



1 CE Credit

Segmenting AR Sales – a Terrific Product Opportunity

By Tom Pfeiffer, iCoat Company

Does everyone get the same anti-reflective lenses (AR) in your office? We can ask the same question about the patients that pass through the doors of your office. Are the patients all the same? Do they all want the same products, brands, lenses, etc.? By now most ECPs know there are different brands of AR. In fact, there are also a number of AR versions within each of the major brands and they're not the same. They provide the customer with a choice of good, better and best. It's the same option consumers have when they purchase a new digital camera, soft drink or salad. What are the features and benefits that are required—which makes it the best? Having choices is a terrific opportunity and when products are available with different benefits at different price points, we say the product category has been segmented. The result is an opportunity for eyewear personalization.

All AR lenses are not the same. Their improvements have reached a point where it's not just a "nice to have" but many consider AR a necessity. Sure wearers can live without it but why should they? The vision benefit is un-arguable. Night vision is

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Learning Objectives:

1. Product segmentation, well accepted by consumers, can be used to improve and grow an optical business.
2. In AR, product improvements have created the opportunity to segment AR and this better benefit wearers.
3. There are measurable differences in AR today that can be described, sold and dispensed to patients.

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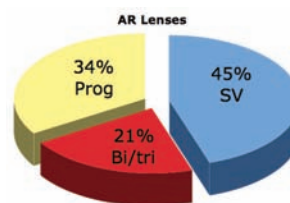
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clearer. In fact, reaction time has been shown to be quicker because of clearer vision. Wearer's eyes are more visible so that facilitates communication and it improves the look of the wearer and their eyewear. So what's the current market, how many are really buying it and how can we use the different varieties of AR to increase sales?

A MARKET OVERVIEW



Overall, AR is now about 30 percent of the spectacle market and growing. When asked what lens style they wear, 45 percent of AR lens buyers (Vision-Watch) wear single vision, 21 percent bifocal/trifocals and 34 percent progressives. This suggests a variety of opportunities. First, AR is almost half of Single Vision sales, a typically younger consumer. That means that one can effectively appeal to the "good looks" that AR gives a pair of glasses and the consumer's interest in style. Next, a third of progressive wearers have AR. AR refines the precision of the newest designs and helps deliver the best vision. Last are bifocal wearers, perhaps not as interested in the looks of their glasses or there's a budget constraint—the opportunity here is always to recommend the crispest vision regardless of lens style and maybe a standard vs. premium AR may also fit the budget.

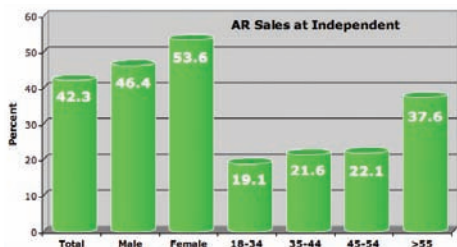
What's happening at the independent? From VisionWatch, a Vision Council and Jobson research project, about 42 percent of AR lens buyers say that they purchased their AR lenses at an independent; more were women than men. By age, about 19 percent of AR lens buyers were in the 18-34 year old age group and usage increases somewhat with age. Certainly, the amount of disposable income and the value of AR may be more appreciated by the 55 year old and older. It makes a difference for the over 55 year old. We'll explore the reasons and the ways that patients see the benefits of AR lenses later.

Some retail chains provide AR to over 70 percent of their customers as virtually all customers get anti-glare lenses as a function of a corporate decision or the average selling price is low that virtually all customers say yes.

Some independent's offices surveyed are also at 80 percent of all lenses dispense. If the average is 30 percent and there are examples of 80 percent and more, then many offices are only dispensing about 10 percent of their lenses with AR. Why the difference?

The 80 percent office has made a decision that AR is best for their

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patients. When discussing the choice, they most often list the following as reason: high usage is based on the advancements in AR technology and resulting patient satisfaction. They also prefer AR lenses personally. The practice benefits when they add AR to high-index and/or progressive lenses and last but not least the fact that patients like the way they see and look.

IMPROVING MARKET PENETRATION

Improvements to products that consumers already appreciate and improvements to those products that are well conceived, always improve market penetration and use. In this case, AR is a good idea; the benefits are easily “seen” by both the wearer and the viewer. By improving the cleanability and durability, AR manufacturers have provided the dispenser with a product that is appreciated, even at higher costs to the consumer. Why does this work?

The improvements have given the optician selling it a very high level of confidence. The wearer benefits because they look and see better and when so many people have AR, it becomes highly noticeable when your glasses lack AR. Opticians and doctors agree, few returns and higher patient satisfaction fuels growth. A majority wear it themselves.

How can we make it grow faster? Technology improvements and a variety of AR that provides different levels of AR help to better meet each patient’s need. Don’t get me wrong—the best AR today is the best that a patient can wear however, being realistic, not every patient can add that to their glasses when they also might want photochromics and a progressive in a thinner and lighter material. So having a variety of AR levels allows the dispenser to better manage the final choices for a pair of glasses. Therefore, to recommend the best choices, understand the technology, know how to describe them and teach the patient what to expect.

TECHNOLOGY THAT WORKS

Technology advancements fuel AR improvement and change the complexion of the AR market. From the top-most layers down to the lens, let’s look at how different changes have created a variety of new ARs.

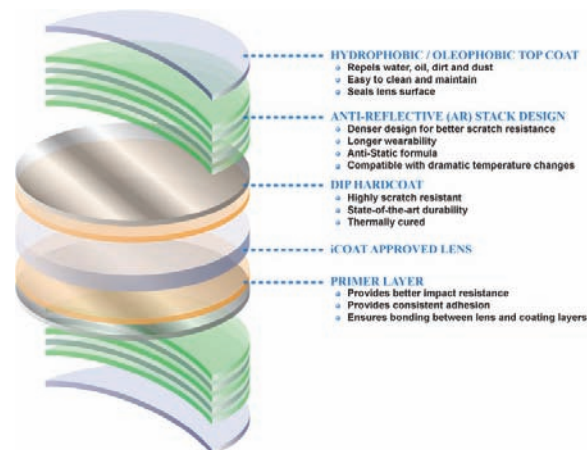
Hydrophobic (water) and oleophobic (oils) topcoats added to the surface of the coating create a sealing, lubricious (slippery), uniform surface that makes the surface less susceptible to fingerprints and

smears. As a result, lenses are easier to clean and keep clean. This kind of surface change is usually measured by the contact angle (higher is better) that a drop of water creates i.e., how easily the liquid beads and can be wiped from the surface. The newest super hydrophobic and super oleophobics have made this even better. Patients have noticed a significant change in the simplicity of cleaning their lenses. Another improvement is that these newest topcoats are anti-static. This ensures that the cleaning/rubbing process, which can create static electricity and attract dust and debris, doesn’t. Lenses stay cleaner after cleaning.

Invention breeds invention. A more slippery surface can also create an issue when edging as lenses may rotate on the edger and result in off-axis edged lenses. As a result, stickier edging pads have been created that better hold lenses while processing as well as the edger manufacturers have changed edger clamping pressure, lens and wheel rotation speed and water cycling based on new lenses.

The best of the AR now improves the hardness of the AR using dual hard coats. AR scratch and abrasion resistance is a function of the lens and hard coat it is applied to. Dual hard coats allows a more scratch and abrasion resistance on all substrates. The lens is coated twice with the first layer typically being an impact improving primer. This layer sticks to all lens materials and allows a second, super hard thermal hard coat applied to the primer. In this way, the resulting layers are super hard and the best surface for AR.

UV cured hard coats are used regularly in the laboratory, typically for polycarbonate and manufacturer-applied front surface coatings on semi-finished lens blanks. Improvements to UV and thermally cured chemistries are possible with new bombardment techniques within the AR chamber. Called ion assisted deposition, an electron pulse provides for a more compact application of the stack, the variety of metal and silicon oxides that are applied on top of the hard coats. The results are that if the lab started with a somewhat





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softer hard coat it gets harder. Harder hard coats also get harder.

Two methods to hard coat lenses are used; dip and spin. Some manufacturers spin on a front surface hard coat to their semi-finished lens blanks. The lab then applies a back surface coating. In dip coating, the coating is applied at the same time to both lens surfaces. This is done after surfacing but before AR application and edging. Dip has provided the best opportunity to improve scratch and abrasion resistance as well as durability. As a result, manufacturers produce uncoated lens blanks that facilitate dip coating. Some labs will overcoat or remove the manufacturer's hard coat first before dip coating.

The original issue of crazing or cracking of the coating during normal wear has virtually disappeared. Patients rarely return with crazed lenses. AR is vulnerable to heat, not to chemicals so those bad patients—you know who they are—they leave their glasses on the dashboard, create a problem when the lens expands significantly and the coating cannot. The result is a cracked coating that must be replaced. Cracking can also occur when a very thin high-index lens is edged with excess clamping pressure and the crazing pattern looks just like the shape of the blocking pads. Regardless, there is virtually no cracking or crazing today in premium AR today.

PREMIUM OR STANDARD AR?

Two or three AR options are often the case for any variety of manufacturers or labs. Having a choice makes you better able to meet a patient's needs and wants. Therefore, having AR segmented into a number of offerings helps everyone get into AR. It doesn't change that premium AR is best.

Why does offering a variety of AR products better meet different consumer needs? And, why should you consider it? Every patient has individual needs, preferences and behaviors. It's impossible to have one product that meets everyone's wants and needs.

When matching the right AR with other patient choices, consider some of the guidelines that marketers use to develop meaningful product segments. This is adapted from themanager.org/Marketing. When offering another AR segment, for example, the super hydro and super oleophobic in addition to the standard hydrophobic—they must meet the following tests—the differences must be: 1. Measurable, different from the previous version, typically improving on the characteristics that were less than 100 percent, 2. Relevant, meaningful to the needs of the wearer, and 3. Easily Accessible, easily sourced and combinable with the variety of lens designs and materials.

For example: If you offer two versions: a high-end and a low-end version some patients tend to exhibit 'extremeness aversion' or not buy the better version. It may be preferable to offer three versions:

good, better and best. The reason is when the ECP considers the performance benefits of AR and patients consider the other premium adds to their eyewear, all may be possible when some of the "better" choices are chosen instead of all the "best." Therefore, having choice is good.

In another example, when a patient likes a new frame that is more expensive than the one they purchased last time and is unsure about spending that much, adding a higher priced version to the selection actually boosts the sales of the mid-priced version. Think coffee at Starbucks, few will order the venti (biggest) but its availability induces some buyers to trade up from the tall (regular) to a grande (bigger). Similarly, it makes sense to add expensive wines to a wine-list that realistically few are going to order.

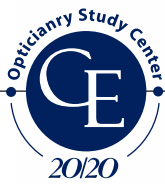
In your office, have luxury frames for both the patient's that are seeking them and for the comparative effect. It allows patients to see that their middle choice where there are more benefits is a reasonable choice. So, describe the best lens with the best AR added that is possible. There's always an opportunity to compromise. Anything less still provides terrific patient benefits and the average selling price is also higher so better for the business and is confidence building for dispensers

MAKING THE BEST CHOICE

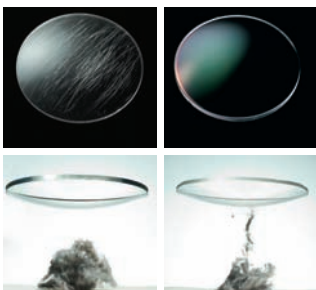
The AR Decision – Best, Better, Good and all others	
Best	<i>Anti-static, Super Oleophobic + AR + HC + Primer + Substrate</i> Most durable, the easiest to clean and keep clean, best clarity
Better	<i>Oleophobic + AR + HC + Primer + Substrate</i> Dual hard coat both sides with a hydro and oleophobic top coating
Good	<i>Hydrophobic + AR + HC + Substrate</i> Hard coated lens, both surfaces, AR and hydrophobic
Poor	<i>AR + HC Substrate</i> No hard coat on the lens back, manufacturer-applied front coating
Worst	<i>Uncoated (Substrate) alone</i> , Especially bad when poly or high index when surface reflections are increased

Don't forget a back to basics approach. Too many choices can be confusing so be picky—choose what you offer correctly. How do you know what to choose? The best in the AR category has to be premium in all of its components. Consider:

Bayer Abrasion Rating — a method of measuring the abrasion resistance of coatings vs. uncoated plastic lenses. Look for ratings >8, which mean that the lenses are eight or more times abrasion resistant than ordinary uncoated CR-39 lenses. This kind of value suggests that the lens will perform with clarity throughout the life of the lens.



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Contact Angle — the tightness of a liquid or oil droplet is an indication of the ease of its ability to be wiped away. More than 110 degrees improves the ability to easily wipe away dirt.

Clarity — The highest transmission improves lens clarity and vision sharpness.

Anti-static — Lenses stay cleaner longer when anti-static, will not attract dust or debris.

Reflex color — Choose the reflection color that best meets your needs; it does not affect performance. Ensure that both lenses though are the same color.

Little or no returns — Success for wearers and the ECP is a function of returns; that equals confidence level. For example, iCoat Vivix and Stainless boast a <0.5 percent return rate. Be sure to ask the question of your supplier.

Warranties — There's a reason that premium AR lenses have longer warranties. The companies behind them have the confidence to offer a satisfaction warranty that is consistent with the way that consumers purchase the best of products. It also encourages trial and protects the patient and ECP.

Starts as a naked lens — The best results use dual coatings on an uncoated lens. Therefore, choose the flexibility of the lens and AR lab that lets you start with whatever combination you think is best. In this way, the office is not locked into a compatibility or sourcing requirement.

Consistency — Lastly, the promise you make to patients must be consistent, lens-to-lens and eyewear-to-eyewear. This includes their confidence in your recommendation of new technologies since previous recommendations were good.

PREMIUM AR IS EVEN MORE CRITICAL TODAY

A critical addition to make good lenses better requires premium AR. It ensures the acuity and visual clarity designed into new free-form or digitally surfaced progressives.

Add premium AR to photochromics like new Transitions VI, it improves performance, utility and convenience. The addition of AR improves lens clarity, speeds fading and improves a wearer's convenience.

Polarized and sun lenses are made better since reflections off surfaces are more visible and get in the way. Add AR to reduce the visibility of rear surface reflections and on the front of the lens to reduce harmful reflection of UV to the nose. Vision is clearer.

AR is critical to all high-index and polycarbonate lenses since surface reflections are index dependent. Considering almost half of the lenses dispensed today are polycarbonate or high index, AR

is a critical add.

Lastly, there is a re-emerging single vision market considering the growth of young families; its not all Baby Boomers. Therefore, getting them prepared for a life with AR is important to start as soon as they order their first glasses. They want to look good in their glasses and AR is the best way to ensure, for tweens, their glasses virtually disappear so they wear them, for teenagers, they look terrific in their new eyewear, and for the young adult, the best in looks and vision is ensured.

COMMUNICATING THE MESSAGE

Tell the patient about AR and the variety of coatings available that will better meet their needs. For example, the variety of Coca Cola soft drinks, diet, no caffeine, vanilla, cherry or any combination of these says that they meet personal preference. You can offer the same in AR to meet the performance and cost requirements for any patient.

Discuss the patient's and your own previous experiences. This opens the opportunity to tell what's new and how they've changed to better meet their needs.

Managed vision care takes care of the basics, so items such as AR are more affordable. In fact, many MVC programs include AR in the benefit.

Your professional recommendation is key. Be sure to wear it yourself and describe your own experiences. If your glasses are without the best in AR, how can you describe the way it wears? Therefore, be sure to wear all the versions that you have available so you can learn the advantages and limitations, if any.

Use point-of-purchase materials, demonstrate AR using half coated lenses or a pair of spectacles where one lens is coated, the other uncoated. You might also show the difference between old AR and today's AR so the patient that says, "Oh, I had them a long time ago and they weren't good..." can be shown their experience has been corrected.

Also, describe that the entire lens package is now warranted when they use the best in AR. Like the best of consumer retail, high confidence by manufacturer means they stand behind their products and that's why you recommend them.

CONCLUSION

Today, the ECP can expertly meet the personal AR needs of each patient. While the best of AR is best for all patients, a variety of products from reliable and consistent manufacturers mean that more people can enjoy the benefits of AR.

Provide the customer with a choice of good, better and best. Having choices is a terrific opportunity. AR product segmentation results in an opportunity for the best in eyewear personalization.



Self Assessment Examination

1. With AR almost half of SV sales, what opportunities does that suggest for the way AR is described?
 - a. Improves the looks of your eyewear
 - b. Improves the way you look with glasses on
 - c. Provides the best vision
 - d. All of the above
2. Having a variety of price points for two or three levels of AR allows the dispenser:
 - a. To make AR available to all patients
 - b. To meet even a bifocal wearer's objections
 - c. An opportunity to best manage the other lens options and patient's budget
 - d. All of the above
3. All of the following are true except:
 - a. The average AR sales are about 30 percent
 - b. Some independent offices dispense as much as 80 percent AR
 - c. All chain retail dispenses over 70 percent AR
 - d. Some independent offices dispense 10 percent AR
4. A new topcoat that repels oils from accumulating on the surface of lenses is called:
 - a. Oleophobic
 - b. Oleophilic
 - c. Super hydrophobic
 - d. Hydrophilic
5. _____ the contact angle usually improves lens cleanability.
 - a. Decreasing
 - b. Increasing
 - c. Adding equivalence
 - d. Reducing
6. Increasing the slippery-ness of topcoats:
 - a. Requires stickier edging pads
 - b. Reduces the need for lens warranties
 - c. Increases lens transmission
 - d. Reduces lens transmission
7. The best way to improve the durability of an AR lens is to:
 - a. Apply a dual hard coat
 - b. Use ion-assisted deposition
 - c. Start with a naked lens and dip coat
 - d. All of the above
8. To best ensure the primer bonds to the substrate:
 - a. Ultrasonically clean lenses
 - b. Add a mixture of TVH to the lens coating
 - c. Hand wipe away all ink marks and contaminants
 - d. A and C
9. All of the following are required when offering a new AR product segment except:
 - a. Improvements must be measurable
 - b. Easily accessible
 - c. Low priced
 - d. Relevant
10. Which of the following is today's best AR offering:
 - a. Anti-static, Super Oleophobic + AR + HC + Primer + Substrate
 - b. Oleophobic + AR + HC + Primer + Substrate
 - c. Hydrophobic + AR + HC + Substrate
 - d. AR + HC Substrate
11. Lenses with Bayer values eight or above suggests:
 - a. Excellent abrasion resistance
 - b. Easy cleaning and staying cleaner longer
 - c. Green reflection color
 - d. All of the above
12. An anti-static top coat suggests:
 - a. Excellent abrasion resistance
 - b. Easy cleaning and staying cleaner longer
 - c. Green reflection color
 - d. None of the above
13. Lenses that have warranties:
 - a. Show the manufacturer's confidence
 - b. Encourages trial
 - c. Protects patient and ECP
 - d. All of the above
14. New free-formed progressive lenses are better when:
 - a. Single concave surfaced
 - b. Coated with a premium AR
 - c. The progressive surface is on the front of the lens
 - d. All of the above
15. Adding a premium AR to Transitions VI will:
 - a. Increase the darkening time
 - b. Reduce the transmission
 - c. Improve fade back time to reach 70 percent T
 - d. Improve fade back time to reach 30 percent T
16. Adding AR to the back of polarized or sun lenses:
 - a. Reduces transmission
 - b. Reduces the visibility of surface reflections
 - c. Increases surface reflections
 - d. Decreases transmissivity
17. Adding AR to the front of sun lenses:
 - a. Reduces transmission
 - b. Increases the visibility of surface reflections
 - c. Increases surface reflections
 - d. Decreases the potentially burning ray reflections
18. A good reason to consider AR for tweens and teens is:
 - a. Eyewear is less visible
 - b. Improves the crispness of vision
 - c. Helps to make the glasses look better
 - d. All of the above
19. Recommending to patients one of the variety of AR possibilities:
 - a. Helps better meet personal preferences
 - b. Meets everyone's budget
 - c. Better matches patient experience and expectation
 - d. All of the above
20. Which of the following help to increase patient confidence in purchasing the best of AR:
 - a. Doctor and staff wear it
 - b. Demonstrate the differences between uncoated and AR lenses
 - c. Charge more than any other office in your area
 - d. Describe how performance, durability and cleanability have changed

