Getting progressively richer?

A single-vision lens can change hands for less than a pound, yet an individualised progressive costs more than £200. **Mark Mackenzie** explains to **Rob Moss** why high-value product is so important for the lens manufacturers

An apocryphal tale of lens dispensing in one of London's more exclusive streets refers to one practitioner's approach in advising his patients on individualised progressive lenses.

'First I explain to them exactly what they do, how they're tailor-made for their own vision needs and so on and then I tell them the price: "£400". If they don't flinch at the cost, if there isn't the slightest element of surprise, I add: "...per lens".'

Whether this tale has any foundation in truth we'll never know. What we can be sure of, however, is that the lens companies are operating in an increasingly competitive world market, and the established players are turning to high-tech, high-value vision solutions to provide the growth they require.

Mark Mackenzie of Strategy With Vision (SWV), a consultancy to the optical industry, explains why. If you look at the global lens market to 2010 there are some worrying statistics. SWV has compiled worldwide ophthalmic retail forecasts that show that with the current approach lens companies are facing annual growth in the market of around 5 per cent. By the end of the decade, the annual sales will amount to around $69bn (Table 1).

Five per cent per year for a chief executive of a listed company, however, is less than the double-digit growth that investors crave. So, unless it has a trick up its sleeve, the lens industry will be in for a rough ride over the coming years.

Its trick is to create a new product category, the much talked about individualised progressive. Population growth of the over-40s is making the presbyopic market an ever more attractive proposition. Single vision may be the biggest segment of the lens market, but its target population is not growing as fast as the presbyopes and increased global competition is driving down the price.

'The progressive segment is definitely the most expanding segment,' says Mackenzie. 'But 45-year-olds, 50-year-olds are pretty discerning people, it is not as if you can give them anything.'

Table 1. Total ophthalmic retail sales (source: SWV)

	Population (millions)	2000 sales (US$bn)	2003 sales (US$bn)	2010 sales (est) (US$bn)	Annual growth rate
USA	290	13.5	15.8	24.2	8%
Europe 5	301	13.8	15.5	18.6	3%
Europe 25	467	17.8	20.0	24.5	4%
Japan	127	6.6	6.1	7.1	1%
India & China	2,300	2.7	3.3	4.3	6%
Rest of world	3,087	6.2	6.8	8.7	4%
Total (less Europe 5)	**6,271**	**46.8**	**52.0**	**68.7**	**5%**

Europe 5 = Germany, Italy, France, Spain, UK. Europe 25 = 25 members of the EU

Coupled with this swelling market, is the impact of a paradigm shift in manufacturing machinery. Freeform machining techniques developed in the 1990s heralded a new age for lens manufacturers. For the first time they could make a lens specifically for the prescription of the patient, rather than optimising a semi-finished lens to suit. It was obvious to all concerned that the potential for tailor-made lenses was huge but, at first, only two companies were willing to give it a try.

In 2000, Rodenstock and Zeiss launched the Impression^{ILT} and the Gradal Individual respectively. 'You had these two launching and the other lens companies sat back and watched,' comments Mackenzie. 'Some people said it would only appeal to fanatical opticians in Germany, who want to be perfect with their measurements but those people got it wrong.'

That every third progressive lens sold by Zeiss today in Germany is individualised suggests that it was more than just a few obsessive practitioners. With Hoya and Essilor most recently launching their bespoke progressives, no fewer than 10 'individualisable', as SWV terms them, lenses are now available (Table 2). To avoid any confusion between one of these special varifocals and the conventional progressive variety, SWV created a definition:

Table 2. Individualisable lenses available worldwide

Manufacturer	Product	Progressive zone surface
Essilor	Varilux Ipseo	Outside
Hoya	Hoyalux iD	Inside and outside
Pentax	Super Atoric	Inside
Rodenstock	Impression^{ILT}	Inside
Rupp+Hubrach	Ysis	Outside
Seiko	P-1SY	Inside
Shamir	Autograph	Inside
Sola	SolaOne	Inside
Tokai	BS Custom	Inside
Zeiss	Gradal Individual	Outside

Source: SWV

'An individualisable progressive is one where extra measurements in addition to reading distance, the pupil distance and the height of the fitting cross are taken and then worked into the progressive lens to improve the fit and therefore the visual properties of the lens. Different manufacturers focus on different measurements.'

Such measurements include the back vertex distance, the pantascopic angle, and patients' predilection to move their eyes or head when changing the direction of gaze.

Mackenzie has gone for a pair himself. He explains how his 'not outrageously expensive frame' and his two Impression^{ILT} lenses cost him €900. That's £625.

'To me it was worth it because the vision with those lenses is superb. But for the independent optician, that's a hell of difference in the average selling price.'

Mackenzie compared the price of individualised and non-individualised progressive lenses in Germany (individualised sales in the UK are still too small to gather reliable statistics), and found that the individualised sale is more than double the €420 average for frame and lens.

'Not only are we looking at a market that's growing, but you're getting a higher average sell,' concludes Mackenzie. 'And you're having people leave their opticians extremely happy with their glasses.'

If practitioners start selling individualised progressives in the numbers the manufacturers hope they will, whether it's at £400 per pair or per lens, the chief executives will be able to relax a little, safe in the knowledge that throughout the world the population is growing progressively older.

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