



The business of contact lenses

It promised a wealth of tips to take back and put into practice. The British Contact Lens Association's first Business Day was a great success, as **Alison Ewbank** reports

'The biggest challenges in practice are business rather than clinically related,' observed optometrist and business consultant **Peter Ivins** (Purple Ivy), setting the scene for the BCLA's new Business Day. More than 200 delegates opted to spend their Sunday learning more about the business of contact lenses at this latest addition to the BCLA programme.

There was much to learn. At 9 per cent of adults, the penetration of contact lenses is low in the UK compared to Scandinavia, the US and, notably, Japan, where more than 20 per cent of the population wear contact lenses. For Ivins, the reason for the shortfall was the 'triple A effect' – awareness, accessibility and affordability.

In fact the number of UK wearers rose steeply in the mid-90s but growth had not been sustained, mainly due to dropout from lens wear. Research by the ACLM and *Optician* showed that as many people have stopped wearing contact lenses as are currently using them. Ivins put the five-year dropout rate at 30-50 per cent and said the primary reason had traditionally been comfort. Dropout among the presbyopic age group was also a factor.

The 'leaky bucket' was the biggest issue facing the industry, said Ivins. And the effect was cumulative over time; for every dropout a practice needed to acquire three new wearers to stand still over five years. Yet contact lenses were more profitable and had a greater lifetime value to the practice.

So who is the culprit in contact lens dropout? Does the industry have the right products? Is consumer behaviour a factor? Or are practitioners to blame?

Ivins gave the industry eight out of 10 for getting the product right and said they were doing 'a pretty good job'. But up to 90 per cent of consumers failed to comply fully with instructions and buying behaviour was also changing, with a move towards the internet.

Consumer buying habits could be a factor in dropout if wearers were failing to comply, seeking ever



cheaper products and less likely to have checkups. 'But the genie's out of the bottle,' he said. 'The internet's here to stay and we just have to deal with it.'

Practitioners were using the latest products but their commercial skills were one of the big factors in the market not moving as fast as it should. The average practice had 16 per cent of its turnover from contact lens revenue but there were big variations, from as low as 5 per cent up to 35-40 per cent in some practices.

Ivins said the variation was driven by 'scary myths'; that glasses were more profitable; contact lenses too time-consuming and hard to fit; there was no need to upgrade patients to new products; contact lenses were a commodity and a loss leader; and the internet would take all their business.

Panel discussion at the BCLA's first Business Day

The reality was that the contact lens category was growing and had huge potential. Contact lens patients were more loyal, came in more often and spent more since most bought spectacles and sunglasses as well.

For Ivins, success in contact lenses would happen by attracting new patients, optimising the patient journey, maximising loyalty and reducing dropout.

How can we attract more patients?

Acquiring new patients required consumer awareness and desire, and a decision to purchase that was governed by both rational and emotional behaviour.

Rational behaviour typically involved sensitivity to price points and making decisions based on product function. Emotional behaviour made consumers more likely to be influenced by advice and less likely to switch retailer. Engage emotionally with patients about contact lenses using words such as freedom, confidence, comfort, convenience and appearance, Ivins advised. Tap in to the emotional points of their lives, such as getting married, going to college or divorcing.

To communicate the message outside the practice, digital promotion had many benefits and was going to be 'huge', said Ivins (see panel). Within the practice, simply increasing the visibility of contact lenses could increase sales by up to 40 per cent. Interactive digital devices (eg Digitact www.digitact.co.uk) could be used to supplement traditional leaflets, posters and window displays.

Proactive recommendation could also increase the acquisition of contact lens wearers by as much as 50 per cent. Engage with all staff through training, incentives and measuring key performance indicators, he said. When offered a contact lens trial as many as 88 per cent of patients would accept.

How can we optimise the patient journey?

Ivins' advice was to plan the patient journey through the practice as a process and make it a pleasant, simple



THE BENEFITS OF DIGITAL COMMUNICATIONS TO YOUR PRACTICE

- Increase traffic/generate sales
- Improve acquisition and loyalty
- Build credibility and trust
- Give information and answer queries
- Make it easy to do business with you
- Make a difference

HOW TO KEEP PATIENTS LOYAL

- Use great products
- Offer an outstanding experience
- Communicate with them regularly
- Use transparent pricing
- Offer multi-channelling supply
- Accept the market is changing

experience. Provide a simple low-cost or free entry trial and a simple package to ease purchase. Conduct the journey efficiently and not to the detriment of spectacle sales.

Practitioner attitude was crucial to success but the patient journey had to be a team effort. Animations such as Captiv8, gizmos and apps could help engage with consumers and improve that journey.

How can we maximise loyalty to the practice?

Loyal customers come back more often, buy additional products and services, and refer their friends. They also cost less to service and are less price-sensitive. A 5 per cent increase in loyalty could produce a 25-100 per cent increase in profitability, said Ivins.

Yet retail research showed that as many as two out of three customers were driven away because of the company's indifferent attitude and more than one in eight due to disappointment with the product. Fewer than one in 10 were lured by competitors.

Regular communication was one of the ways of building loyalty (see panel) but the ACLM/*Optician* research showed many practices failed to communicate with their patients throughout the year. Again, digital was key through email and text reminders, e-newsletters, social media and website.

Patients wanted transparent pricing and to be offered choice and value, as well as the option to use their preferred supply channel. Practices needed to match the convenience and choice of the internet supply chain for those who wanted to buy via this route.

Ivins' final reminder was that to improve or change an outcome it had to be measured. For his 'Top 10 tips for increasing your contact lens business' visit www.youtube.com/watch?v=kWnVT4o-9FM

How can we maximise the online opportunity?

Alenka Ward and Mike Brotherston (Johnson & Johnson Vision Care) explored more ways of maximising the opportunities for practice growth. For

SIX TIPS FOR DIGITAL SUCCESS WITH YOUR WEBSITE

- Promote your practice for free in Google+
- Align your website with your brand identity
- Ensure you have essential information ('hygiene factors'), such as contact details, easily accessible
- Set objectives for your website, such as to acquire new patients
- Ensure there are strong calls to action
- Measure performance (using Google Analytics or Google+) to see what works

Ward, the patient and shopper were the same people, presenting the same opportunities and challenges. There was much to learn from inspirational online retailers such as John Lewis, which offered customers a price guarantee and delivery to their nearest store, their home or their nearest Waitrose supermarket.

A patient-centric approach was driving success in optical businesses. Customers could be segmented into



Peter Ivins: For every dropout a practice needs to acquire three new wearers to stand still over five years

those who were time driven, where speed and convenience of offering were crucial; health driven, who wanted the best service and were prepared to pay; and value driven, who were similar to the health segment but were 'savvy shoppers' and shopped around.

Only a minority of consumers (11 per cent) were price driven, yet nearly a third of contact lenses sold (31 per cent) were in the lowest price range. Health-driven customers appreciated practitioner interaction and choice of lenses. They spent more and were more loyal than the other segments.

By looking at what each patient group wants, practices could tailor strategies to meet their needs. Five of the top seven reasons patients gave for their choice of practice related to the practitioner.

Contact lens wearers said they would be prepared to pay 25 per cent more for comfort, 27 per cent more for clearer vision, 29 per cent more to keep their eyes healthy and 22 per cent more for UV protection. Talk about features and benefits of lenses and relate these to price, said Ward.

Identify your type of customer and decide in which segment you want your practice to be, she advised. Convenience was also key, whether through payment system or delivery solutions.

Brotherston had some striking figures on digital use. Half of all internet use in 2012 was via mobile phone (double that in 2010), 33m adults accessed the internet daily and almost half of them now banked online. There was trust in online transactions and as many as a third of adults now sold goods or services online themselves.

Most people found websites via Google, which accounted for 91 per cent of all search traffic. Without a presence on Google there was little benefit in having a website, he said.

Brotherston had six useful tips for delegates to take back to their businesses and apply to their websites (see panel). Other tips included to use imagery, but avoid too many stock images since these 'depersonalised' the site, and keep content simple by focusing on three sections/functions to get started.

How can we achieve 'retail customer excellence'?

Amanda Bogers (Alcon) and creative consultant **David Boxall** (301 Design) had more advice on retail customer excellence. Professional services and staff, the practice environment, branding and communications, and websites were the four areas of



business covered. Start by rating your business for each of these on a scale of 0-5 then identify actions to enhance your retail excellence (see panel).

Boxall's suggestions for improving the practice environment were to carry out a high street survey of perceptions of your premises, make sure your reception area is well located, pay attention to lighting, simplify the window display and visit your favourite shop to see how they approach their customers.

Branding was not just the visual identity but the customer's perception of the whole business, your personality and reputation, as well as a promise of satisfaction or quality. Good branding did make a difference and it was worth getting right. It should be simple, memorable and consistently applied.

Websites also needed clear branding and there were some essential details to include: what you are selling (listed 1,2,3,4 and not forgetting sunglasses), where you are, your phone number and your latest offer/launch. A piece of local information was also an advantage for an independent, explained Boxall. And address the customer directly as 'you'.

'I've looked at a few hundred optometrists' websites and there is not a best practice one out there,' he said. 'The web's a level playing field at the moment – no-one's doing it very well, including the multiples. It's pretty cheap and easy to update, and you can link messages to other media. This is the number one area to put your efforts into.'

For practices that did not have a website, Boxall's advice was to set up a Google + page or a .tel (a cheap, one-page and very effective mobile site) then plan a full website. He estimated there were 2m searches every month in the optical sector, half of which would be local. Get in touch with a local search engine specialist to help you improve your Google ranking, he advised.

Email marketing was good for relationship-building, promotions and offers and was low cost. Maintain an up-to-date database of contacts and

ACTIONS TO ENHANCE YOUR RETAIL EXCELLENCE

Your business:

- Conduct a local review
- Identify customers' perceptions of your practice
- Compile a quick brand guide for consistency
- Improve staff communication skills

Your website:

- Include essential contact details on the homepage
- Set up a Google+ page and a .tel
- Check your Google ranking
- Ensure your customer database is up to date

record their preference for email, telephone, letter or text message, said Boxall. Personalise emails and use a system such as Dotmailer or MailChimp to send out. Social media also had benefits for offers, launches and events.

Choose a monthly communications activity from the variety of media available, measure what works well and review after a year, was his parting advice.

How can we retain patients and reduce dropout?

David Samuel (Eyesite) drew on his own experiences as a practice owner to discuss strategies for retaining patients and reducing dropout (see panel). 'Know your numbers' was his first advice, since 'what gets measured gets done'. Track key performance indicators (KPIs) to benchmark them against others', identify opportunities and bring up concerns.

Simple KPIs to record were the proportion of patients wearing spectacles, contact lenses and spectacles, or having no correction. Sales data in each sector could also be recorded, keeping spectacles from contact lens wearers separate to spectacles from non-lens wearers, and likewise for sunglasses.

In one of Samuel's practices, 40 per cent of all sales came from the 10 per cent of patients who were contact lens users. In fact contact lens wearers brought in six times more income than non-lens wearers, on average. For Samuel, the opportunity lay in looking after and introducing existing spectacle patients to contact lenses rather than trying to get more new patients.

Set goals for your practice which are simple and easy for everyone to understand, said Samuel, such as: 'We're going to increase contact lens penetration from 10 per cent to 15 per cent. We'll start measuring this weekly now, with July 1 as our target.'

How can we communicate the contact lens message?

Sow the seed at the first point of contact with the patient and mention contact lenses in all reminders. Ask the right questions when making appointments, make a recommendation and ask for permission to introduce contact lenses. 'Would you mind if we booked you in for an extra few minutes so our optometrist can talk about contact lenses?' was his suggestion.

All conversations with patients should be open and honest. Listen to the patient's needs and concerns, then preface your advice with: 'Based on what you have told me, I would recommend...' If you can't make a recommendation, you haven't asked the relevant questions, Samuel argued.

Turning to dropout, there were many reasons why patients discontinued contact lens wear, including loss of confidence or embarrassment at failure, as well as comfort, cost, vision and handling difficulty. But this presented lots of opportunities to put things right.

Pay particular attention to the critical first three months of wear, when nearly a third of patients drop out, he said. For reduced drop out, fit lenses with the best vision and comfort that are most relevant to their lifestyle, and use your personality and standard of care to keep them loyal. Talk to patients about dropout risk and explain how the best lenses can help.

Head off those who say they have tried contact lenses and were unsuccessful, with 'Lots of people come in and say that...' Again, make it clear to patients that if they want to be successful they need to wear the best lenses, even if they cost more.

Finally, make sure you give patients the opportunity to buy lenses from you in as many ways as possible and at whatever time of day they prefer. For Samuel, online purchase was as much to do with convenience as price.

In the closing discussion there was general agreement that practices needed to embrace the internet and have their own online offering. Mike Brotherston summed up the situation: 'Digital is so important for your practice. It's easy to get distracted by concerns about internet suppliers. The key point is to think about the customer experience, your own practice and how you deliver services to your patients. If you give people choice, that's one of the best ways to counteract competition from online sales.' ●

RETAINING PATIENTS AND REDUCING DROPOUTS

- Measure where you are
- Decide what you want to improve
- Set yourself a goal
- Remove reasons for attrition
- Fit to remove dropout
- Look after patients in the critical phases
- Celebrate your success!