



Agenda

- Current situation and Potential for growth in the industry
 - A glance into South Africa
- How can we grow
- Summary and Conclusions

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GROWTH
TAKES
VISION

A
Potential for Growth in the Industry

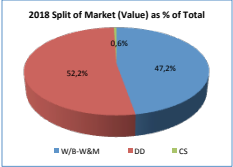
The EMEA European Soft Contact Lens Market in 2018¹

EMEA: € 1.831 billion, + 4.5%

DD segment: + 7.9%

W/B-W& M: + 1.3%

Conventional: - 10.8% (data in '17 and '18)



2018 Split of Market (Value) as % of Total

■ W/B-W&M ■ DD ■ CS

1. Commentaire 2018
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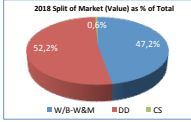

The EMEA European Soft Contact Lens Market in 2003 - 2018¹

EMEA: +104%* CAGR** 4.3% € 0.896 billion to € 1.831 billion

DD segment: + 212% CAGR** +6.9%

W/B-W& M: + 81% CAGR** +3.6%

Conventional: - 85% CAGR** -10.7%

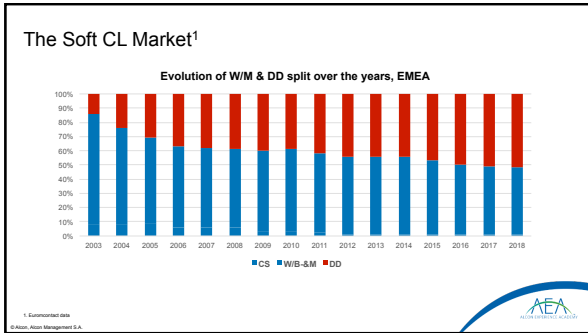
2018 Split of Market (Value) as % of Total

■ W/B-W&M ■ DD ■ CS

Split of Market (Value) in % of Total 2007

■ DD ■ W/B-W&M ■ CS

* Sales reported for market contribution since 2003
** Compound Annual Growth Rate
1. Commentaire 2018
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Interest in contact lenses

- Very strong interest in contact lenses
- 72% of the population needing visual correction aged 15 to 24 are interested in wearing contact lenses¹

Reality...

ONLY 9% of 15 to 24 year olds wear contact lenses

*Based on a survey of contact lens wearers in the next 12 months, based on a study of spectacle wearers in EMEA including Russia, 1. Vision Needs Monitor 2014

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Presbyopia size and opportunity

The Unmet Patient Need

"SLIDE OF INJUSTICE"

- As refractive needs increases in population, contact lens penetration decreases
- There is an opportunity to create new demand and new value by transforming eye care

Penetration opportunity

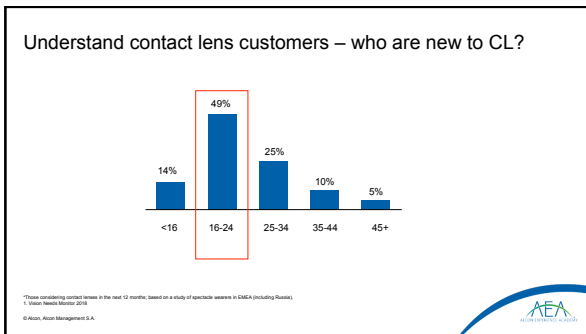
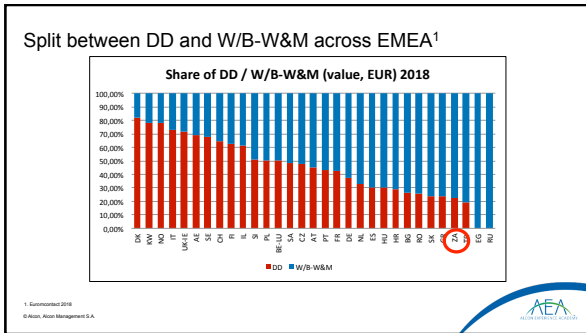
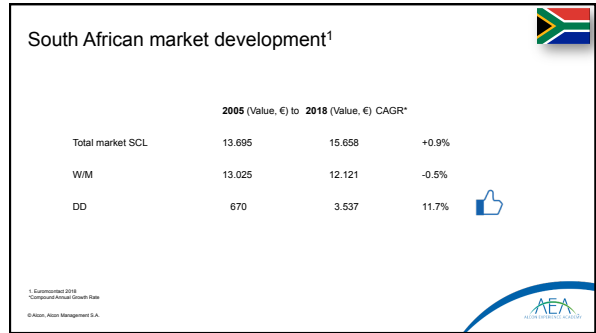
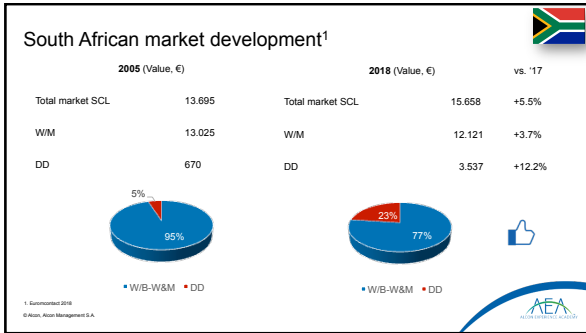
- Keeping Emerging Presbyopes in contact lenses (CL) would help CL penetration
- In EU we would keep 2.8 million CL wearers (CLW)

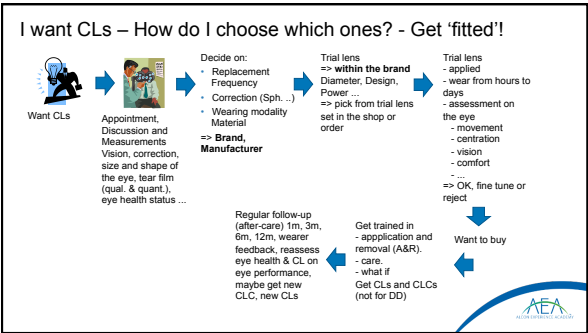
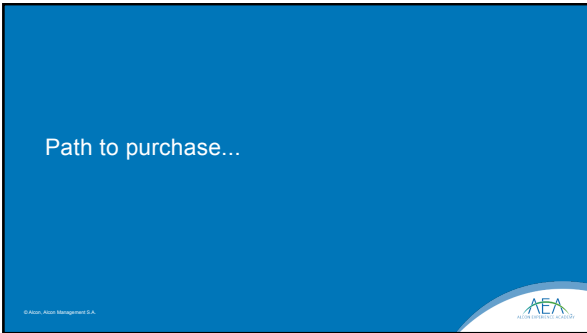
Alcon Data on file, 2012 US Census Data, Consumer - 2015 EU population in UK, Ireland, N. I., D. G., except for Europe 27 member states
Contact Lens Incidence Europe study 2010 - 10 countries - N. Amer., P. Amer., Spain, CH & 4 Nordic countries
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Growth in South Africa





What have you done so far and what are you doing?

- Ask all glasses customers
 - Would you (also) like to try contact lenses?
 - Are also interested in contact lenses?
- Not a bad idea, as many are interested in CLs, but not very successful
 About 6 - 7 out of 10 may say no, likely many more – drives some frustration
- Why is that not very successful?
 - It is a closed question: easy to say no and does not stimulate start a conversation
 - Comes out of the 'nowhere', as a kind of a surprise
- Also: May not like it, as you may think it stops you from selling glasses

How should we do it in the future?

- Using the 'Consultative / Needs-based selling' approach*
 (You are called consultant already, aren't you?)
- What is that?
- Let's first look at the traditional selling

Traditional selling


- Present the features of a product or service
 - Explain the benefits of that given feature
 - Amplify on the advantage those benefits provide
 - Push for the sale
- The issue with the feature-benefit approach is that it leaves the focus on the product rather than on the customer's needs

'Consultative / Needs-based selling'


- Instead of asking everybody: "Do you want to try CLs?" - You will still offer CLs, but...
 - when directly asked or
 - after YOU have identified and explored a need / benefit for a specific customer
- This results in less frustration and most importantly in less time
- Keep in mind:
 - We want to sell glasses AND contact lenses not OR!
 - We want to **sell solution(s) to best correct the vision at (a) given time(s)**

'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Detection phase
- Exploration phase
- Offer Proposal Phase
- (Closure)




* https://softbank.com/br/1004275/needs-based-selling.html
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'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Detection phase
- If directly asked about CLs go straight to
- **Exploration phase**, because the need is already expressed, but you need to know a lot more than 'I want contact lenses', in order to make a good offer, proposal




* https://softbank.com/br/1004275/needs-based-selling.html
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'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Detection phase
 - **Identify** the possibility of an
 - obvious, yet unaddressed
 - unaware of,
 - or unknown
 - **Need**

LISTEN! LISTEN! LISTEN!



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'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Detection phase / moving to exploration


LISTEN! LISTEN! LISTEN!

OBSERVE
 ASK Questions

- 'For doing ... have you ever thought about using contact lenses?'
- 'I see you struggle to warm up to the idea of you wearing glasses?'
- 'Have you ever thought about wearing contact lenses? You will still have glasses, though, as a back up.'




* https://softbank.com/br/1004275/needs-based-selling.html
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'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Exploration phase
- **Verify the detected, potential need(s) through a series of open-ended, relationship-building questions**
- **The answers to those questions clarify the customer's needs** - for the customer as well as for you - and enable you to offer a/the best solution to those needs




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'Consultative / Needs-based selling'
Focuses on identifying and fulfilling a customer's need(s)

- Offer Proposal Phase
- Based on the established, agreed on need, you will then **offer a 'customized' solution**
- **Paint a picture** with the need and how much better it looks when using, applying the offered solution
- In doing so, you need
 - to name and describe the solution (**what**)
 - **why** and **how** it is 'solving' the specific need(s), use features, but more the benefits of the offer (CLs)
 - verify that the above is understood – offer to ask questions
- **'Close' by getting agreement to the solution =>** try, get fitted with CLs now or in the near future => Do the handover or note in CRM system, customer file, card...



* https://softbank.com/br/1004275/needs-based-selling.html
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Contact Lenses as a business - add plano sunglasses, care products ...

Contact Lens Patients Really Are Your VIPs

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

	Region	Contact Lens
Purchase Behavior (Frequency)		
Average elapsed months between eye exams	24	18
Average elapsed months between purchases of sunglasses	26	36
Average collected exam fee	\$70	\$96
Average contact lens purchase	\$50	\$106
Average eyewear purchase	\$227	\$175
Six-year Activity		
Eye exams	3	4
Eyewear purchases	2.6	3
Contact lens purchases	0	5
Six-year Gross Revenue		
Eye exam fees	\$210	\$384
Eyewear purchases	\$390	\$350
Contact lens purchases	\$0	\$630
Total gross revenue for six-year period	\$600	\$1,370
Average gross revenue per year	\$112	\$228

Source: Management & Business Analytics, contact lens industry study and benchmarking 2012. Data based on historical departmental data from 2006-2011.



http://www.acon.com/hcp-contact-lenses/2012/05/16-17/returnmoney.pdf

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What did European ECPs do to grow the market?

- Embrace Daily Disposables (DD)
- Promote occasional wear with DD ('As well' as approach)
- Be more active in promoting CLs
 - Fit more torics (less drop outs, due to vision issues)
 - Fit more MF (maintain wearers in CLs, add new ones, less drop outs due to vision)
 - Bring back former drop outs, the low hanging fruit – upgrade them
 - Stay closer to new fits particularly in the first two months

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Embrace daily disposables

- Higher compliance, especially among new fits
 - Less worries about complications - lower risk
 - Add on sales (do not buy other solutions elsewhere)
- Less drop outs
 - No / less hassle with care
 - High comfort at every use
 - Low levels of complications due to care products
- Ideal for occasional wear – playing sports, use of plano sunglasses
- Use of DD to select frames - great teaser (EASE study)

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Change the attitude towards Service(s)

- Make service(s) a product - a point of differentiation
 - Refraction
 - Fitting of CLs
 - Eye exam
 - Selecting the right lens
 - Education on application and removal
 - Instruction for care
 - After care of CLs
- Attach a price ticket to each - make services an experience
- THE ABOVE ALLOWED TO LOWER THE CL PRICES AND YET EARN MORE



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What do successful CL European ECPs do today?

- Split between services and CLs as a product – charge for services
- Actively follow-up on new fits (ETIP) – guide them through the learning phase
- Actively follow-up on no shows, non buyers (real drop outs or seemingly drop-outs)
- Upgrade CL (material, toric, multifocals ...)
- Dry Eye as a new treatment area and service
- Compete with online sellers
 - Online appointments
 - Have stock of several products, the fast turning powers
 - Ship lenses that are not on stock to their home
- Offer home delivery and subscriptions

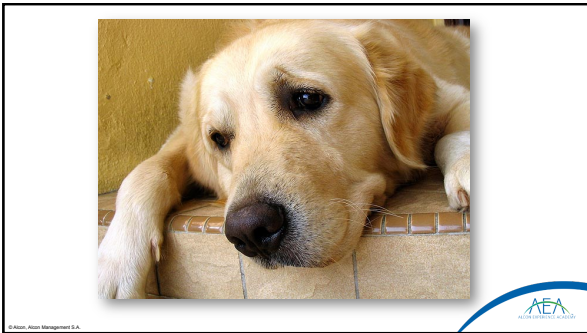
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Loy·al·ty

[loi-uhl-tee] *noun*

the *state* or quality, or an instance of being **loyal**; FAITHFULNESS to commitments or obligations.

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What defines loyalty in your contact lens business?

- Repeat purchase of CLs at your shop
- Even better: repeat purchases (many, best always when they need new ones)

WAIT, I MAY HAVE A CARD SHOWING MY LOYALTY TO WHATEVER STORE THIS IS

LOYALTY POINTS

© marketonline.com

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SUMMARY

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Summary and Conclusions

Summary

- European CL markets will continue to grow and so should South Africa
- Penetration rates can increase – the interest exists
- European CL markets developed mainly driven by Daily Disposables (DD)
- CLs wearers enter CL when young (15 - 24) – focus on this target
- Must capture early presbyopes in the next years – more options available

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Extra final thoughts

- Charging for well defined and communicated, as well as executed services will become increasingly important
- Consumer convenience oriented offerings (i.e. self booking, ordering remotely and shipping home...) need to be integrated
- Subscription systems are a proven way to increase loyalty

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If you can dream it you can do it

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YOU can do it!

Agenda

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