

Optician Index July 2005

Life in the slow lane

July sees long-term declines continuing to slow. OPTICIAN reports

The trend reported last month is continuing into July. The decline in most benchmarks appears to be slowing down. Growth is still negative, but many show better figures than for last July. It is just bifocal lenses that are still in increasing decline.

Total practice turnover for the period January to June is evaluated for 2005 and 2004, and this confirms that the decline may be slowing in real figures, with the average practice in our sample showing an almost negligible drop in turnover compared to the same six-month period last year.

Eye examinations are down 1 per cent from June's results, down 5 per cent from last July. June and sometimes July, are often lower performing months, perhaps due to the school holidays approaching. The proportion which is NHS examinations is slightly lower at 64.6 per cent, when over recent months the figure has been nearer 66 per cent. The 12-month moving average is creeping up, now at 64.7 per cent, compared to 63.4 per cent last year, depicting a general rise in NHS tests compared to private. Overall, eye examinations are showing an annual decline of 4.5 per cent.

The total volume of dispensing is up almost 2 per cent this month, down 4 per cent from last July. The downward trend is less this month at -8.5 per cent.

Progressive lenses are the only type of lens to improve this month, up 9.5 per cent. The annual growth is negative for all types of lenses, with single-vision, bifocal and progressive volumes decreasing by 8 per cent, 10 per cent and 11 per cent respectively.

These figures have improved for single vision and progressive lenses, but bifocals still show increasing decline.

Volume of reflection-free coatings is up slightly by 2 per cent, and again the downturn over the past 12 months is less than last month, -22.5 per cent compared to -24 per cent, but still a large drop.

The proportion of spectacles having an AR coating is up, as would be expected, at 47 per cent, but lower than last July at 48 per cent. The average for the year is 45 per cent.

Dispensing rate is down at 66 per cent. This is lower than the average for the year of 67.1 per cent, which in turn is down

slightly from the previous 12 months at 68.0 per cent. Dispensing rate is calculated from total number of eye examinations and total dispensing, and hence does not take into account multiple dispensing.

New contact lens fits are down 2 per cent from June, up by 2 per cent from last July. As previously reported, the declining trend had been showing signs of abating, and this month the annual growth rate is negligible, not positive, but not negative.

Solution sales show an insignificant percentage change from June, or indeed last July. The annual growth rate is slightly less negative at less than 2 per cent.

Total practice turnover results are up 0.5 per cent from June, and up 2 per cent from July 2004. The annual trend is still negative but again less so at -1.2 per cent.

Turnover per eye examination is up again at £138, again a high point, only beaten by last December. The average 12 month figure is up over £5 from the previous year.

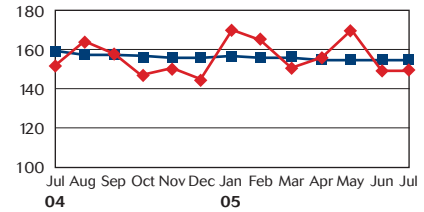
When comparing your practice with the results, it is important to note that all our figures are equated to a 25-day month, so year-on-year, month-on-month we can compare equal time periods. July had 26 working days (excluding Sundays and UK bank holidays).

New contributors to the OPTICIAN Index are always welcomed. Benefits of participation include customised graphs and comparisons, and contributors are able to make *ad hoc* enquiries, receiving feedback and results free of charge. If a practice would like to contribute please contact Louise Jarvis on 01622 851726, or by email to l.jarvis@businessbenchmarks.co.uk.

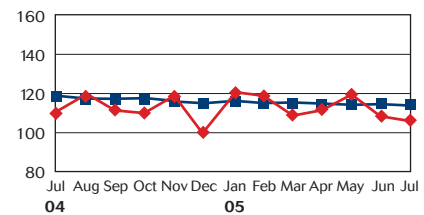
KEY POINTS

- ◆ There is a general increase in the proportion of eye examinations which are NHS
- ◆ Total dispensing is still in decline at -8.5 per cent on average
- ◆ Progressive lens volume does appear to be levelling out over time
- ◆ Likewise the decline in AR coatings is losing pace
- ◆ There is very little movement in new contact lens fits this month
- ◆ Turnover per eye examination is up £5 on average over the year

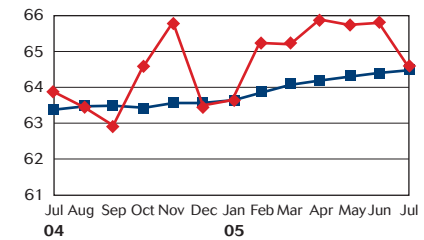
Total turnover



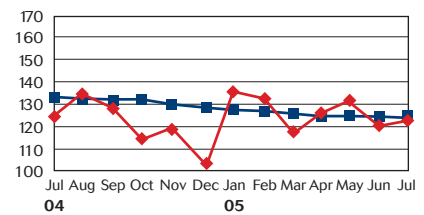
Total eye examinations



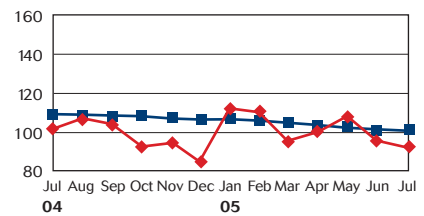
Percentage of NHS tests in total



Total spectacles dispensed



Spectacles dispensed with single-vision lenses



Spectacles dispensed with bifocal lenses

