

Visionworks Discount Eye Care Firm Coming to Chicago

By Brandon Glenn
Feb. 16, 2007

(Crain's) — A San Antonio-based discount eye care company that bills itself as “the DSW of eye care centers with Wal-Mart prices” plans to open 40 stores in the Chicago area within the next three years.

Visionworks' first store in the area is slated to open in Niles on Feb. 21. A downtown location at 24 E. Randolph St. is set to follow on March 23.

The company plans to open 14 stores in the area before the end of June, according to George Gebhardt, executive vice president with Eye Care Centers of America Inc., Visionworks' parent company.

“We think the value customer is slightly underserved in Chicago,” Mr. Gebhardt said. “We believe we'll fill that niche very well.”

Eye Care Centers bills itself as the “third-largest retail optical chain” by revenues in the country, featuring nearly 400 locations in 36 states. The company reported 2005 revenues of \$406 million.

Its two largest competitors are LensCrafters Inc. and Wal-Mart Stores Inc., Mr. Gebhardt said.

“Virtually every market we're in, we compete head-to-head with those two players,” he said.

In drawing distinctions between Visionworks and its primary competitors, Mr. Gebhardt said LensCrafters was “more fashion-oriented” and had higher prices and that Visionworks has a larger selection, but similar prices, compared with Wal-Mart.

Representatives from LensCrafters and Wal-Mart did not immediately return calls seeking comment.

Visionworks' target customer is a woman between the ages of 35 and 64 from a “value-oriented, middle-income-type family,” Mr. Gebhardt said, noting that women make most eye care-related buying decisions.

In the Chicago area, the company plans to hire about 250 workers, including sales people, doctors and technicians, by the end of 2007. Visionworks' sales people earn an average of about \$13 per hour, Mr. Gebhardt said.

The company's in-store products and services include: discount-priced and designer frames for adults and children, labs capable of producing eyeglasses within an hour and optometrists who'll provide eye exams without appointments.

Most of the chain's Chicago-area stores will be open seven days a week, with the downtown store an exception, Mr. Gebhardt said.

Visionworks is one of 11 eye care brands operated by Eye Care Centers, which is owned by Pittsburgh-based health insurer Highmark Inc. Highmark reported 2005 operating revenues of \$9.6 billion and profits of \$342 million. Figures for 2006 weren't available.

When Highmark bought Eye Care Centers in May 2006, it marked the fifth time Eye Care Centers changed hands in the last 12 years.

Previous owners include Sears, Roebuck and Co. and several private-equity firms.

"They flipped us every time and they made money," Mr. Gebhardt said.

The only Illinois store operated by an Eye Care Centers Brand — Doctor's Valu Vision — is in Carbondale. Other Eye Care Centers' brands include: EyeMasters, Vision World, Binyon's and Stein Optical.

The following is a list of projected store addresses, cities and opening dates provided by Eye Care Centers:

- 239 Golf Mill Center, Niles, 2/21/2007
- 24 E. Randolph St., Chicago, 3/23/2007
- 152 Stratford Square, Bloomingdale, 4/6/2007
- 2484 Fox Valley Drive, Aurora, 4/11/2007
- 101 Chicago Ridge Mall Drive, Chicago Ridge, 4/13/2007
- 7501 West Cermak Rd., North Riverside, 4/18/2007
- 3333 West Touhy Ave., Lincolnwood, 4/18/2007
- 96 River Oaks Center Drive, Calumet City, 4/20/2007
- 1124 Spring Hill Mall, West Dundee, 4/25/2007
- 656 Orland Square Mall, Orland Park, 5/2/2007
- Marketplace at Darien, Darien, 5/11/2007
- 419 Hawthorn Center, Vernon Hills, 5/23/2007
- 6170 W Grand Ave., Gurnee, 5/30/2007
- 2730 N Sutton Rd., Hoffman Estates, June 2007
- 3340 Mall Loop Drive, #1442, Joliet, TBD
- 266 Yorktown Shopping Center, Lombard, TBD
- 1015 S. Rand Rd., Lake Zurich, TBD
- 875 N. Randall Rd., Batavia, TBD
- 2300 West Logan Blvd., Chicago, late 2007 or early 2008