear customer.

"The Concept Store allows us to experiment with new products and is a vehicle to reach a younger audience with an on-trend \$99 entry level collection, including our standard eye exam at Cohen's level quality," said Bob Cohen, president. ■

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number of private equity investments in the optical market which created both consolidation—absorbing formerly independent regional operations—as well as expansion among several new market leaders.

The composition of the VM's Top 10, for the 2015 period, remained the same among the top four companies: Luxottica Retail at #1 (part of the large publicly-traded global group), Vision Source at #2 (which itself was acquired by Essilor in 2015), Walmart Vision Centers (including Sam's Club) at #3 and National Vision at #4. (National Vision saw an investment by prominent group KKR in 2014).

Among the others in the Top 10 are familiar national market leaders like Costco at #5 and Visionworks at #6. Refac Optical Group main-

tained its post at #8, while MyEyeDr./Capital Vision Services jumped from 10 in last year's ranking to #7 this year. MyEyeDr.'s ranking was fueled by its assertive expansion of both smaller independent offices and regional groups which it brought under its banner, helped by the company's own new equity investment in August 2015 as a group led by Altas Partners and Caisse de dépôt et placement du Québec (CDPQ), two large investment firms who did so in partnership with co-founder and CEO Sue Downes and other members of management.

Cohen's Fashion Optical, now a franchise-only operation, moved up to the Top 10 this year from last year's rank of 11. Also appearing for the first time in the Top 10 is Eyemart Express, on an expansion pace for its value retail formats and with the investment help of FFL Partners, a private equity firm that took an interest in the chain just at the end of 2014.

Noteworthy, too, is Eyecare Partners, ranked at number 11 based on 2015 yearly sales, a new entity consisting of Clarkson Eyecare, which had previously acquired Thoma & Sutton and this year added to its group with the acquisition of EyeCare Associations and eyecarecenter p.a.

It should be noted that global retail optical player, GrandVision, made its first move in

the U.S. optical market in 2015, with the acquisition of family-owned For Eyes Optical.

Collectively, the VM Top 50 account for 35.3 percent of the total U.S. vision care market, which is estimated by VisionWatch to be \$34,446 million in revenues in 2015. The Top 50's dollar share equals \$12,151.6 million. The Top 10 of those Top 50 command a major proportion of those sales. The Top 10 alone account for about 30.5 percent of the total vision care market's sales. Mass merchants and wholesale clubs together account for estimated sales of \$3,242 million, or 9.4 percent of the total U.S. vision care market's revenues.

And, yes, for the first time, VM has attempted to rank Warby Parker on its VM Top 50 Retailers list. While Warby Parker has not disclosed or corroborated its total sales estimates, the online player, which had opened a few showroom locations in 2014, expanded more significantly into the retail sector last year. Warby Parker operated 20 stores as of December 2015. In 2016, the company has stated that it intends to open another 15 to 20 locations, either freestanding or within other host locations or venues.

A few of VM's Top Retailers are already selling eyewear products online, particularly contact lenses, and revenues, where applicable are included in their total revenue report or estimates. Luxottica Retail's estimate now also includes revenues from its Glasses.com site. And Visionworks, after a year in development, launched its own e-commerce presence this year.

Omni-channel, blurring the boundaries of brick and mortar with click and order, is starting to be felt in the optical retail category, no doubt, and so is reflected in VM's signature report this year. ■

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