



# CONSUMER CHOICE AND VISION CARE

Study shows that VSP provides the widest selection of eyewear through the largest independent doctor network.

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## EXECUTIVE SUMMARY

A recent Jobson study of eyecare doctors<sup>1</sup> shows that VSP provides the widest range of service options and the most eyewear choices at the best overall value.<sup>1</sup>

The study:

- Surveyed 330 independent eyecare professional locations dispensing eyeglasses.
- Included the top 18 standard vision care insurance plans.
- Showed that 81.4% of respondents rated VSP “Excellent” or “Good” in providing the widest range of service and hardware options. (The next closest insurance plan was rated at only 67.1%.)
- Also showed that VSP plans provide the best overall value and result in the highest patient/customer satisfaction.

VSP also offers the nation’s largest independent doctor network, and provides the widest range of eyecare options at the lowest out-of-pocket prices.

## INTRODUCTION

VSP offers customers convenience and choice with nearly 55,000 total access points, including the nation’s largest independent doctor network and 3,000 retail chain locations. Both private practice and retail locations offer a wide variety of high quality eyewear.

## **VSP—THE LARGEST INDEPENDENT DOCTOR NETWORK**

VSP doctors are credentialed to the highest standards by the National Committee on Quality Assurance and their network is the largest of its kind, with 49,797 access points. VSP doctors are located within an average of four miles of where VSP members live and work. And 88% have early morning, evening, and weekend hours.

This kind of convenience makes it easy for patients to access the eyecare providers of their choice. More than 58 million VSP members trust these experienced doctors to deliver their personalized care. More than half of VSP members have seen their doctor for more than four years, and nearly a third have seen their doctor for more than seven years.

Luxottica owns the insurance company EyeMed®, and retail chains like LensCrafters® and Pearle Vision® where they sell their own brands such as Ray Ban. This gives consumers what 60 Minutes calls “the illusion of choice.”

## **LUXOTTICA—THE ILLUSION OF CHOICE**

60 Minutes<sup>2</sup> recently ran a segment exploring the impact on consumers of Luxottica, a company offering what anchor Lesley Stahl calls “the illusion of choice.” The Italian company owns the for-profit eyecare insurance company EyeMed, for-profit name brand eyewear companies such as Ray Ban, and for-profit retail locations like LensCrafters and Pearle Vision.

In the 60 Minutes piece, SmartMoney.com columnist Brett Arends says of Luxottica that “the appearance of variety is an optical illusion.... [their] dominance is what’s called a price maker, which means that essentially it can set prices.”

When asked how the consumer benefits from their vertical integration, Luxottica CEO Andrea Guerra responded, “Everything is worth what people are ready to pay.”

The 60 Minutes segment revealed that Luxottica sells their own brands at the retail locations they own. When asked how many non-Luxottica brands they sell, LensCrafters President Mark Weikel responded, “We probably have a few brands that are not Luxottica ... Mostly Luxottica.”

As the only national not-for-profit vision care company, VSP is committed to choice and value, and puts members' wellness over profit.

## VSP—THE BROADEST SELECTION, BEST PRICES

VSP doctors, on the other hand, offer a wide variety of high-quality eyewear choices, and can order virtually any frame, including Luxottica-owned brands.

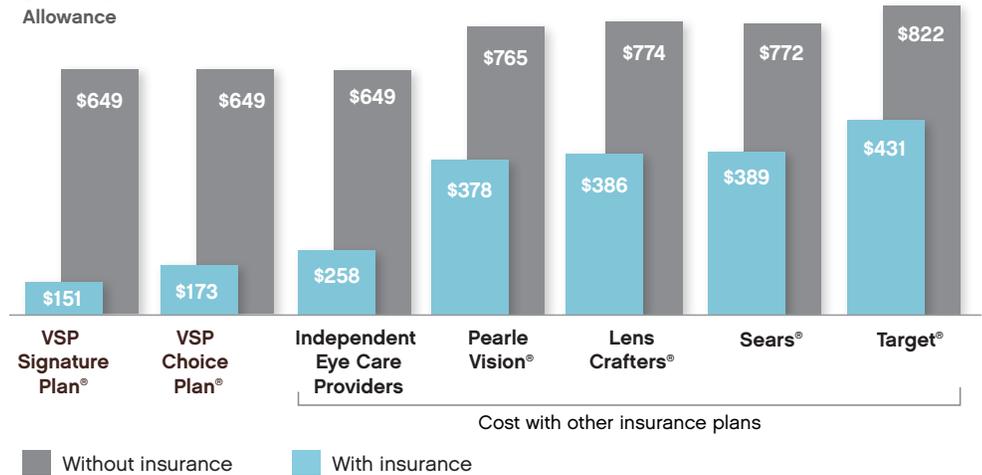
National pricing research<sup>3</sup> demonstrated that without VSP, employees could pay up to \$280 more for the same glasses. The research, conducted by Service Excellence Group, Inc., compared identical, popular eyeglasses at independent eyecare provider locations and Luxottica-owned retail chains.<sup>4</sup>

EXHIBIT 1:

### Ray-Ban®



Model: RX5245  
 Varilux® Comfort Progressive  
 Crizal® Alize® Anti-reflective  
 Coating with UV  
 \$150 Retail Frame  
 Allowance



## VSP—A STRONG NATIONAL RETAIL PRESENCE

VSP offers further choice through 3,000 retail chain locations, including 2,000 regional retail chain locations on the VSP Network and more than 1,000 optical stores through its Retail Chain Affiliates. These affiliate partners include VisionWorks and Costco—which is consumers' #1 preferred retail chain and has been recognized by both Consumer Reports<sup>5</sup> and J.D. Power and Associates<sup>6</sup> for high customer satisfaction levels.

## SUMMARY

VSP lets organizations provide their employees with the widest range of eyecare options at the lowest out-of-pocket costs. And VSP Doctor network—the largest of its kind—and strong national retail presence make it easy for consumers' to choose the doctor that's right for them. This is why VSP is consumers #1 choice in vision care.

## SOURCES

<sup>1</sup>The Jobson ViewPoint Managed Vision Care Payers Perception Rankings 2012 Study was conducted in November, 2012. Jobson Medical Information, LLC, is a leading source of business intelligence in the optical industry.

<sup>2</sup>The 60 Minutes segment, titled “Sticker shock: Why are glasses so expensive?” aired on October 7, 2012. [http://www.cbsnews.com/8301-18560\\_162-57527151/sticker-shock-why-are-glasses-so-expensive/](http://www.cbsnews.com/8301-18560_162-57527151/sticker-shock-why-are-glasses-so-expensive/)

<sup>3</sup>The research was commissioned by VSP and conducted in November 2012. Study sample consisted of randomly selected, geographically representative shops—more than 800 private-practice VSP doctor locations and more than 200 of each chain location listed.

<sup>4</sup>Benefits for all plans include \$150 frame allowance and covered lined bifocal lenses. Costs used in this comparison include eye exam, Luxottica Ray-Ban® RX5245 frame, Varilux Comfort® progressive lenses, and Crizal® Alizé® anti-reflective coating.

<sup>5</sup>A November, 2010, Consumer Reports survey of more than 30,000 eyeglass wearers “found that Costco topped the Ratings of eyeglass retailers, which included large chains, independent local optical shops, and private doctors offices.” <http://pressroom.consumerreports.org/pressroom/2010/11/costco-tops-list-of-eyeglass-retailers.html>

<sup>6</sup>Costco Optical Center received the National Vision Retailers award for highest customer satisfaction from J.D. Power and Associates in 2006.