

Optical Goods and Eyecare - UK - February 2010

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What is this report about?

The market for optical goods in the UK is still dominated by one type of store, ie retail opticians. Until mid-2009, the UK marketplace was dominated by the 'big five' opticians, Specsavers, Boots, Dollond & Aitchison, Vision Express and Optical Express. The merger of Boots and Dollond & Aitchison in May 2009 changes this landscape. We look at the implications of this merger for the UK market.

The market has, for some time, been characterised by vertical integration, as major makers of spectacle frames seek to guarantee exposure at the point of sale for their merchandise. There is a trend for suppliers to take larger holdings in retail chains and two of the large UK chains are part-owned by suppliers. So what does this mean for competition?

What have we found out?

- Optical goods, especially spectacles, are a discretionary purchase and the recession has dented demand. Spending in 2009 fell by 2.2% compared with the previous year. However, modest growth will return in 2010 as consumer confidence improves with sales forecast to grow by 19% in the five years to 2014,.
- More than six in ten adults now wear spectacles (32 million), an increase of 2m since 2004. Alongside increased numbers of spectacle wearers, the number of contact lens wearers has grown by 0.5m in the same period to reach 4m. Despite this growth in optical goods consumers, the market for laser eyesight correction continues to develop and has become a small, but significant alternative to spectacles or contact lenses.
- Four in ten adults (20m people) agree that having a regular eye examination is important. But fewer people understand that an eye test is about eye health as well as getting a prescription for glasses (18m).
- The optical profession has more ground to make up if it is to encourage everyone to have regular eye exams. Almost one in ten adults, nearly 5m people, has never had an eye test and a similar number have not been to an optician for over five years.
- Getting customers through the door is vital to selling optical goods: almost 21m adults can be relied upon to buy optical goods from where they have their eye examination whereas less than 4m shop around when buying glasses.
- Price is clearly a barrier to buying optical goods as less than one in five, albeit a sizeable 8m people, believe money is no object to looking after their eyesight.

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