



Optician Index July 2009

Consumer caution

Spending is still cautious in practice, with practice turnover for July 4 per cent down on July 2008 and only reglazes showing a rise

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There are no positive movements of the indices this month. Most benchmarks are still showing negative growth over the past 12 months, suggesting that spending is still cautious and will not improve until confidence in the economy returns.

Practice turnover

Total practice turnover declined again this month, down by 1 per cent from June, this is 4 per cent lower than July last year and represents an annual growth of -5 per cent. This month the decline is reflected in dispensing too which is down by 4 per cent on last month, although the change from July last year is negligible.

Dispensing

Although there has been a significant and constant decline over the last five years, in June we saw a dramatic rise of 18 per cent in the volume of dispensing. In July there was another decline of 10 per cent which is 4 per cent lower than June but figures equate to those for July last year.

In December 08 dispensing volumes were very low and this has continued through to April and May with both months producing the lowest figures

we have seen since December 1992.

Figure 1 shows the total dispensing by lens type between January 08 and July 09. The moving average, the average of the previous 12 months, is down 15 per cent since January 08 and in the period January to July 2009 down by 8 per cent so it shows a similar consistent decline over the seven months of this year.

Single-vision lenses are down by 4 per cent over the plotted 19-month period and the decline is quite marked this year at -6 per cent between January and July 09.

Interestingly, the decline in both bifocals and progressive lenses, although significant over the 19 months has now started to slow. Bifocals are down 15 per cent for the period January 08 to July 09 but down only 2 per cent between the months of January and July 09.

Progressive lens figures are down 49 per cent over the charted period but this has slowed significantly to -17 per cent between January and July 09, the difference this month is -12 per cent from June.

The range of dispensing versus eye examinations, dispensing rate, varies in our sample practices between 26 per cent and 134 per cent. The average for all the practices in the sample is 60 per

SUMMARY

- Total practice turnover has reduced by 1 per cent this month, amounting to negative growth for the year of -5 per cent
- Number of sight tests has reduced for the fourth consecutive month to the lowest since December 07
- Dispensing is down by 10 per cent on June figures, continuing a five-year downward trend
- Turnover per eye examination reduced slightly to £149.29
- Bi-/trifocals and progressive lens decline seems to be slowing, both have fallen but by a lesser amount over the last month

cent, lower than the average for the year at 62 per cent and much lower than last year's average 66 per cent.

Figure 2 shows a comparison of single-vision and AR coating volumes. As dispensing is still declining it is reflected similarly in the moving averages for both single-vision lenses and AR coats. The plotted lines are very alike, showing peaks and troughs at the same times in the calendar and the moving average follows much the same pattern for both sets of data, though the variances in the AR coat results are more apparent. There were peaks for both single-vision and AR coats in November 08 followed by a

Figure 1 Volume of dispensing by lens types

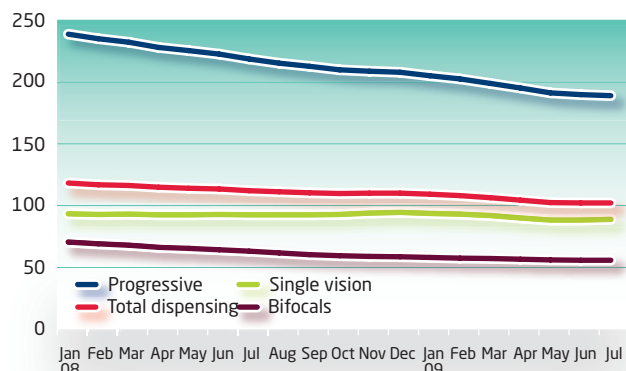


Figure 2 Single vision and AR coats

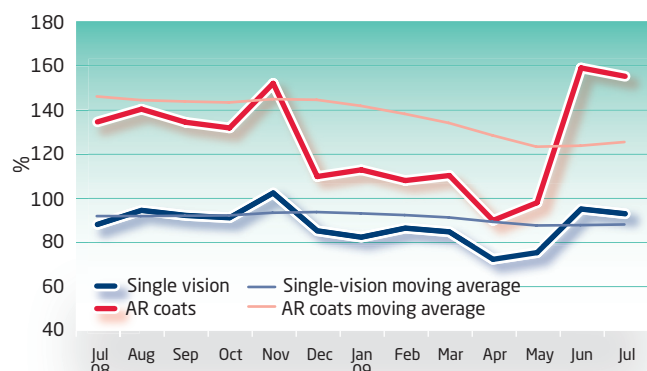




Figure 3 Percentage of dispensing with variable tints



Figure 4 Percentage of each type of lens worn by each age group

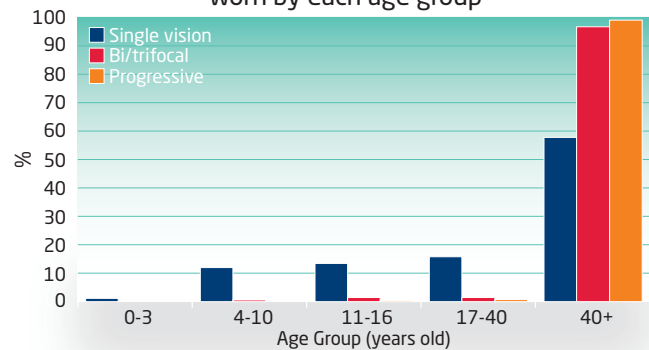


Figure 5 Percentage of patients in each age group wearing each type of lens

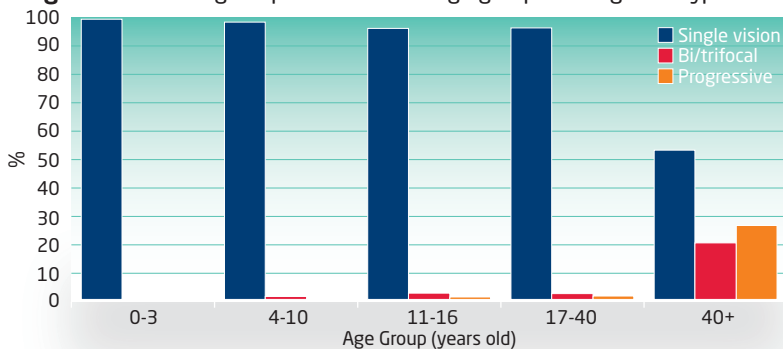
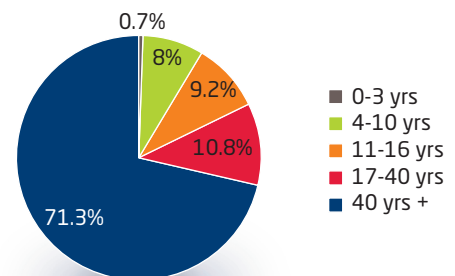


Figure 6 Percentage of patients by age groups



downward trend which reversed in June 09.

The significant increase of 60 per cent over May's figures for AR coats was recorded in June, this benchmark has fallen in July by 4 per cent, which, however, is an increase of 20 per cent on July's figure last year. Annual growth is currently -20 per cent. AR coats are supplied with 54 per cent of spectacle sales this month. The average for the year is 45 per cent, which perhaps reflects the increased proportion of single-vision and, to a lesser extent, progressive lenses, in comparison to bifocal.

The rise over the same period May to June 09 for single-vision lenses was 19 per cent, a similar pattern to the AR coats, with a high point in November 08. The figure is down by 2 per cent over last month but up by 5 per cent over the period July 08 to July 09, which represents an annual growth of -4 per cent.

Reglazes represent 10.7 per cent of lenses purchased. The figure was 10.3 per cent last month and 14.1 per cent in July 08, this is the only benchmark currently showing an increase for July 09, however the trend is continuing downwards over the last year.

The percentage of dispensing with variable tints (Figure 3) has fallen by 0.6 per cent since June, although the trendline is upwards and shows

a continued but slow increase of 5.3 per cent since April 07 this has slowed down between January and July this year showing a slight increase of 0.1 per cent over the seven-month period.

When comparing your practice with the results it is important to note that all our figures are equated to a 25-day month, so year on year, month on month we can compare equal time periods. July had 27 working days (excluding Sundays and UK Bank holidays).

Lens type and age data

Earlier this year we collected data on lens types worn by different age groups.

Of all single-vision lenses dispensed, (Figure 4), 58 per cent are worn by people over 40. One per cent, 12 per cent 13 per cent and 16 per cent are worn by patients in the lower age groups of 0-3, 4-10, 10-16, and 17-40 years respectively.

Only 3 per cent of bifocals are worn by people under 40, and all but 1 per cent of progressive lenses are worn by over 40s, that 1 per cent being in the age range (or life stage) 17-40 years.

Figure 5 shows the percentage breakdown of age groups selecting different lens types. The graph demonstrates which types of lenses are dispensed to all age groups and 53 per cent of patients over 40 are dispensed

spectacles with single-vision lenses. Of the remainder, 20 per cent wear either bi or trifocals, and 26 per cent wear progressive lenses. Less than 1 per cent of bi or trifocal lenses are worn by children in the 4 to 10 year age group. This increases slightly to 1.4 per cent between the ages groups of 11-16 and 17-40.

The percentage of patients by age groups, (Figure 6) shows the age profile of patients in this survey: 0.7 per cent are in the age group 0-3 years, 8 per cent in the 4-10 years, 9.2 per cent aged 11-16 years, 10.8 per cent aged 17-40 but the major proportion, 71.3 per cent, are aged 40+.

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