



Optical Shops: Sales Strategies for Today's Economy

Carolyn Salvato
Director, Optical Consulting
BSM Consulting

Course Objectives

Topics of discussion:

- Patient Perception
- Sales Techniques
- Package Pricing
- Revenue Opportunities
- Internal Marketing

Patient Perception

Although false, a large percentage of the population believe it is more expensive to buy eyeglasses from their doctor's office.

Patient Perception

Cost Perceptions

- Optical chain stores are less expensive.
- Half-price frame sales provide significant savings.

Reality

- Advertised prices typically include only minor prescriptions.
- Product mark-up is **dramatically** increased to create higher margin for advertised sales.

Patient Perception

Technology Perceptions

- All progressive designs are the same.
- All anti-reflective lenses are the same.

Reality

- Retail chains use older progressive technology to offer a significantly lower price.
- Patients requiring anything other than standard / house products pay a premium.

Patient Perception

Delivery and Service Perceptions

- Quality and expertise are the same in both retail and private opticals.

Reality

- Retail sales staff typically have minimal experience.
- Retail sales staff make the majority of their income from commission.
- Ophthalmic optical dispensaries commonly employ experienced opticians.

Internet Competition

Internet Purchasing Perceptions

- Internet eyeglasses companies offer a great deal.

Reality

- Questionable and often confusing return policies.
- Not all prescription lenses meet required tolerance standards.
- High percentage of lenses do not meet impact resistance standards.

Internet Competition

Chicago Tribune

A closer look at online shopping for eyeglasses
Almost half the time they aren't what the doctor ordered, study shows

February 23, 2012 By Mike Deardoff, Tribune Newsroom

Researchers found that nearly half of prescription glasses they bought online either contained the wrong lenses or didn't meet the standards for impact testing, meaning the lens can crack or shatter ...

Do you "prescription glasses" online? You may not know you're getting what you need. A new study shows that nearly half of the glasses surveyed didn't meet the standards for impact resistance for finished eyewear," said Clark.

1 in 4 pairs of children's eyewear failed impact resistance testing, according to a small study published last year in the Journal Optometry. The study also showed that almost half of the glasses surveyed didn't provide the stated prescription or had issues with impact resistance testing.

Sales Techniques

Competing in today's economy requires implementing sales techniques that are fundamentally opposed from traditional methods.

Sales Techniques

Traditional Techniques: Top-down Selling

- Always promote higher priced products first, showing less expensive product when necessary.
- Do not initially quote price – when asked the cost of eyeglasses respond with: "The price will depend on what you need."
- Bundle multiple lens options together for one add-on price as opposed to selling individually.




Sales Techniques

Traditional Techniques: Outcome

- Patients have "sticker shock" and ask for their Rx, negating any opportunity to offer lower cost options.
- Patients that sacrifice options to reach desired price point do not feel as good about their purchase.
- The perception that private practice's optical shops are more expensive continues ...

New Sales Technique

NEW CONCEPT: Industry Leaders Strategy Build Your Own ...

- ➡ Dell 
- ➡ Apple 
- ➡ Auto Dealers 

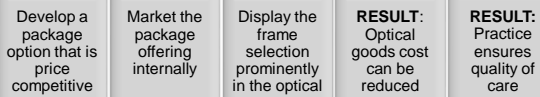
New Sales Technique

Build Your Own

- Start at base price.
- Discuss options that address the patient's top priorities and are consistent with their needs.
- Build by recommending appropriate options per patient lifestyle and professional assessment.

Package Pricing

Benefits of Package Pricing



Base Package Prices



Recommended Pricing **:

Single Vision	\$ 99
Bifocal	\$139 - \$149
Trifocal	\$159 - \$169
Progressive	\$199

* The practice should set prices based on their own market considerations. These are provided as samples only.
** Includes select group of frames and CR-39 plastic lenses.

Package Pricing Protocols



Display as part of frame population using single section for all genders:

- Provide the standard warranty.
- Allow patients to add lens options at regular price.
- **Recommend to all contact lens patients to ensure they have back-up eyeglasses.**

Package Pricing Results

Affordable Package Offering: Outcome

- Patients are happier as most prefer to purchase their glasses from their doctor's office.
- Allows patients to purchase premium options and additional pairs and stay within their budget.
- Reality: *Most patients up-sell themselves.*

Discounts vs. Package Pricing

Why a package program and not a percentage discount?

Discount Demonstration:

	20% Discount		Single Vision Package Program	
Total Sale	\$400.00		\$99.00	
Cost of Goods	-\$160.00	40%	-\$27.00	27%
Operating Expense	-\$152.00	38%	-\$38.00	38%
Discount	-\$ 80.00	20%		
Profit (Loss)	\$8.00	2%	\$34.00	34%

Revenue Opportunities

One additional capture per doctor / per day:

Prescribing Doctor	1
Average Sale	\$260
Days per Year	245

1.

\$260
x 245

\$63,700 (Revenue)

2.

\$63,700
x 42%

\$26,754 (Cost of Goods)

3.

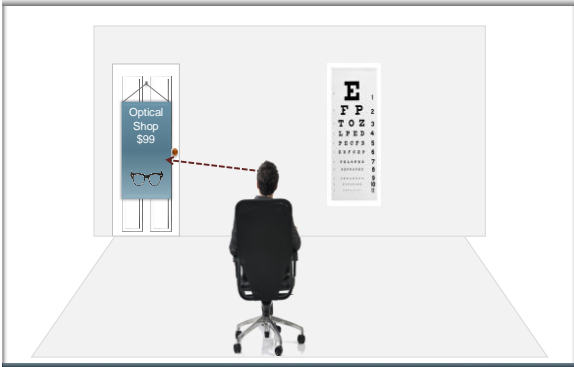
\$63,700
-\$26,754

\$36,946 Net Income

Internal Marketing

Internally marketing your optical, both visually and verbally, demonstrates your pride in this added service.

Internal Marketing



Internal Marketing

MAIN STREET OPTICAL 

Quality Eyewear at an Affordable Price

\$99 Single Vision

Standard Warranty
Bifocals & Progressives available at additional cost
Large selection of frame styles

Visit our Optical for Details



Optical Solutions

Do you experience problems with glare while driving at night?

Anti-reflective lenses can reduce glare by 99%. There are various types of anti-reflective lenses available. Ask our optician which lens is best for you.

Do you experience headaches while working long hours on a computer?

Computer lenses are measured precisely for you and will reduce or eliminate neck and eye strain which are common causes of headaches.

Our optical can offer solutions to many more eyewear problems or concerns. Please ask our professional opticians about the solutions for your specific needs.

ABC Optical



Providing Quality Eyewear at Affordable Prices

123 Main Street
Anywhere, USA 00000
555-555-5555

Eyeglass Special



ABC OPTICAL
123 Main Street
Springfield, USA 00000
555-555-5555

Name: John Smith

Rx SPHERE CYL AXIS ADD PRISM

Visit our optical to find out about our **\$99 Eyeglass Special**



Our Staff

Our staff members are Nationally Certified by the American Board of Opticianry



Manager:
Carolyn has 30 yrs in the optical field as an ABO Certified Optician. She has been with ABC Optical for 15 yrs.



Optician:
Allan brings 15 yrs experience as an ABO Certified optician. He has been with ABC Optical for 8 yrs.

The goal of ABC Optical is to provide superior service and quality eyewear. Our team of opticians are certified through the American Board of Opticianry. With this kind of experience and commitment, ABC Optical Shop can meet all of your vision needs.

Conclusion

In today's world, it is NOT "business as usual."

- Competing against the vast array of retailers requires new referral and sale techniques.
- Expanding price options can increase patient capture and elevate the sale of premium upgrades.
- One additional capture per day per doctor will substantially increase Net Income.

Everyone's priorities are vastly different.

Expanding your offering and implementing fresh referral and sales strategies will enable you to better compete in today's economy.

Thank You

Carolyn Salvato
Director, Optical Consulting
csalvato@bsmconsulting.com
(314) 209-9720