

The Retail Eyewear Industry

A primer on optical retail: market structure, value chain, business models, unit economics, and the shift from selling frames to owning the vision-care event. Grounded in public-company earnings transcripts and financial filings through Q1 2026.

EXECUTIVE TAKEAWAYS

- 01** **Optical retail is slow-growing but structurally attractive:** recurring need, high gross margins, fragmented supply, and strong attachment economics around exams, progressives, lens coatings, contacts, insurance, and now smart glasses.
- 02** **The profit pool is shifting away from "cheap frames" toward clinical access + lens complexity + insurance capture.** Frames are the visible product; the real economics are in exams, progressive lenses, coatings, managed-care reimbursement, premium lenses, and repeat customer data.
- 03** **The industry is still fragmented despite a few giants.** Warby Parker cites only ~1.3% share of the \$70B U.S. eyewear market; National Vision cites ~3% of optical retail and says independent optometrists still hold roughly 50% share. — WRBY Q4 2025 call; EYE Investor Day 2025
- 04** **Retail stores are not dead; in optical, they are the moat.** Exams, doctor access, insurance usage, fitting, adjustment, and clinical trust make stores strategically valuable. Warby says stores with exams deliver higher revenue, conversion, and gross profit; National Vision performs 6M+ eye exams annually. — WRBY Q4 2025 call; EYE Investor Day 2025
- 05** **The next battleground is "medicalized retail + connected eyewear."** EssilorLuxottica sold more than 7M AI glasses in 2025, Ray-Ban Meta is scaling into prescriptions, Warby is preparing AI glasses with Google/Samsung, and National Vision is rolling Ray-Ban Meta / Oakley Meta across stores. — EssilorLuxottica FY2025 call; WRBY Q1 2026 call; EYE Q1 2026 call

CORE VIEW

Optical retail is less like discretionary apparel and more like a **healthcare-enabled specialty retail category**. The best operators combine doctor access, insurance acceptance, proprietary customer data, private-label or controlled product economics, lab/logistics efficiency, and digital repeat ordering. The weakest models are pure online frame sellers without exams, insurance, or clinical touchpoints.

1 Industry definition and scope

The retail eyeglass industry sits at the intersection of vision correction, fashion, and — increasingly — connected devices:

CATEGORY	WHAT IT INCLUDES	ECONOMIC ROLE
Prescription glasses	Frames + lenses	Core revenue driver; lens options drive margin
Progressives / multifocals	Higher-complexity lenses for presbyopia	Higher AOV, higher reimbursement, more fitting complexity
Lens enhancements	Anti-reflective, Transitions/photochromic, high-index, polarized, blue-light, coatings	High-margin attachment revenue
Eye exams	In-store optometry, employed/affiliated doctors, remote/hybrid exams	Traffic generator + conversion mechanism
Contact lenses	Daily/monthly contacts, online reorders	Repeat purchase stream; often lower gross margin than eyewear
Sunglasses	Prescription and non-prescription	Fashion + premium/luxury channel
Insurance / managed vision care	VSP, EyeMed, Davis Vision, employer vision plans	Increases frequency, conversion, AOV, and stickiness
Smart / AI glasses	Ray-Ban Meta, Oakley Meta, future AI glasses	Emerging; potentially expands eyewear into a computing device

The key distinction: optical retail is not just frames. Frames are the merchandising layer. The deeper economics come from vision correction, prescription complexity, insurance routing, exams, and lens add-ons.

2 Market size and structure

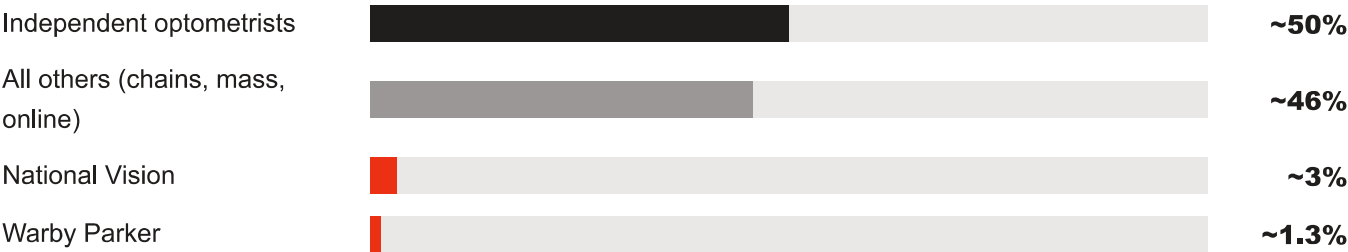
Market size

Warby Parker cites a **\$70B U.S. eyewear market** and says it represents ~1.3% share. National Vision cites a Vision Council estimate that optical retail could reach **\$85B by 2030**. — WRBY Q4 2025

call; EYE Investor Day 2025

Treat those figures as company-cited industry estimates, not independently verified market research. Directionally, though, they support the big point: even the largest public U.S. optical retailers have low single-digit share — substantial consolidation and share-shift opportunity remains.

FIG. 1 — U.S. OPTICAL MARKET SHARE, AS CITED BY MANAGEMENT



Company-cited estimates: WRBY Q4 2025 earnings call; EYE Investor Day 2025. "All others" is the residual, shown for scale.

Industry structure

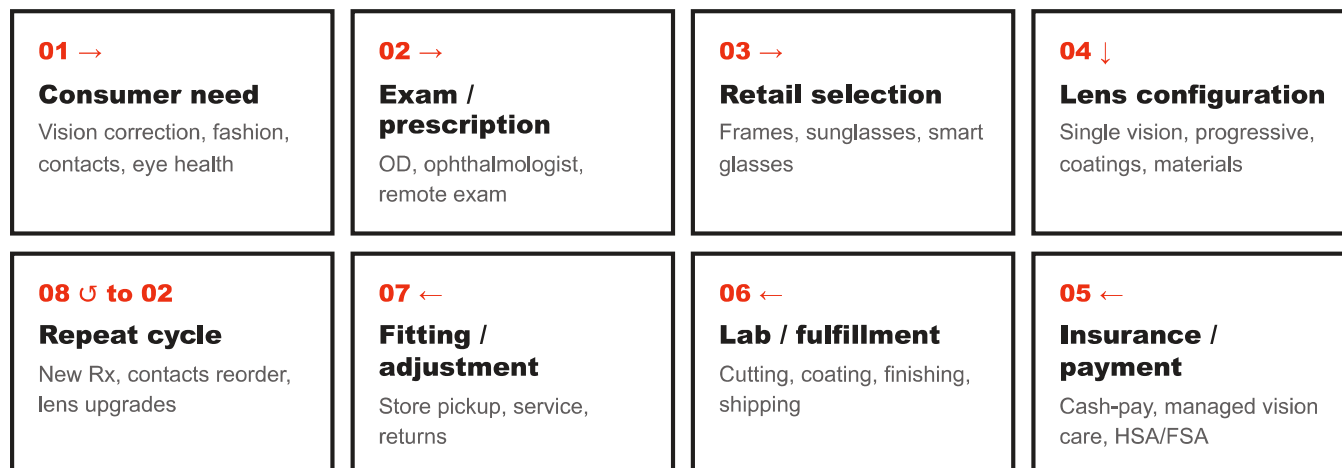
LAYER	KEY PLAYERS / EXAMPLES	STRATEGIC ROLE
Independent optometrists	Local OD practices	Huge share; clinical trust; fragmented
Optical chains	LensCrafters, Pearle Vision, America's Best, Eyeglass World, Visionworks	Scale, managed care, broad retail footprint
Vertically integrated giants	EssilorLuxottica	Owns brands, lenses, labs, wholesale, retail, smart eyewear
Digitally native / omnichannel	Warby Parker	Brand-led DTC, expanding stores/exams/insurance
Mass / club retail	Costco Optical, Walmart Vision Center, Target Optical	Value, traffic, convenience; limited pure-play disclosure
Online sellers	Zenni, EyeBuyDirect, GlassesUSA	Price disruption; weaker clinical/exam integration
Managed vision care networks	VSP, EyeMed, Davis Vision	Direct demand through benefits and reimbursement

Implication: this is not a winner-take-all e-commerce market. It is a distributed healthcare retail market where local access, insurance contracts, exam capacity, and patient trust matter. — EYE

Investor Day 2025

3 The value chain

FIG. 2 — THE VISION-CARE EVENT, END TO END



The cycle flows left-to-right across the top row, then right-to-left across the bottom; step 08 loops back to the next exam.

Where money is made

The highest-value nodes are typically:

- **Lens complexity** — progressives, high-index lenses, anti-reflective coatings, Transitions, polarized lenses.
- **Insurance capture** — raises conversion and lets customers buy more premium products.
- **Exam conversion** — eye exams create prescription events and drive product purchase.
- **Repeat ordering** — contact lenses and replacement cycles.
- **Owned lab / supply chain efficiency** — faster delivery, better margin control, less vendor dependence.
- **Brand / private label** — lower customer acquisition cost and better gross margin.

THE INDUSTRY IN ONE SENTENCE

National Vision quantified the lens attachment opportunity: a **1% penetration lift** across anti-reflective coatings, Transitions, and advanced materials would generate **+\$40M incremental revenue**. Small mix changes in lenses move a lot of revenue and profit. — EYE Investor Day 2025

4 Consumer demand drivers

4.1 Vision correction is recurring and need-based

Eyeglasses are more resilient than fashion apparel because purchases are tied to prescription changes, eye exams, aging-related presbyopia, broken or lost glasses, insurance benefit cycles, children's myopia progression, occupational screen use, and contact lens replenishment.

Warby notes that **three-quarters of glasses are purchased in connection with an eye exam**. Whoever controls or influences the exam event has an advantage — the exam is the trigger that turns a latent need into a transaction. — WRBY Q4 2025 call

4.2 Aging drives progressives

Progressive lenses are a major growth pool because they serve presbyopia, typically beginning in middle age. Both Warby and National Vision are well below the industry mix — a sizable mix-up opportunity. Progressives are harder to sell and fit, but generally carry higher ticket and higher margin.

FIG. 3 — PROGRESSIVE LENS MIX VS. INDUSTRY



Industry figure covers progressives/bifocals/multifocals. Sources: WRBY Q4 2025 earnings call; EYE Investor Day 2025.

4.3 Insurance changes customer behavior

Warby says insured customers have **higher AOV, higher progressive lens selection, and higher repeat rates**; its in-network insurance penetration reached ~10% in Q1 2026, up from ~8% a year earlier. National Vision's managed care represented **42% of FY2025 revenues**, with managed-care comps growing low double digits. — WRBY Q1 2026 call; EYE Q4 2025 call

Managed vision care is both a demand source and a mix lever: it can compress pricing in some cases, but at scale it drives traffic, frequency, conversion, and premium lens attachment.

4.4 Myopia management is becoming a medical growth vector

EssilorLuxottica's myopia portfolio grew **22% globally**, and Stellest received FDA market authorization. Nearly 4,000 U.S. doors were trained and equipped at the end of 2025, rising to **6,000 U.S. doors daily dispensing Stellest lenses** in Q1 2026. — EssilorLuxottica FY2025 call; Q1 2026 call

Implication: children's myopia management can shift parts of optical retail from "replace my glasses" to "treat a progressive condition" — supporting premium lenses, doctor involvement, and recurring follow-up.

5 Business models

5.1 Value optical chain: National Vision

National Vision operates value-oriented banners such as America's Best and Eyeglass World. The model emphasizes a broad store footprint, low advertised entry price, high exam volume, managed care expansion, premium lens and frame mix-up, owned domestic labs, and a doctor network with remote/hybrid exam capacity.

METRIC	NATIONAL VISION
FY2025 revenue	\$1.99B
FY2025 adjusted comp store sales	+6%
FY2025 managed care revenue mix	42%
FY2025 ending stores	1,250
Q1 2026 ending stores	1,274
Annual eye exams	6M+
Domestic labs	4

Sources: EYE Q4 2025 and Q1 2026 earnings calls; EYE Investor Day 2025.

Strategic pivot: from a primarily entry-level bundle model toward a broader value-plus model — more managed care, more progressives, more premium frames, more outside-Rx customers, more lens upgrades.

KEY DISCLOSURE

Entry-level/self-pay bundle customers generate **1.4%–4% profit**, while managed-care / progressive / outside-Rx segments are roughly **4× more profitable**. Mix shift — not just traffic — is the investment thesis. — EYE Investor Day 2025

5.2 Omnichannel brand: Warby Parker

Warby started as a digitally native, direct-to-consumer eyewear brand, but the model has evolved toward stores, exams, insurance, and higher-complexity lenses.

METRIC	WARBY PARKER
FY2025 revenue	\$871.9M
FY2025 retail revenue	\$630.9M, +17.3% YoY
FY2025 e-commerce revenue	\$241M, +3.1% YoY
FY2025 ending stores	323
2026 planned new stores	50
Long-term store target	900+
Q1 2026 eye exam growth	+30% YoY
Stores with exams	Nearly 90%
Q1 2026 in-network insurance penetration	~10%

Sources: WRBY Q4 2025 and Q1 2026 earnings calls.

The key misconception: Warby is often viewed as an online eyewear company. That is stale — its growth engine is increasingly physical retail + exams + insurance + progressives. Management notes that markets with the most stores frequently have the highest e-commerce growth: stores are not cannibalizing digital; they are brand media, exam centers, fitting rooms, service hubs, and prescription generators. — WRBY Q4 2025 call

5.3 Vertically integrated global platform: EssilorLuxottica

EssilorLuxottica is the most vertically integrated player in the global optical ecosystem, spanning lens manufacturing, frame brands, wholesale distribution, retail banners, labs, managed care exposure, sunglasses, smart glasses, myopia management, teleoptometry, and med-tech expansion.

METRIC / DISCLOSURE	ESSILORLUXOTTICA
Retail stores	18,000
Wholesale partners	300,000
AI glasses sold in 2025	7M+ units
AI glasses with prescription lenses	20%
Teleoptometry exams in 2025	200,000+, +40% YoY
FY2025 free cash flow	€2.796B
Stellest U.S. trained/equipped doors, FY2025	~4,000
Stellest U.S. daily dispensing doors, Q1 2026	~6,000

Sources: EssilorLuxottica FY2025 and Q1 2026 calls.

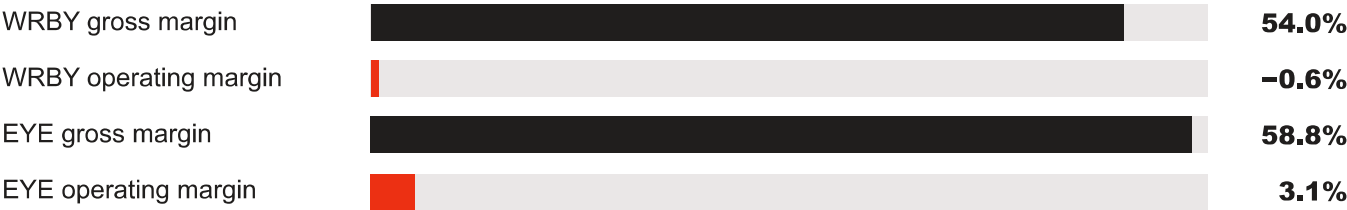
Interpretation: EssilorLuxottica is not simply an eyewear retailer — it is closer to an **optical infrastructure company**. Its scale allows it to shape product categories (lenses, smart glasses, myopia management) and distribute them through wholesale and owned retail.

6 Store economics and margin structure

Public-company financial benchmark

FY2025 (FINANCIALS API, ANNUAL)	WARBY PARKER	NATIONAL VISION
Revenue	\$871.9M	\$1.99B
2022–2025 revenue CAGR	13.4%	6.5%
Gross margin	54.0%	58.8%
Operating margin	–0.6%	3.1%
FCF margin	5.0%	3.7%
CapEx / revenue	7.7%	3.7%

FIG. 4 — WHERE THE GROSS MARGIN GOES (FY2025)



Bars scaled to 60% = full width. The gross-to-operating gap is the cost of service delivery: store labor, doctors, rent, marketing, fulfillment.
Source: Financials API, annual statements through FY2025.

What the numbers say

- **Gross margins are attractive.** Both run in the mid-to-high 50s.
- **Operating margins are much lower.** Store labor, doctor costs, rent, marketing, customer acquisition, technology, and fulfillment consume much of the gross profit.
- **Scale matters.** National Vision has lower growth but more mature store economics; Warby has faster growth but is still building store/exam/insurance scale.
- **CapEx intensity is real.** Stores, exam lanes, labs, and technology require investment.

A caution on "gross margin": Warby's gross margin includes frames, lenses, optical labs, customer shipping, optometrist salaries, store rent, and depreciation of store buildouts. Optical gross margin is not a pure product margin — it embeds service delivery and store/exam infrastructure. — WRBY Q4 2025 call

Q1 2026 snapshot

Q1 2026 (FINANCIALS API, QUARTERLY)	WARBY PARKER	NATIONAL VISION
Revenue	\$242.4M	\$543.9M
Gross margin	54.0%	59.7%
Operating margin	0.7%	8.3%
FCF margin	3.5%	8.1%

National Vision's Q1 seasonality and operating leverage were notably stronger; Warby remains in investment mode but has moved from heavy losses toward positive earnings and free cash flow.

7 Unit economics: what drives AOV and margin

7.1 Progressives

Progressives increase ticket because they are more complex, require more precise fitting, and often include premium lens designs. With Warby at ~22% of Rx units and National Vision at ~20% of wearers versus a ~40% category level (Fig. 3), progressives are a large white-space opportunity for value and DTC operators.

7.2 Lens coatings and materials

Anti-reflective coatings, Transitions, high-index lenses, and advanced materials are classic margin expanders — a 1% penetration lift across these would add \$40M of incremental revenue at National Vision. — EYE Investor Day 2025

7.3 Insurance

Insurance improves customer quality: higher AOV, higher progressive selection, higher repeat rates at Warby; 42% of FY2025 revenue with low double-digit comp growth at National Vision. — WRBY Q1 2026 call; EYE Q4 2025 call

7.4 Exams

Exams are the conversion funnel: Warby's Q1 2026 exams grew 30% YoY with exams in nearly 90% of stores; National Vision performs 6M+ exams annually; EssilorLuxottica performed 200,000+ teleoptometry exams in 2025, up 40%. — WRBY Q1 2026 call; EYE Investor Day 2025; EssilorLuxottica FY2025 call

7.5 Smart glasses and premium eyewear

Smart glasses are an emerging high-ticket category, but the gross-margin story is mixed. EssilorLuxottica sold 7M+ AI glasses in 2025, but gross margin declined 260 bps — roughly two-thirds of the impact attributable to AI glasses and one-third to tariffs. National Vision says Ray-Ban Meta and Oakley Meta carry among the highest average transaction values in its portfolio, with strong early demand and managed-care usage. — EssilorLuxottica FY2025 call; EYE Q1 2026 call

Interpretation: smart glasses may be revenue-accretive and strategically important, but not automatically gross-margin accretive. The bigger prize is likely device + prescription lens + coating attachment + a repeat upgrade cycle.

8 Competitive landscape

Independent optometrists

STRENGTHS

- Local trust
- Clinical relationship
- High-touch service
- Established patient base

WEAKNESSES

- Limited purchasing scale
- Less sophisticated digital/CRM
- Less price transparency
- Smaller frame assortments
- Less efficient marketing and fulfillment

Independents still hold roughly 50% market share — the category remains highly fragmented. —

EYE Investor Day 2025

National chains

LensCrafters, Pearle Vision, America's Best, Eyeglass World, Visionworks

STRENGTHS

- Store scale
- Insurance access
- Marketing scale
- Exam capacity
- Lab/logistics infrastructure
- Vendor leverage

WEAKNESSES

- Store labor and rent burden
- Potentially lower brand affinity
- Doctor recruiting constraints
- Managed-care reimbursement exposure

DTC / omnichannel

Warby Parker

STRENGTHS

- Brand control
- Transparent pricing
- High customer experience
- Digital data and CRM
- Store + e-commerce synergy

WEAKNESSES

- Must build exam infrastructure
- Lower insurance penetration than incumbents
- Store expansion requires CapEx
- Progressives require clinical/service complexity

Warby's current strategy is effectively to close these gaps: more stores, more exams, more insurance, more progressives. — WRBY Q4 2025 call

Online-only sellers

Zenni, EyeBuyDirect, GlassesUSA

STRENGTHS

- Low prices
- Wide assortment
- Lower fixed-cost base
- Convenient for repeat single-vision orders

WEAKNESSES

- No exam trigger
- Harder progressive fitting
- Lower service capability
- Insurance friction
- Returns/remakes
- Lower trust for complex prescriptions

Assessment: online-only optical is structurally disadvantaged for complex prescriptions and insured customers. It can win price-sensitive single-vision replacement orders, but the richest profit pools require clinical/store integration.

Vertically integrated giants

EssilorLuxottica is the standout

STRENGTHS

- Owns premium brands
- Owns lenses
- Owns retail banners
- Wholesale relationships
- Labs and logistics
- Smart glasses partnership with Meta
- Myopia and med-tech pipeline

WEAKNESSES

- Complexity
- Regulatory scrutiny risk
- Potential channel conflict with independent wholesale customers
- Gross-margin pressure from AI hardware mix

18,000 retail stores and 300,000 wholesale partners create distribution power that smaller retailers cannot replicate. — EssilorLuxottica FY2025 call

9 Strategic themes reshaping the industry

9.1 Stores are becoming clinical-commerce hubs

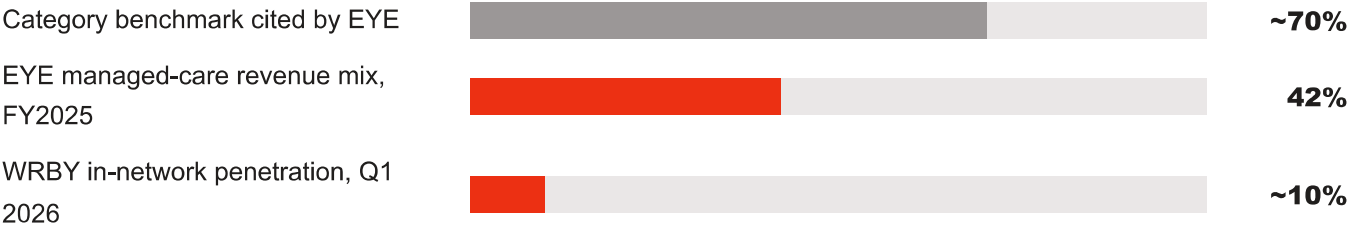
The store is shifting from a frame showroom to a combined exam center, insurance activation point, lens consultation desk, fitting and adjustment location, returns/remakes center, smart-glasses demo site, and contact-lens reorder acquisition point. Warby's exam services in nearly 90% of stores and National Vision's remote/hybrid doctor model show where the category is going. — WRBY Q1 2026 call;

EYE Q4 2025 call

9.2 Insurance capture is a major share-shift lever

Warby is underpenetrated in insurance relative to incumbents, but moving up. National Vision has meaningful managed-care penetration but says its mix is still below the broader category.

FIG. 5 — INSURANCE / MANAGED-CARE EXPOSURE (DEFINITIONS DIFFER; DIRECTIONAL ONLY)



WRBY's "in-network penetration" and EYE's "managed-care revenue mix" are not the same definition. Sources: WRBY Q1 2026 call; EYE Q4 2025 call; EYE Investor Day 2025.

Implication: insurers are gatekeepers. Winning plan access can change traffic quality and mix.

9.3 Premiumization is happening even in value optical

National Vision increased the share of frames priced above \$99 from **20% at the start of 2025 to approximately 40% by year-end**. This is not abandoning value; it is adding ladders above the entry bundle. — EYE Q4 2025 call

9.4 Digital is becoming operational, not just transactional

Digital priorities now include online exam booking, CRM and lapsed-customer journeys, contact-lens reorders, insurance eligibility checks, digital measurement, personalized recommendations, remote/hybrid optometry, and store segmentation with localized assortments. Approximately half of America's Best eye exams are booked online. — EYE Q1 2026 call

9.5 Smart glasses could expand the category

EssilorLuxottica's 2025 AI-glasses volume is already meaningful: 7M+ units sold, with 20% carrying prescription lenses, plus cited attachment rates for prescription, anti-reflective, polarized, and Transitions lenses. — EssilorLuxottica FY2025 call; Q3 2025 call

Assessment: smart glasses matter less because they are "cool frames" and more because they could shorten replacement cycles. If glasses become a computing device, replacement may look more like consumer electronics than a 2-year prescription cycle.

10 Regulation, labor, and operational constraints

10.1 Doctor availability

Optical retail depends on optometrists or affiliated doctors. Constraints include OD recruiting, state-by-state rules, corporate-practice-of-medicine restrictions, remote exam regulation, scheduling capacity, and doctor compensation. National Vision is leaning into remote/hybrid care where permitted; around 100 doctors have been trained in hybrid mode. — EYE Investor Day 2025

10.2 Managed care and reimbursement

Managed vision care is a volume source but can create reimbursement pressure, administrative complexity, and network dependency. Warby's low insurance penetration creates upside but also execution risk: plan contracting, claims submission, staff training, and customer experience all matter. — WRBY Q1 2026 call

10.3 Tariffs and supply chain

Warby cited tariffs as a gross-margin headwind; EssilorLuxottica said roughly one-third of its FY2025 gross-margin decline was tariff-driven. Frames and lenses have global supply chains, so tariff exposure, freight, lab capacity, and vendor concentration matter. — WRBY Q1 2026 call; EssilorLuxottica FY2025 call

10.4 Remakes, returns, and progressive adaptation

Complex prescriptions and progressives can require remakes or adjustments — one reason online-only models struggle at the high end and why store-based service remains important.

10.5 Privacy and medical data

As retailers add teleoptometry, retinal imaging, AI recommendations, and health-data workflows, privacy and healthcare compliance become more important.

11 Public company case studies

Warby Parker: brand-led optical platform

WHAT IS WORKING

- Revenue growth remains healthy: FY2025 revenue of \$871.9M, up from \$598.1M in FY2022 — a 13.4% CAGR.
- Retail is the growth engine: FY2025 retail revenue +17.3% YoY.
- Exams are scaling: Q1 2026 exams +30% YoY.
- Insurance penetration rising: ~10% in Q1 2026.
- Profitability improving: FY2025 net income slightly positive at \$1.6M; FCF of \$43.7M.

WHAT IS STILL HARD

- Q1 2026 gross margin declined on doctor headcount, occupancy, tariffs, lab and shipping costs, and store/exam investments.
- Operating margin still thin: -0.6% FY2025.
- Insurance penetration remains far below mature optical models.

Verdict: Warby is becoming a real optical retailer, not merely a DTC brand. The upside is meaningful if it can scale exams and insurance without diluting brand or margin. The risk: the model becomes more capital- and labor-intensive than investors originally expected. — WRBY Q4 2025 / Q1 2026 calls; Financials API

National Vision: value optical turnaround and mix-up story

WHAT IS WORKING

- FY2025 revenue of \$1.99B, +9% YoY, with adjusted comps of +6%.
- Q1 2026 revenue +6.6% to \$544M; adjusted comps +4.5%; adjusted operating margin +210 bps.
- Managed care rising: 42% of FY2025 revenue.
- Improving premium frame and lens penetration.

WHAT IS STILL HARD

- Value optical is exposed to cash-pay consumer pressure.
- The model needs doctor capacity.
- Store growth is slower near-term: FY2026 guide of 30–35 openings and 10–15 closures.
- Operating margins still modest: 3.1% FY2025.

Verdict: National Vision is not primarily a unit-growth story right now — it is a mix, margin, and managed-care story. The key question is whether it can upgrade the customer mix without losing the value customer base. —

EYE Q4 2025 / Q1 2026 calls; Financials API

EssilorLuxottica: category architect

WHAT IS WORKING

- Unmatched global scale: 18,000 stores and 300,000 wholesale partners.
- Smart eyewear has real traction: 7M+ AI glasses sold in 2025.
- Myopia management and med-tech expand the addressable market.
- Teleoptometry +40% YoY to 200,000+ exams in 2025.

WHAT IS STILL HARD

- AI glasses are dilutive to gross margin near-term.
- Vertical integration can create channel tension.
- The business is complex and global.
- Regulatory scrutiny is a standing possibility given its influence across lenses, frames, wholesale, and retail.

Verdict: EssilorLuxottica is the strategic center of gravity in eyewear. It has the best position if eyewear becomes a medical + wearable computing platform. — EssilorLuxottica FY2025 / Q1 2026 calls

12 Key performance indicators to track

KPI	WHY IT MATTERS
Comparable store sales	Core demand and productivity
Exam growth	Top-of-funnel trigger for eyewear purchases
Exam-to-purchase conversion	Measures clinical-commerce efficiency
Managed care / insurance penetration	Drives repeat, conversion, and AOV
Progressive lens mix	High-value complexity indicator
Lens enhancement attachment	High-margin upsell
Average transaction value / ARPC	Mix and pricing power
Active customers	Brand / customer base health
Repeat rate	Customer lifetime value
Store openings / closures	Growth and capital allocation
Revenue per store	Store productivity
Doctor coverage / exam lanes	Capacity constraint
Gross margin	Product / lab / tariff / doctor / rent mix
SG&A leverage	Scale efficiency
CapEx / revenue	Store and infrastructure intensity
Free cash flow margin	Real economic output

13 Risks and pressure points

1	Doctor labor and regulation	Without enough doctors or permitted remote-exam models, store growth and exam conversion stall.
2	Managed-care economics	Insurance brings volume, but reimbursement dynamics can pressure margins.

3	Consumer trade-down	Lower-income cash-pay customers can delay purchases or choose cheaper online alternatives.
4	Tariffs and input costs	Warby and EssilorLuxottica both cited tariffs as margin headwinds. — WRBY Q1 2026 call; EssilorLuxottica FY2025 call
5	Execution complexity	Optical retail requires coordinating doctors, stores, labs, insurance, inventory, customer service, and digital systems.
6	AI glasses margin dilution	Smart glasses may grow fast but can dilute gross margin if hardware economics are weaker than traditional optical.
7	Online price transparency	Single-vision eyewear is vulnerable to low-cost online competition.
8	Remake / service costs	Complex prescriptions and progressives can create hidden margin leakage.

14 Investment and strategic conclusions

Who wins?

Operators with:

- Dense store networks
- Exam capacity
- Insurance integration
- Strong lens attachment capabilities
- Efficient lab/logistics infrastructure
- Brand trust
- CRM and repeat-purchase data
- Ability to sell both value and premium
- Exposure to smart glasses or advanced lenses

Who loses?

Structurally weaker models:

- Online-only sellers without exam or insurance integration
- Independent practices without scale, unless protected by local clinical loyalty
- Retailers relying only on low-price frames without lens/insurance mix-up
- Chains unable to recruit doctors or modernize digital operations

HIGHEST-CONVICTION VIEW

The industry's center of gravity is moving from "selling glasses" to "owning the vision-care event." The retailer that controls the exam, prescription, insurance workflow, product recommendation, lens configuration, and future reorder owns the customer relationship. The frame is only one monetization point.

That is why Warby is adding exams and insurance, National Vision is moving into managed care and premium lenses, and EssilorLuxottica is pushing myopia management, teleoptometry, and AI glasses.

Best secular themes

Exam-led omnichannel retail Managed care penetration Progressive & premium lens mix Myopia management

Smart / AI prescription eyewear Remote & hybrid optometry CRM-driven repeat ordering

Private label & controlled supply chain

Best near-term metric to watch, per company

COMPANY	METRIC TO WATCH	WHY
Warby Parker	Insurance penetration + exam growth	Determines whether it can become a full optical platform
National Vision	Managed-care / progressive / outside-Rx mix	Determines whether margin expansion is real
EssilorLuxottica	AI glasses Rx attachment + gross-margin impact	Determines whether wearables expand or dilute the profit pool

Caveats

- This primer is grounded in public-company transcripts and Financials API data; no external web/news sources were used beyond the provided research tools.
- Industry market-size figures are company-referenced figures from Warby Parker and National Vision transcripts, not independently verified third-party market research.
- EssilorLuxottica metrics are excluded from the public-company financial comparison; the financials table uses available Financials API data for WRBY and EYE only. EssilorLuxottica discussion is based on company transcript disclosures.
- "Gross margin" is not perfectly comparable across optical retailers — companies classify doctor labor, rent, lab costs, shipping, and depreciation differently.

Sources

WRBY Q4 2025 Earnings Call	WRBY Q1 2026 Earnings Call
National Vision Holdings Q4 & FY2025 Earnings Call	EYE Q1 2026 Earnings Call
EYE Investor Day 2025	EssilorLuxottica Full Year 2025 Results Management Call
EssilorLuxottica Q1 2026 Revenue Management Call	EssilorLuxottica Q3 2025 Earnings Call

DISCLAIMER

This document is a sample prepared for illustrative and informational purposes only. It is **not investment advice** and does not constitute an offer, solicitation, or recommendation to buy or sell any security. Company-cited figures are drawn from public earnings transcripts and filings and have not been independently verified. Any views expressed are subject to change without notice. Do not rely on this material when making investment decisions.