Optician Index July 2013

Summer slide

Results for July were down on June, but they were considerably better than the same month in 2012

Last month Optician Index reported solid first half-year results for the financial indicators even though the number of eye examinations and volume of spectacles dispensed had fallen. Over the past five years, July has seen a monthly decrease from June in the key performance measures and with the exception of value of solutions sold this has been repeated. The positive news this month is that when compared with July last year not only are the financial benchmarks stronger but the majority of our indicators have also improved.

This month our analysis concentrates on eye examinations and dispensing over the last year.

Turnover

Total practice turnover is 2 per cent lower than last month, now at 170 Index points. This is the lowest value we have seen since January of this year but is a 5 per cent increase on last July's figure and annual growth is positive at 1.6 Index points.

Turnover per eye examination has fallen slightly this month by just over £1 to £182, a £30 increase on July 2012.

SUMMARY

- Total practice turnover increases by 5 per cent from July 2012 to 170 Index points
- The number of eye examinations falls by 6 per cent from July 2012 to 96 Index points
- Spectacles dispensed falls by 3 per cent from last month to 88 Index points, but this is a 3 per cent increase on July last year
- Sample average dispensing rate is 1 percentage point higher than last month at 65 per cent and this is 3 percentage points higher than July last year
- Progressive lenses are 3 per cent higher than July last year at 205 Index points

Figure 1 Eye examinations and total dispensing Jul 2012 to Jul 2013

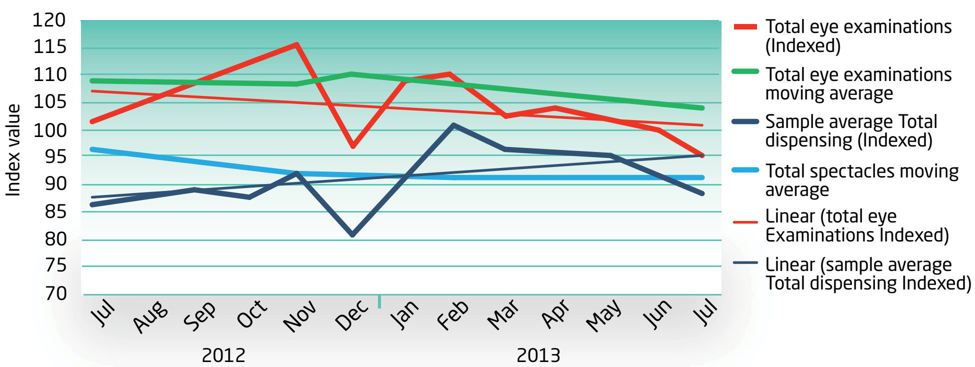
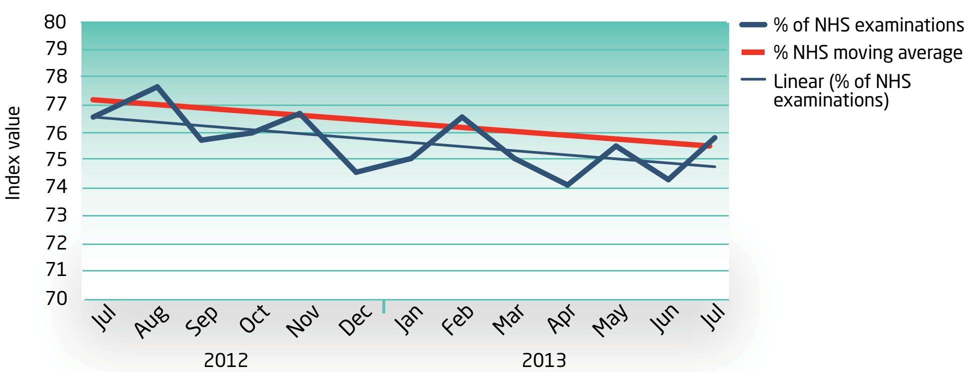


Figure 2 Percentage of eye examinations which are NHS Jul 2012 to Jul 2013



Total eye examinations and dispensing (Figure 1) shows the number of eye examinations carried out in July by our sample of independent opticians was 5 per cent lower than last month at 95 Index points and this is 6 per cent lower than July 2012. The fall in December was not offset by the increases in January and February and the falls in March and this month were significant, resulting in a falling linear trend-line and the moving average falling from the start of this calendar year.

Sample average total dispensing decreased by 3 per cent from last month to an Index figure of 88. This is a 3 per cent increase on July last year. After a strong performance in the first five months of this calendar year the linear trend-line shows an increase and the moving average has flattened.

The series lines for eye examinations and dispensing volume broadly mirror each other and there is no evidence of the time lag we saw at the start of 2012 when the increase in the number of eye examinations was followed by an increase in the number of spectacles dispensed the following month.

Please note, a linear trend-line takes into account only the data shown on the chart, rather than historical values and a moving average takes into account historic values over 12 months.

Figure 3 Sample average dispensing rate Jul 2012 to Jul 2013

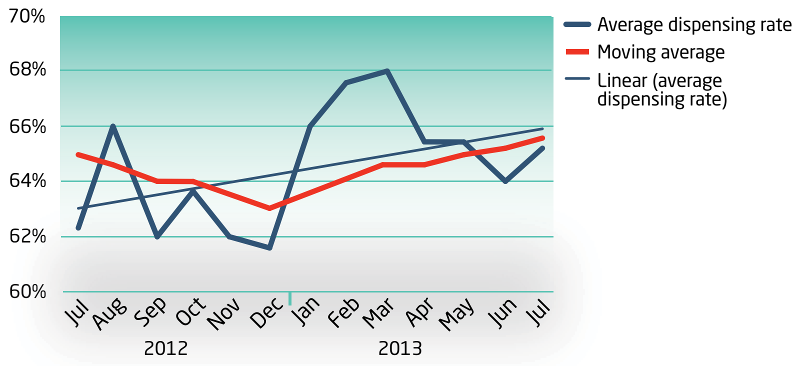


Figure 5 Proportion of spectacles dispensed by lens types July 2013

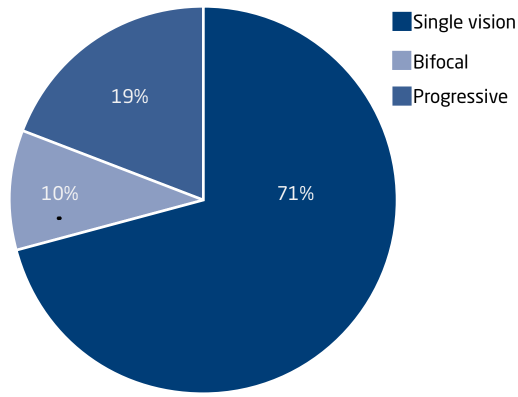
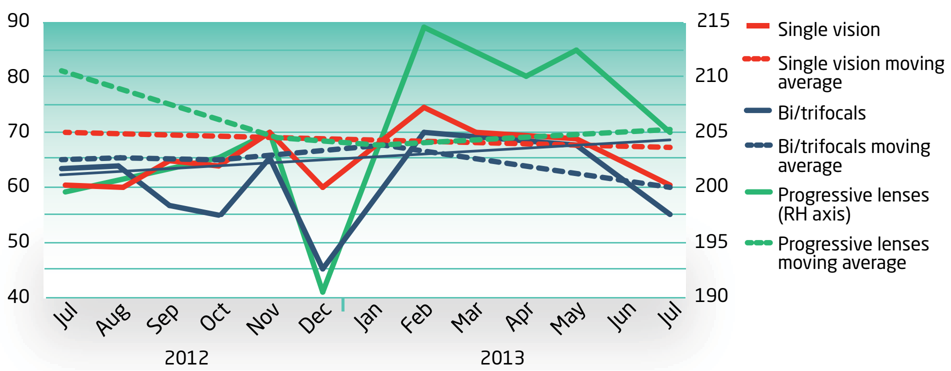


Figure 4 Volume of dispensing by lens types Jul 2012 to Jul 2013 indexed values



BENEFITS OF JOINING THE INDEX

- Monitor the practice performance of your practice month by month
- Customised reports benchmark your peformance against your competitors
- Identify new trends quickly
- Optimise performance and establish competitive advantage
- *Optician* Index is free of charge to participating practices

If you would like to join or discuss the business value in more detail, contact Lynn Hawkins on 01622 260595 or email l.hawkins@businessbenchmarks.co.uk

The percentage of examinations which are NHS (Figure 2) increased on last month by 1 percentage point to 76 per cent but this is 1 percentage point lower than July last year. The graph shows that the percentage of examinations which are NHS was higher in the second half of last year than the first seven months of 2013, resulting in a falling linear trend, but this measure seems to have steadied now.

Average dispensing rate is the percentage of total eye examinations resulting in a prescription spectacle being purchased, which is calculated by dividing the total volume of dispensing by the number of eye examinations carried out. Figure 3 shows the average dispensing rate is 1 percentage point higher than last month at 65 per cent and this is 3 percentage points higher than July last year. This benchmark showed significant improvement in the first quarter of 2013, resulting in an increasing linear trend and the moving average has improved steadily from the start of this year.

This fall in the number of eye examinations carried out by independent opticians associated with improved revenue figures and dispensing rates may suggest that independent practices are focusing their service on clients who are purchasing spectacles from them and they are reducing the numbers of prescription-only examinations.

Flatter than average

Lens breakdown by volume (Figure 4) shows that after particularly strong growth in the first two months of 2013 for progressive and single-vision lenses the rate of growth has slowed and the moving average lines have flattened. Each of the three lens types shows negative annual growth, with progressives outperforming the sales volume of single-vision and bi/trifocal lenses for the first half of 2013. July saw a reduction in single-vision lenses down to 62 Index points, 3 per cent less than June but 3 per cent higher than last July. Bi/trifocals recorded an Index value of 55 in July, 9 per cent lower than last month and 14 per cent lower than July 2012. Progressive lenses were 2 per cent lower than last month, at an Index value of 205, which is 3 per cent higher than July 2012.

Proportion of spectacles dispensed by lens types for the month of July 2013 (Figure 5) shows that 71 per cent of spectacles were dispensed with single-vision, 19 per cent with progressive and 10 per cent with bi/trifocal lenses. When we last provided a monthly snapshot of this in April of this year the percentage breakdown was the same.

Photochromic lenses increased by 1 percentage point this month to an average of 13 per cent of spectacles dispensed, 2 percentage points lower than July last year. Anti-reflective coatings are the same as last month at 42 per cent but this is a 2 percentage point decrease on July 2012. Re-glazes decreased by 1 percentage point from June to 15 per cent which is 3 percentage points higher than July last year.

New contact lens fits are down 2 per cent this month from June, to 113 Index points, 6 per cent lower than last July. The value of contact lens solution sales are up 4 per cent on June to an Index value of 82 and this is also 4 per cent higher than July 2012.

All figures shown are adjusted to a 25-working-day month. In July 2013 there were 27 working days.