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Getting Lens Crafty



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By Anne Kadet
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FOR YEARS I'VE BEEN wondering why eyeglasses cost so much. Even at LensCrafters, which is to eyewear what Gap is to clothes, you can easily pay \$500 for a few pieces of plastic and screws. The last time I went in, I tried on a \$250 pair of retro-librarian frames that made me look real smart. So smart that I asked the sales guy why they cost so much. He gave me a funny look. "They're designer," he huffed.

That did it. With a little digging, I found someone offering a much cheaper alternative. Seven years ago optician Randy Appelbaum sold his three Manhattan retail locations to start EyeglassDirect.com, one of the growing number of discount-eyewear Web sites. By typing in your prescription and measurements, you can buy a decent set of specs off his site for as little as \$28. His secret: He built a lab in his brick townhouse in the suburban outskirts of Brooklyn. His two Ukrainian assistants, Vladimir and Alex, grind 20 to 50 pairs of eyeglasses a day under the fluorescent lights, using the same equipment you'd find in the back of an optician's store. Alex is moonlighting from his job making lenses for — you guessed it — LensCrafters.

Of course, the first thing I ask Appelbaum is why frames cost hundreds of dollars at the typical optician's shop. "I used to buy frames for \$20 and sell them for \$200," he recalls. He actually starts laughing. "Yep. It's crazy!"

This confirmed my worst suspicions. Sure, you expect merchants to charge something above wholesale to make a profit. A typical clothing store might double its wholesale costs to come up with a retail price, for example. But some opticians mark up frames as much as 1,000%. That probably explains why bazillionaire Leonardo Del Vecchio, the guy who owns major chains such as LensCrafters, Sunglass Hut and Pearle Vision, ranks among the world's 50 richest men. "Del Vecchio is raking in the cash!" says Appelbaum, sounding a tad envious. "He has truckloads of it!"

As outrageous as these markups sound, your typical storefront optical shop relies on them just to get by. According to Dublin-based research firm Research and Markets, most do less than \$500,000 a year in sales, and like any retail operation, a big chunk of that goes to pay the rent and sales staff. If opticians offer a free eye exam, the price of your specs is also footing the bill for the optometrist's \$100,000 salary. And if they make your glasses while you wait, you're also paying for \$500,000 in in-store lab equipment. When all's said and done, a typical optician makes a 15 to 20% profit on the average sale — about the same margin Appelbaum enjoys.

LensCrafters, which declined to comment, probably doesn't have much to fear from online sellers. Appelbaum says he has to offer such low prices and a 30-day guarantee because most folks are still too scared to order glasses on the Internet. Still, there may be a mini movement afoot. Eagan, Minn., blogger Ira Mitchell, whose musings about photography and electronics used to attract about 50 readers a day, recently posted an essay titled, "Eyeglass stores are for suckers." Within 24 hours, he says, more than 50,000 readers flocked to his blog to gripe about their own overpriced eyewear and discuss the benefits of buying online.

Back at the LensCrafters store, I ask the sales guy if I can get a discount. He says no, but offers to charge my purchase to a LensCrafters credit card. "You won't have to make any payments for the first three months!" he says. It slowly dawns on me: The glasses are so expensive they come with their own financing plan. Maybe it's time to take a \$28 gamble.