How to Achieve Optometric Practice Excellence

SECTION 2
Optical Market Landscape

Eye Care Market Facts

As a new optometric practice owner, you have entered a large, highly competitive retail business.
You compete with some of the largest and most sophisticated retailers in the world. You provide both professional services and sell vision correction devices, each activity requiring a separate focus and expertise.

The Market Facts profile below defines the eye care market as it might be viewed by a marketing executive of a large optical retailer, with emphasis on the marketing of vision correction devices that account for most practice income.

Fact 1: In every community in the U.S., eye care is a large market.

- Of the U.S. adult population of 231 million, 175 million, or 76%, wear vision correction devices, a ratio that varies little by locale. This includes 41 million people who wear contact lenses and 134 million who wear glasses only.
- In 2008, the U.S. optical market is estimated to have produced retail sales of $23.5 billion, excluding refractive surgery and sunglasses sold in nonoptical outlets.
- Over 90% of people in the U.S. who require correction currently wear a vision correction device.
- 42% of all adults have an eye exam in a given year.
- The vision correction population is growing at the same slow rate as the total U.S. population—only about 1% annually.
- The aging of the U.S. population, occurring as the Baby Boom generation enters late maturity, is favorable to demand for eye care services.

Implications

- A majority of the people in your community have need for your services—prospective patients are numerous and easy to reach.
- Robust growth of your practice will not come from getting your fair share of the natural, slow increase in the number of people who require vision correction. It can only come only in one of four ways, which must be the core strategies of any practice marketing plan:
  - — attracting existing vision correction patients from other providers
  - — increasing revenue per patient visit
  - — increasing the range of services offered
  - — increasing frequency of patient visits

Fact 2: Eye care providers are plentiful. Most eye doctors have excess capacity.

- There are an estimated 38,000 locations in the U.S. conducting eye exams and dispensing eyewear and contact lenses. There is a location providing eye care for every 4,100 people who need vision correction.
- Unlike some other medical specialties, it is easy for patients to schedule appointments with eye doctors. Even large practices are fully booked for less than one week ahead.
- Most eye care providers have excess capacity. According to the American Optometric Association (AOA), the average working optometrist conducts just 1.18 comprehensive exams per hour, or 2,229 annually. Most can easily accommodate additional patients.

Implications

- There is no unsatisfied, pent-up demand for eye care that a new practice can easily attract. New patients will not flock to your practice.
- Except in the smallest communities, a new optometric practice faces considerable competition, usually from many alternate providers in the immediate vicinity of the practice.
- As a new practice, your primary objective must be to create a large enough patient base to cover your fixed costs while providing an acceptable return on the time you invest.
- With a glut of competition, differentiation of your practice will be very important to success. In most communities, to build your practice you will need to attract patients who currently rely on someone else for their eye care by providing a compelling reason to use your services.
- Your patients are not dependent on you alone. If they become dissatisfied or indifferent with your service, there are many other providers available.

Fact 3: Most patients prefer independent practice eye doctors.

- Retail optical chains have been around for decades, yet independent practice optometrists and ophthalmologists still conduct two-thirds of the eye exams performed each year. Independent practice eye doctors can command higher fees because consumers perceive they receive higher value from the personal, long-term relationship they develop with their independent eye doctor. Many patients perceive that turnover of the professional staff is higher at corporate locations and that these stores are primarily interested in selling vision correction devices.
- Patient loyalty to independent eye doctors is higher, on average, than loyalty among optical chain patients.
- To patients preferring independent practice eye doctors, price and convenience are secondary in importance to the relationship with the practice.

Implications

- Independent practice O.D.s have an inherent advantage in patient preconceptions compared to retail optical providers. But they must provide a higher level of personal service to compete effectively. To the extent that the level of service received at a independent practice is no higher than that delivered by an optical chain, patients are more likely to migrate to lower cost providers.

Fact 4: Corporate eye care providers slowly are increasing their market share.

- Retail optical chains account for 33% of the eye exams conducted in the U.S. as well as 53% of eyeglass sales and 36% of contact lenses sold.
- 11% of contact lenses are purchased from mail order and Internet companies.
- Internet sellers of eyeglasses, frames and plano sunglasses are appearing, although their market share is currently very low.
- Currently, low-price mass merchandisers, such as Walmart and Costco, are increasing their eye care market share as they continue to add outlets across the country. During 2008, optical departments in mass merchandisers accounted for 9.3% of the U.S. optical market. These outlets are shopped weekly by large numbers of American consumers, giving their eye care services high visibility.
- Competitive advantages of optical retailers include convenient location and longer hours of operation, broad frames selection, large marketing budgets, supply chain efficiencies and superior buying power enabling lower prices.
- Jobson Optical Research estimates that independent eye care professionals with annual aggregate revenue of $12 billion in 2008 , account for 51% of the U.S. eye care market. Independent optometry's market share has been relatively stable in recent years, but has slowly declined over the longer term.

Implications

- Sophisticated retailers have captured a significant share of the optical market by offering benefits not traditionally emphasized by independent practice eye doctors: convenient hours, breadth of frames offering, frames selection assistance, as well as lower cost.
- Independent practice O.D.s are able to largely neutralize the convenient hours and frames assortment advantages offered by retail chains. But it is unnecessary and impractical for independent practice O.D.s to compete on price with discounters. Price is not a major purchase criterion of most patients, and independents are not able to achieve acceptable margins at parity prices with large retailers who have greater purchasing power and supply chain efficiencies.
- Independent O.D.s are able to neutralize the impact of Internet sellers of contact lenses by offering contact lens reorder functionality on their web sites.

Fact 5: American consumers are increasingly affluent with large amounts of discretionary income to spend for goods and services.

- 40% of U.S. households earn more than $58,000 annually; 20% earn more than $91,000.
- 97% of the discretionary income (income beyond that required for essentials) of American households is controlled by households earning $50,000 or more annually. Most discretionary income is held by households earning more than $100,000.
- The top 40% of earners account for 73% of personal income and 62% of personal consumption expenditures.

- The number of affluent households is growing much faster than the number of moderate and lower income households. An affluent lifestyle will be even more prevalent in the years ahead.
- To obtain superior performance or enhance their self image, affluent consumers will spend double or triple the average amount paid by all consumers for products (e.g., autos, appliances, electronics, kitchenware, eyewear, clothing, etc.)
- Affluent individuals are free to allocate their discretionary funds in any way they choose. They are willing and able to trade-up in any category where they perceive higher value from top-of-the-line goods. Each person has his or her own value equations, which are impossible to fathom from superficial observation of a person's age, sex or personal appearance.

Implications

- In most optometric practices, affluent patients generate the majority of revenue. They buy more expensive, higher performance products and visit the office more frequently.
- Affluent consumers are more likely to be attracted by the value proposition of independent practice eye doctors than to that of retail optical chains.
- The vision correction devices routinely offered to patients in most practices should appeal to affluent buyers, offering the highest performance standards. Weighting the product offering to middle and lower-income buyers is likely to create lower levels of satisfaction among the affluent and to limit practice revenue.
- If a practice does not recommend or stock high-performance, high-style eyewear that affluent patients want, it risks defection to other providers.
- No one in the practice should prejudge a patient's ability to afford premium eyewear.

Fact 6: Affluent consumers increasingly purchase more than one product in many categories, using different products for specific uses.

- In apparel, footwear, automobiles, homes, kitchenware, eyewear and dozens of other categories, affluent consumers often acquire multiple products, each with unique benefits and end uses.
- Special-use products usually sell at significant premiums.
- Increasingly, patients purchase different frames to complement their wardrobe changes, prescription sunwear and different lens prescriptions for different activities.
- Occasional use of contact lenses is growing.
- Computer use is part of the daily routine of a majority of adults, placing new demands on intermediate vision. Traditional eyeglass prescriptions correct primarily for distance and near visual tasks, and may not be optimal for people who make frequent use of computers.

Implications

- To best satisfy the needs of affluent consumers, products should be offered that provide significant functional and psychic benefits for specific use occasions.
- An expectation must be created among the office staff and patients that satisfaction with eyewear is optimized when patients own and use multiple pairs of eyeglasses or use both eyeglasses and contact lenses.

Fact 7: A relatively small segment of customers account for a disproportionately high share of revenue and profit—the 80/20 rule.

- With few exceptions, analyses of consumer purchase behavior reveal that the 20% of customers who purchase the most of any product or service during a consumption cycle will account for 50-80% or more of total revenue of retailers and manufacturers.
- Leading consultants report that in virtually all practices a small segment of patients accounts for a disproportionate share of revenue. These heavy user patients are those who buy premium eyewear and multiple pairs and who visit the office frequently. In most practices, heavy users are likely to be presbyopic, affluent women.
- In most businesses the heavy-user segment represents the customer group for whom the value proposition of the business has the strongest appeal, who are most loyal and who are most likely to refer the business to others.
- Loyal, heavy users are usually the most profitable customers, requiring a lower marketing investment and lower administrative cost-to-serve per dollar of revenue generated.

Implications

- Practices should structure their service process and product offering to satisfy the needs of their most profitable customer segment—patients who visit most frequently and purchase the most eyewear.
- In marketing programs, a practice should target prospects with the same characteristics as its heavy users, who are more likely to be attracted by its value proposition.

- Every practice should identify its heavy users. Personal recognition of their importance to the practice should be conveyed, and regular communication about products and services offered should be maintained.

Fact 8: There is a long-term bifurcation of consumer retail purchase patterns.

- Within American retailing, low-cost mass merchandisers (Walmart, Costco, Target, etc.) and premium specialty stores continue to gain share at the expense of traditional middle market retailers (Sears, J.C. Penney, etc.). Consumers are gravitating to the poles of the retail market. Suppliers in the middle of the market, offering neither the lowest price nor the highest quality merchandise, are being squeezed and face declining sales.
- One force driving the bifurcation of retail markets is consumer desire to limit spending in product categories offering little emotional benefit or lacking clear differentiation. Low-cost retailers are attractive to consumers with this attitude. On the other hand, the growing number of affluent consumers will pay a premium price for goods and services offering high psychic rewards. These consumers favor specialty retailers that are more likely to stock higher performance goods and appeal to more sophisticated tastes.
- Within the optical chain market, revenue growth is strongest among low-price mass merchandisers, who have strong supply chain advantages and offer low prices, and among retailers such as LensCrafters that offer a broad selection of high-performance/high-style eyewear and convenient service. Optical chains in the middle price range (department store locations, traditional free-standing optical shops) are losing market share.
- Full-service independent practices that offer a high level of personalized customer service have continued to prosper.
- The average retail cost of an exam and pair of eyeglasses from the average independent O.D. is 64% higher than from Walmart, and also higher than other optical chains, except LensCrafters. The comparison is not based on identical merchandise, but reflects the lower average quality of the goods sold by mass merchandisers, as well as pricing differences.

Average Price Paid by Consumers for Frames and Lenses: 2008

	Lenses	Frames	Total
Independents	$110	$129	$239
Walmart	$65	$80	$145
Costco	$107	$99	$206
Sears	$82	$108	$190
LensCrafters	$102	$143	$246
Total Optical Outlets	$102	$117	$219

Source: VisionWatch, a study conducted by Jobson/Vision Council, year ending December 2008

Consumer Cost for Eye Exam and Complete Pair of Eyeglasses: 2008

Independent O.D.	$319
Walmart	$194
Costco	$252
Sears Optical	$239
LensCrafters	$305
All Locations	$289

Source: Practice Advancement Associates estimates

Implications

- In most geographic areas, independent practice O.D.s are likely to achieve greater financial success competing for those patients seeking high-service/high-psychic reward than for those patients most concerned with price.
- Independent-practice optometrists are unlikely to achieve acceptable profitability competing with low-end providers on price. Independent optometrists lack the supply chain efficiencies and buying power of mass merchandisers and often have higher overhead than do optometrists practicing in retail settings.
- To command premium fees, independent practitioners must clearly differentiate themselves by providing a higher service level than is generally available at retail optical locations. Offering a middle range of personalized service is potentially a vulnerable market position for independent practice O.D.s.

Fact 9: Presbyopes represent the majority of patients served by eye care providers.

- 58% of the vision correction population is 45 years of age or older.
- Among people 45 and over, 80% wear a vision correction device; among people younger than 45, 36% use vision correction devices.
- The aging of the post World War II Baby Boom generation is resulting in more rapid growth of the presbyopic population than of younger age groups. A slowly increasing share of practice revenue is being derived from presbyopic patients.

Vision Correction Population by Age	
55 and older:	37%
45-54:	21%
25-34:	26%
Under 25:	16%
Source: CIBA VISION estimates	

Implications

- Patients over age 45 constitute the majority in most optometric practices. Office processes and the product offering must be tailored to appeal to a mature population.
- Demand for medical eye care will grow as the number of older Americans grows.

Fact 10: Women purchase eyewear more frequently and usually decide which providers are used by their families.

- In 85% of American households, women are the primary purchasing agents.
- Women account for 60% of optometric office visits, 54% of eyeglass purchases and 65% of contact lens purchases.
- In nearly all consumer goods categories, including eyewear, women account for a disproportionate share of influence over the location of purchase and product selection.
- As women continue to enter the workforce in increasing numbers and achieve income parity with men, influence of women on household spending will grow.

Implications

- The needs and preferences of women patients should receive primary attention as office décor, product mix and office processes are established.
- The influence of female household heads over eye care decisions of other household members should be recognized. Female household heads should be encouraged to assist other family members to obtain regular exams.

Fact 11: Eye care product technology is rapidly evolving.

- Each year dozens of new spectacle lenses and contact lenses are introduced with advanced performance features.
- Therapeutic treatment for chronic ocular conditions is constantly advancing.
- Technology has radically transformed the contact lens market three times in the past 35 years. In just the past five years, silicone hydrogel materials have achieved a dominant market share.
- Computer technology is causing a radical transformation in spectacle lens design and manufacturing precision, enabling a level of personalization of prescriptions not previously possible.

Implications

- Obsolescence is always just around the corner in eye care technology. Living by the maxim "If it ain't broke, don't fix it" is a sure path to rapid obsolescence.
- Early adoption of new technologies is an effective strategy to maximize patient satisfaction, create a favorable reputation for the practice as being up-to-date and of increasing revenue and profit per patient.

Fact 12: In most optometric practices, sale of eyeglasses produces the greatest share of revenue.

- Sales of ophthalmic lenses and frames account for 40-48% of revenue in typical optometric practices.

Sources of Gross Revenue:

Independent Practice O.D.s		
	Established Practices	New Practices
Professional Fees	38%	40%
Eye exams	21%	30%
Medical eye care	17%	10%
Product Sales	62%	60%
Eyeglasses	44%	46% ←
Contact lenses	16%	13%
Other	2%	1%
Total	100%	100%
Source: MBA Practice Profile; FPA Practice Profile		

- 90% of presbyopes, the largest patient segment in most practices, rely on eyeglasses for vision correction.
- Over 80% of contact lens wearers also use eyeglasses every week, purchasing a new pair of glasses about every three years.
- Few people visit the typical practice for an eye exam unless they also need new glasses or contacts—vision correction device needs drive office visits and exam revenue.
- The dominant revenue source of retail optical chains is eyeglass sales, sometimes accounting for 80% or more of store sales. These sophisticated companies devote much management attention to their spectacle lens and frames mix, which they recognize is their major drawing card and primary competitive advantage versus independents.
- One-third of eyeglass wearers who receive an eye examination from a independent eye doctor purchase their glasses at another location.

Implications

- Financial success of most optometric practices depends on the sale of eyeglasses. Optometrists are in direct competition with other retailers offering a similar lens product mix and often better frames selection. Management attention to the product mix and merchandising is required to optimize optical sales. Optometrists must keep current with spectacle lens technology and frames styles.

Fact 13: Contact lens patients generate 25-30% of gross revenue in the average practice, including exam and material fees.

- The penetration of contact lenses, currently 27% of the adult vision correction population, continues to rise.
- Sales of contact lenses account for 15-20% of gross revenue in typical independent practices.
- Industry-wide, retail sales of contact lenses are increasing at a faster rate than eyeglass sales.
- 40% of the vision correction population under 45 years of age wears contact lenses, compared to 10% of the 45 and older group.
- Contact lenses are the vision correction device of choice by women under 45, the majority of whom wear contacts. Female contact lens wearers usually determine where eye care will be obtained by all family members.
- Contact lens patients have eye exams more frequently than do glasses-only patients—every 18 months, on average, versus every 24 months for glasses-only wearers.
- The annual revenue generated by contact lens patients exceeds that of spectacles-only wearers. This occurs because contact lens wearers have more frequent eye exams, visit the practice more frequently, generate higher exam fees and also purchase eyeglasses. (See Section 9.)

Implications

- Contact lenses make a significant and growing contribution to the revenue of most optometric practices. To optimize revenue from contact lenses, patients must perceive a practice as contact lens friendly.
- Contact lenses should be offered as an option to all spectacles wearers under 50 years of age.

Fact 14: The Internet is transforming retailing and business-to-business transactions.

- 207 million Americans use the Internet, including over 70% of all adults.
- The Internet has replaced print directories, such as the Yellow Pages, as the most referenced service listing.
- The Internet's share of retail sales is steadily increasing. About 5% of retail sales are currently transacted on the Internet.
- 11% of soft lenses are sold by mail order and Internet providers.
- A 2008 Vision Council study revealed that millions of American consumers visit eyewear Internet sites seeking information about frames and plano sunglasses or to make pricing comparisons.
- Eye care professionals purchase an increasing share of product needs via the Internet.

Implications

- A practice Internet site is an essential marketing tool for independent practice optometrists, both to attract new patients and to communicate with existing patients.
- Practice web sites should facilitate patient purchase of contact lenses and plano sunglasses.

Fact 15: Eye care is a somewhat seasonal business.

- Demand for eye care products and services typically rises about 10% above the monthly average during the summer months, driven by special events and preparation for return to school.
- Demand for eye care declines to 15% below the monthly average during the year-end holiday season, as consumers focus their spending on holiday gifts.

Implications

- Independent practice O.D.s can anticipate relatively stable demand through the year and do not face the need to adjust staffing to seasonal demand.
- Office efficiency may be improved by adopting marketing methods that generate traffic during the normally slower holiday season.
- Promoting services to prepare students for return to school can be an effective marketing strategy.

Why Consumers Choose Different Eye Care Providers

Consumers who choose independent optometrists have different motivations than those who choose retail optical chains. For example, a 2005 national survey conducted by CIBA VISION among soft contact lens wearers showed that insurance coverage, personal referral and service quality were more often cited as reasons for choosing a independent practitioner for an eye exam, while convenient location and price were more often cited by chain optical customers. Those preferring independent eye doctors find great value in a patient-doctor relationship; those preferring chains are more product oriented. Price was mentioned by just 2% of patients as a reason for selecting a independent practice provider.

Reasons for Selecting Location for Most Recent Eye Exam (% of soft lens wearers)

	Independent Practice		Retail Chain
Accepted insurance	43%		31%
Convenient location	37%		55%
Personal referral	36%	→	17%
Good service	35%	→	26%
Price/promotion	2%	←	19%

Source: CIBA VISION 2005 U.S. Consumer Usage and Attitude Research

A consumer focus group study conducted by the Management & Business Academy™ (MBA) in 2004, summarized on the pages that follow, reaffirms these findings. Most consumers chose their independent practice eye doctor through referral or family history, but convenience and acceptance of insurance were important criteria as well. This study also showed that the principal basis for preferring a independent practitioner over a chain optical provider is the perception that a higher level of personal attention and continuity of care can be achieved at a independent practice.

Surveys suggest that the patient defection rate within independent practice is relatively low, 15% or less in a typical year. Patients have a bias to remain loyal to their eye doctor, as they do with other medical professionals.

MBA RESEARCH REPORT

What Patients Expect from Eye Doctors

The MBA conducted focus groups in 2004 with people who had recently had an eye exam at a independent practice optometrist. Half the study participants were contact lens wearers and half were spectacles wearers.

Participants were asked to relate in detail what occurred during their most recent exam visit and to comment on how the visit satisfied their needs. They were asked about their perceptions of the role of doctor and staff in providing information about corrective device options and about any displeasing aspects of their recent visit.

Most "satisfied," few "enthusiastic"

Nearly all patients of independent practice eye doctors appear to be "satisfied" with the service provided by their eye doctor and staff. Most judged that the exam they received was thorough and that a competent diagnosis was provided. Most thought that they were treated in a friendly, engaged manner by both doctor and staff. The consensus was that the doctor "did his or her job" adequately.

Typically the office visit lasted 45-60 minutes, with 15-20 minutes spent with the doctor. Few said they experienced any wait, either to get an appointment or while in the office, suggesting that the doctors of this sample of patients were not that busy.

The discussion made clear that what patients value most from their eye doctor is the long-term custodial care provided. They achieve a sense of security from having an ongoing relationship with a medical professional who has an understanding of their ocular history and personal needs. As people age and their vision deteriorates, an even higher value is placed on an enduring relationship with an eye doctor.

Many focus group participants had previous experience with retail optical chains. They considered the continuity of care and individualized attention they received the most important reasons to favor their independent practitioner over chain providers.

It was apparent that the human, emotional dimension of the relationship weighed more heavily in patient evaluations of their eye doctor than did assessment of technical competence. Attentiveness, warmth and approachability were consistently cited as the traits of the doctor that they liked most. None of the focus group participants mentioned the technical reputation or skill of the doctor as their primary reason for remaining loyal—a basic competence is assumed.

While most patients intended to remain loyal to their current eye doctor and very few had any intention to shop around for a new doctor, loyalty was not deep. Few were able to cite any instance in their relationship when the doctor had exceeded their expectations. For most patients, a visit to an eye care office is a routine, unmemorable event.

Few respondents said that they had ever recommended their eye doctor to another person. The consensus among these patients from large metropolitan areas was that a move of residence that would take the patient beyond a 15-minute radius of the doctor's office would trigger a switch in eye doctors. Convenient access was the most frequently mentioned reason for selecting their current practitioner.

"Above and beyond" service

When asked what would constitute an unexpected level of service from their eye doctor, patients mentioned receiving a follow-up call after being treated for an acute condition. Doctors accessible during emergencies were highly praised. Receiving a call after purchasing a new type of corrective device to determine the patient's satisfaction is desirable and is another example of "above and beyond" service. Some appreciated it when the doctor's office became the patient's advocate in a dispute with a managed care provider.

The cues patients observe during an office visit indicating that their personal needs are being addressed include:

- being greeted by name
- being asked about any changes in vision since the last visit
- being asked about their satisfaction with their current vision correction device
- receiving understandable explanations of any changes in vision revealed by the exam
- receiving a recommendation about a product offering higher performance

When asked about any disappointing aspects of the service they received during their most recent exam, patients had few complaints. A few said that the doctor's frame selection was inadequate, forcing them to shop at a chain location. Others did not appreciate the sense of being rapidly processed through the practice. Dated décor in some offices signaled that the doctor may not be medically up-to-date. No one volunteered any dissatisfaction with fees, suggesting this is not a major area of concern for patients.

Product education expectations

There is a gap between what patients expect to learn about new eyewear products and what they are typically presented during an office visit.

In many cases there is no dialogue about products during the office visit. Patients who are asymptomatic and express no problems with their current vision correction device are seldom presented new options. The implicit assumption made by doctor and staff is that the patient will want to reorder the same type of device when updating their prescription. Satisfied glasses wearers are seldom offered the chance to try contact lenses. Glasses wearers seemed to have low awareness of anti-reflective and anti-scratch coatings—not knowing if their current pair of glasses had the features—suggesting there had been little discussion of these upgrades with the doctor or staff.

Patients infrequently ask about new product technology, having invested little or no time to investigate options before their visit. Their assumption is that the doctor will be their product counselor and will bring to their attention any new device that might better satisfy their need.

Doctor and staff roles

The primary relationship patients have with eye care practices is with the doctor, who is the source of most of the loyalty that develops. However, the staff plays an important support role in signaling the practice's concern for the patient's welfare.

Most patients put their eye doctor on a pedestal, preferring not to think of the doctor as a merchant. They strongly desire that the doctor recommend the best solution to their corrective need, expecting the doctor's advice to be motivated exclusively by concern for the patient's ocular health, functional and comfort needs. A brief product recommendation from the doctor, given with a medical or performance rationale, is almost never questioned by patients. Only if a doctor's recommendation appears to be influenced by the profit motive does any distrust surface. Patients do not expect doctors to be experts on style and fashion or to discuss the vanity aspects of eyewear options.

The product advice and recommendations of staff members are also sought. Optical assistants are expected to be able to relate the reactions of other patients to eyewear options and to give advice and reinforcement during frame selection. Explanation of add-on features and bundled options is expected from the staff, which is expected to handle all the commercial aspects of the transaction. Patients are much more comfortable questioning the recommendations of staff than of doctors.

Room for improvement

The service provided by the average independent eye care professional received a solid "B" grade from this sample of patients, who were satisfied, but not enthusiastic, about their most recent office visit. There were few reported cases of remarkable service, loyalty was shallow and referral uncommon. The typical eye care practice has considerable opportunity to upgrade its service performance and differentiate itself from competitive practices.

Concluding thoughts

Eye care will continue to be a growth industry over the longer term, stimulated by the demand of the Baby Boom generation. Despite the fact that the largest U.S. retailers are active in the eye care market, the business is still dominated by small independents. Small businesses have prevailed because most patients want personalized service and a continuity of care.

With a commitment to service excellence, financial success is within the grasp of any independent optometrist. Since the average service level offered by independent practitioners is only adequate, the opportunity exists for a new practice to differentiate itself and attract patients.

Demand for eyewear is the most important driver of practice revenue. Lack of attention to this side of practice will lower patient satisfaction, lower the capture rate of product sales to patients and depress financial return.