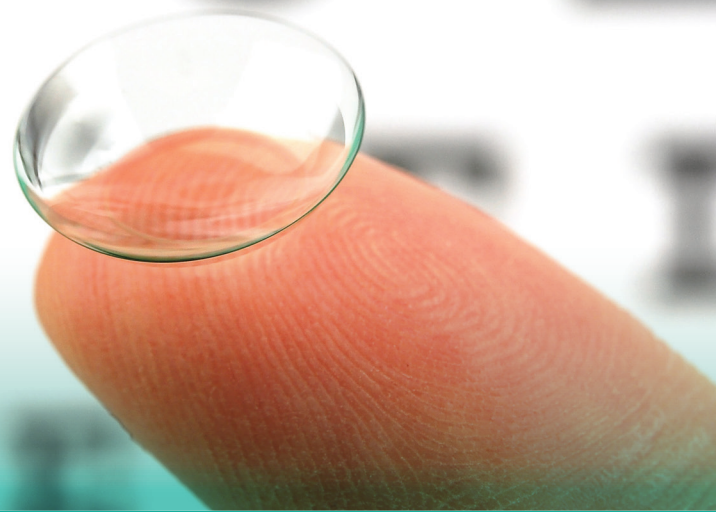


Use Smart Money to



Help Increase Your Contact Lens Sales

Myth: "There's No Money in Contact Lens Sales"

Fact: Your Contact Lens Patients Are Your Practice VIPs

If you are measuring the profitability of your contact lens practice by the profit per box, you're only seeing a sliver of the picture. There are important reasons to retain your contact lens patients and encourage them to buy their contact lenses from your practice. These go beyond per-box profits—which can also be increased—and extend to patient satisfaction, more predictable annual exams and an overall improved relationship with patients. There's not one single step that can improve your profitability and revenue, but a focus on offering all candidates a chance to try contact lenses, recommending newer materials and designs and an emphasis on annual supplies can combine to counter the old adage that there's no money in contact lenses. (See the chart on page 4 to see how the value of a contact lens patient far exceeds that of an eyeglasses-only wearer over a period of six years.)

According to Jobson Optical Research's 2014 *Contact Lens Wearers Insight Survey*, fewer than half of the contact lens wearers surveyed reported buying at least a six-month supply of contact lenses at a time.

Selling patients less—or more—than an annual supply of contact lenses has its perils for your business growth and, potentially, for the patient's ocular health. Patients who leave with less than an annual supply of contact lenses may be more inclined to stretch their contact lens wearing time, turn to other sources and delay their return to your practice for the annual exam. Patients who purchase more than an annual supply are almost certain to wait until their contact lenses run out before returning for another exam. ○

Patient Purchases

Supply of Contact Lenses	Percentage of Patients
> Two-year supply	4 percent
One- to two-year supply	20 percent
Six-month to one-year supply	28 percent
≥ Three- and < six-month supply	30 percent
≥ One- and < three-month supply	17 percent
< One-month supply	2 percent

Total does not add up to 100 percent due to rounding.
Source: 2014 Contact Lens Wearers Insight Survey.

Are You Asking the Right Questions?

How often are patients in your practice being exposed to the contact lens option? If they're asked only on an intake form or when they're making the appointment, then they're not being provided with much of an opportunity to explore. And if you're not asking the probing questions to uncover frustrations, you might find yourself with a contact lens dropout rather than a satisfied contact lens wearer. Here are some questions that can be asked at different points during the patient's interaction.

◆ "Are you interested in eyeglasses, contact lenses or both?"

- ◆ "Have you ever worn contact lenses? When was that?"
- ◆ "Is there ever a time you'd like to be able to see without wearing your eyeglasses?"
- ◆ "Do you have any interest in contact lenses that change or enhance your eye color?"
- ◆ "If there's anything you could change about your contact lenses, what would it be?"
- ◆ "Would you like to try a pair of contact lenses while you shop for new eyeglasses?" ○

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Leverage Your Patients' Benefits

Brett Hagen, OD, of Spokane, Washington, remembers that the practice began accepting CareCredit credit card payments because patients kept walking in with those cards.



Dr. Brett Hagen
Spokane, Washington

They had applied for CareCredit cards with other health care providers or veterinarians and wanted to be able to use the convenient payment option in his office.

It made a lot more sense to him than trying to structure his own payment systems with patients. "Coming up with a plan that worked for each individual became a tug of war that we just didn't want to involve ourselves in," he says. Now when patients use a CareCredit credit card, he sees the benefits that it has for the patient as well as the practice.

First, patients can leverage their spending power: "It's smart for patients to purchase an annual supply of contact lenses because it's the best deal and they can avail themselves of the maximum manufacturers' rebates," Dr. Hagen says. In addition,

"You Don't Have to Give up on Contact Lenses"

Dr. Brett Hagen has his share of baby boomer patients, many of whom have been wearing contact lenses for decades. There can be sticker shock in moving from spherical to multifocal contact lenses, especially daily disposable multifocal contact lenses, he says. But patients who have experienced the convenience of a daily disposable spherical lens for years are not eager to return to a monthly replacement lens that they'll have to clean and disinfect every night. Being able to suggest a financing option through CareCredit is a great way to soften the blow.

Dr. Hagen's associate, **Jezzarae Hedlund, OD**, enjoys fitting scleral contact lenses. Specialty lenses like scleral lenses and orthokeratology carry a higher price tag, so those patients appreciate the availability of a financing option.

In fact, Dr. Hagen notes that, overall, his contact lens patients aren't looking for the least expensive option; they're looking for value. "About 64 percent of our contact lens patients are in daily disposable contact lenses, which have a higher price point. But the benefits of these lenses so exceed those of monthly or two-week replacement lenses. From a CareCredit angle, when we present an annual supply with all the benefits, and patients can use CareCredit to make monthly payments, it's a win all around. They have their annual supply, and they aren't in the market shopping for contact lenses to tide them over until their next exam." ○

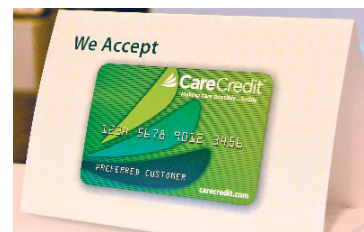


many use their managed vision benefits that typically provide an allowance for either contact lenses or new eyeglasses but not both.

By combining any in-office promotions to purchase eyewear with contact lenses and manufacturers' rebates and the ability to use an attractive payment option, patients can leave their appointment having purchased what they need.

"Often patients would buy their annual supply of contact lenses but would also want to buy prescription sunglasses for the beach or vacations, but they had used up their benefits. That's when we started to see CareCredit credit cards as an answer to an emerging problem," he says.

Best of all, patients are in charge of their purchasing decisions. Even though Dr. Hagen's optical staff is well-versed in explaining that patients' managed care allowances can be used toward the purchase of any contact lenses or eyeglasses in the practice, the whole idea of "allowable" and "covered" products remains a stumbling block for many. Patients use their CareCredit card like a traditional consumer credit card for out-of-pocket expenses. It's become such a popular option for patients in his area that Dr. Hagen says that having his office listed on the CareCredit website as a provider is "almost like being on a provider panel. We have several patients a week come in and tell me that they came to us because they found us listed on the CareCredit.com website." ○



Make sure that patients know that your office accepts CareCredit and that staff can explain the option.

CareCredit Offers Financing Options Including No Interest If Paid in Full Within 6 or 12 Months*

This is for purchases of \$200 or more made with the CareCredit credit card. Interest will be charged to the account from the purchase date if the promotional purchase is not paid in full within the promotional period, and minimum monthly payments are required. ○



*Subject to credit approval. For new accounts: Purchase APR is 26.99%; Minimum Interest Charge is \$2. Existing cardholders should see their credit card agreements for their applicable terms.



Dr. Mark Coan and Dr. Roxanne Achong-Coan
Ocoee, Florida

Financing Option Can Remove Hesitancy About Costs of Services or Products

The Coan Eye Care & Optical Boutique in Ocoee, Florida, is known for providing top-of-the-line eye care services and its high-end optical dispensary. **Roxanne Achong-Coan, OD**, and her husband and practice co-owner, **Mark Coan, OD**, saw a boom in sales in the optical dispensary after they began accepting CareCredit credit cards.

The practice office manager has trained and educated staff members on accepting CareCredit credit cards as a payment option, and they know to present the option to patients so that they know there is another way to make their eyewear and eye care expenses more affordable. The process is so quick and simple, and patients know if they are approved on the spot so it can impact their purchase decision that day. Patients appreciate the ability to break up their charge into payments, she says. "They often say, 'I didn't know I could make payments,' and then they are more likely to get the products or have a service done."

Dr. Achong-Coan specializes in scleral and orthokeratology lens fitting as well as providing dry eye treatment and therapies, and all of these areas of specialty care can come at a high price tag that is not often covered by insurance. "When I have a conversation about LipiFlow or ortho-k, I tell patients that we accept CareCredit credit cards as a payment option," Dr. Achong-Coan says. These services can cost an upwards of \$1,000, "and if they want to buy

eyeglasses on top of that, they might put that purchase on hold. We find that CareCredit really helps when offering high-end services." After she's planted the seed, the staff can fill patients in on all of the details.

Optical purchases continue to be the popular use for CareCredit charges these days, she says, whether it's to try a pair of progressive lenses for the first time or opt for second pairs, such as eyewear for reading or computer usage. The cardholder can use CareCredit credit cards to get eyewear, contact lenses or eye care services for everyone in the family. The practice doctors and staff make sure everyone knows that the payment option is available, from listing it prominently on the practice website under the Payment Options tab, to the sticker on the front door and all of the conversations with patients in between. ○



With CareCredit Direct, patients can quickly and easily apply privately right in the practice—freeing up your staff's time and increasing productivity.



CareCredit promotional materials help remind patients that they can use their CareCredit credit cards for contact lens purchases, too.

Trends in Contact Lenses

According to The Vision Council's VisionWatch, contact lens sales in the U.S. rose almost 3 percent between 2015 and 2016, from \$4.66 billion to nearly \$4.8 billion. Independent practitioners lost a small amount of market share during that time, even as the dollar value of sales through independent locations rose 1.5 percent. Independent practitioners account for 39.3 percent of the contact lenses sold in 2016, higher than the 25.1 percent sold through mass merchandisers or wholesale clubs, the 18.5 percent sold through chain and the 17.2 percent sold through other channels. ○

Here Come the Baby Boomers

More patients can be fit successfully with contact lenses than ever before. The new designs and materials, available in one-day, two-week and one-month replacement schedules, mean that there's a great contact lens for just about any patient who has an interest.

About 16 percent of the adult U.S. population wears contact lenses; nearly 21 percent of adult women wear contacts and just more than 11 percent of men do. However, nearly two-thirds of the adult population has need for refractive correction. Contact lens sales drop dramatically as people age. While 25.5 percent of

adults ages 18 to 34 and 20.5 percent of people between 35 and 44 wear contact lenses, that percentage drops to less than 15 percent by age 45, and it's down to just 6.2 percent among the over-55 crowd, according to VisionWatch.

ABB OPTICAL GROUP reports that in 2016, spherical contact lenses accounted for 59 percent of its sales. Toric, multifocal and cosmetic color lenses comprised 27 percent, 11 percent and 3 percent of the soft contact lens market, respectively.

The opportunity with presbyopic patients is a golden one. These patients become enthusiastic referral sources. ○

Contact Lens Patients Really Are Your VIPs

Here's a look at how the value of a contact lens patient compares with an eyeglasses-only patient over a six-year period.

	Eyeglasses Only	Contact Lenses
Purchase Behavior Dynamics		
Average elapsed months between eye exams	24	18
Average elapsed months between purchase of eyeglasses	28	36
Average collected exam fee	\$70	\$96
Annual contact lens purchases	\$0	\$106
Average eyewear purchase	\$227	\$175
Six-year Activity		
Eye exams	3	4
Eyewear purchases	2.6	2
Contact lens purchases	0	6
Six-year Gross Revenue		
Eye exam fees	\$210	\$384
Eyewear purchases	\$590	\$350
Contact lens purchases	\$0	\$636
Total gross revenue for six-year period	\$800	\$1,370
Average gross revenue per year	\$133	\$228

Sources: Management & Business Academy, contact lens industry audits and VisionWatch 2013. Data is based on the typical experience of independent ODs.

Introduce Your Eyeglasses-only Patients to Contact Lenses

One-day lenses are a great option

Based on the chart at left, a contact lens patient generates almost \$100 more annually than an eyeglasses-only patient. The number would be even higher for presbyopes who are converting to multifocal contact lenses or premium daily disposable contact lenses. Daily disposables are the fastest-growing market segment, but the higher annual cost is a barrier to conversion, and annual supply purchases are less common as a result.

If you convert 10 patients per week to contact lens wear, that's an additional \$1,000 per week in gross revenue—without any additional marketing expenses or overhead. Keep that up for a year, and it would add an average of \$52,000 to the bottom line.

Why isn't your practice making this offer? Are you concerned that patients might not want to spend a few hundred extra dollars on the day of the exam? By enrolling with CareCredit and accepting CareCredit credit cards, patients have the opportunity to decide for themselves what products they want and need without worrying whether their checkbook balance can cover today's bill.

The additional revenue from converting patients to contact lens wearers can help you justify promotions for plano sunwear or an in-office discount for annual supplies above and beyond the manufacturer's rebate. Patients will appreciate the offer. ○



Track Your Contact Lens Sales

According to Management & Business Academy data, independent optometric practices derive 39 percent of revenue from professional fees and 61 percent from product sales, including 43 percent from eyewear and 16 percent from contact lens sales. Note that professional fees for a contact lens exam, particularly specialty contact lens fitting fees, are typically higher than spherical contact lens fittings.

Increasing the percentage of patients wearing contact lenses typically increases annual revenue per active patient. This occurs because contact lens patients visit the practice more frequently than do eyeglasses-only wearers, pay higher exam fees, purchase contact lenses at least once a year and purchase both eyeglasses and contact lenses.

Contact lens sales per contact lens exam is calculated by dividing the total collected revenue from contact lens sales over a set period of time by the number of contact lens exams performed during the same period. This metric is a useful indicator of the capture rate of patients' soft lens purchases, sales mix of higher-value lenses, effectiveness at selling annual supplies and, to a lesser extent, the effectiveness of your retail pricing strategy. If contact lens sales per exam average lower than \$120, that's an indication that your practice is either selling lower-priced and presumably older-technology products or that it's selling a low percentage of annual supplies or both. ○



"You're Going to Need Some Sunglasses"

The first errand for many new contact lens patients is to buy plano sunglasses. Why let that patient walk out of your practice where, on a sunny day, the first thing he or she will notice is the glare off the windshields of cars in the parking lot? You know they'll want plano sunglasses the next time the sun shines, so consider a special offer with an annual supply.

The patient gains extra value and saves time, and the practice gains the annual supply sale plus the knowledge that the patient has the eyewear he or she needs. ○

For 30 years, CareCredit has helped millions of patients receive the care and products they both need and desire. Its

demand continues to grow as the card is now accepted at more than 200,000 locations nationwide and has 10+ million cardholders. In a recent survey, 96 percent of these cardholders rate CareCredit as a good to excellent value, and 97 percent would recommend it to a friend (CareCredit cardholder engagement study, Q4 2016). For more information on CareCredit, call 800-300-3046 or visit www.carecredit.com.

