



Welcome to The Vision Council's Member Insights Webinar Series

Research Presentation for Lab Division Members

July 9, 2020

Agenda

- **Lab Division Survey Results**
- **Consumer & Industry Research Highlights**
 - Changing consumer sentiment and behavior
 - Impact on optometry practices and optical retailers
- **Perspectives from TVC Member Divisions**
 - Lab Division
 - Optical Retail Division (ORD)
- **Reopen Eyecare – ECP support program**
- **Q&A**



LAB DIVISION SURVEY RESULTS

Methodology:

- Online surveys of TVC Member Division company contacts
- Survey questions track high level business and operations performance during COVID-19
- Some survey questions are added, updated or replaced between waves to inquire about emerging topics and trends
- Initial Lab, Lens, LPT Division Survey replaced with Member-wide Survey with branching logic and specific questions for different divisions

Lab, Lens, LPT Division Survey

3/19-3/22	n = 55 (138)	Wave 1
4/1-4/4	n = 117 (152)	Wave 2

Member-wide Survey

4/20-4/25	n = 19 (91)	Wave 1
5/18-5/24	n = 26 (119)	Wave 2
5/25-5/30	n = 25 (85)	Wave 3
6/8-6/13	n = 13 (69)	Wave 4
6/22-6/27	n = 10 (57)	Wave 5

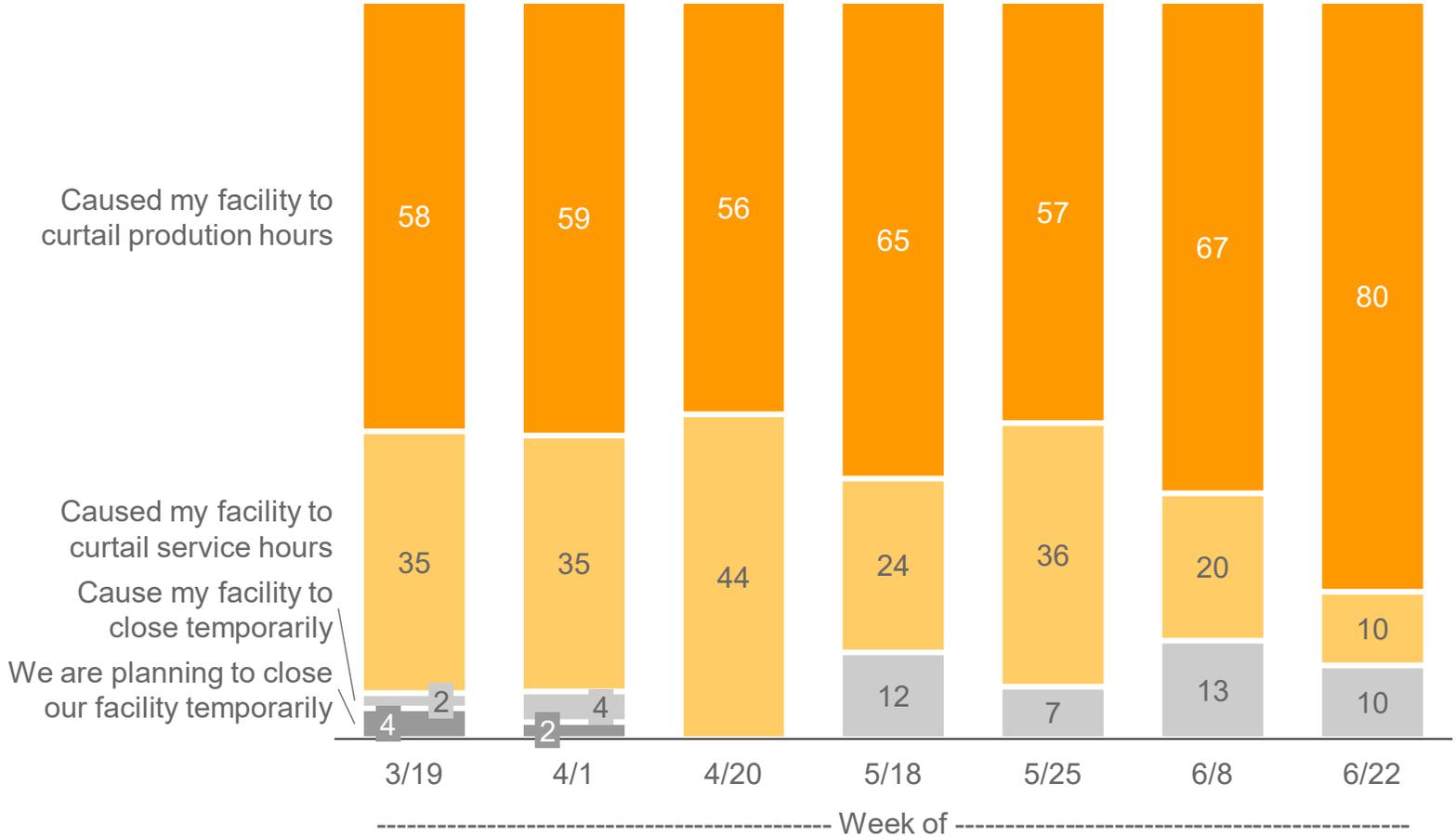
n = Lab Division respondents (All respondents)



Impact on Lab Operations

Has the coronavirus or COVID-19: (select all that apply)

% of respondents



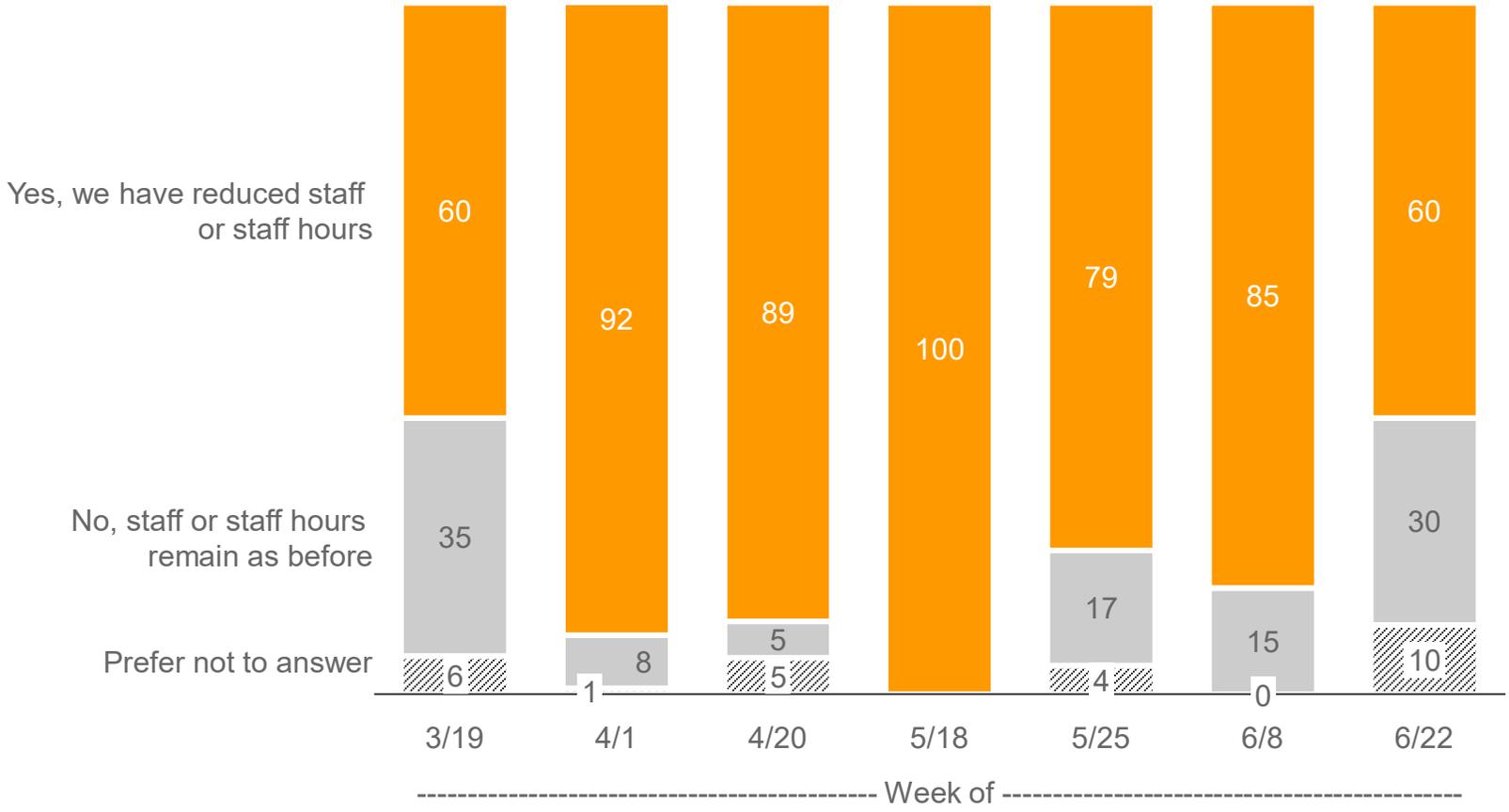
Majority of labs have reduced their production and service hours in response to decreased demand due to COVID-19.



Impact on Lab Staffing

Has the coronavirus or COVID-19 affected the staffing of your facility?

% of respondents

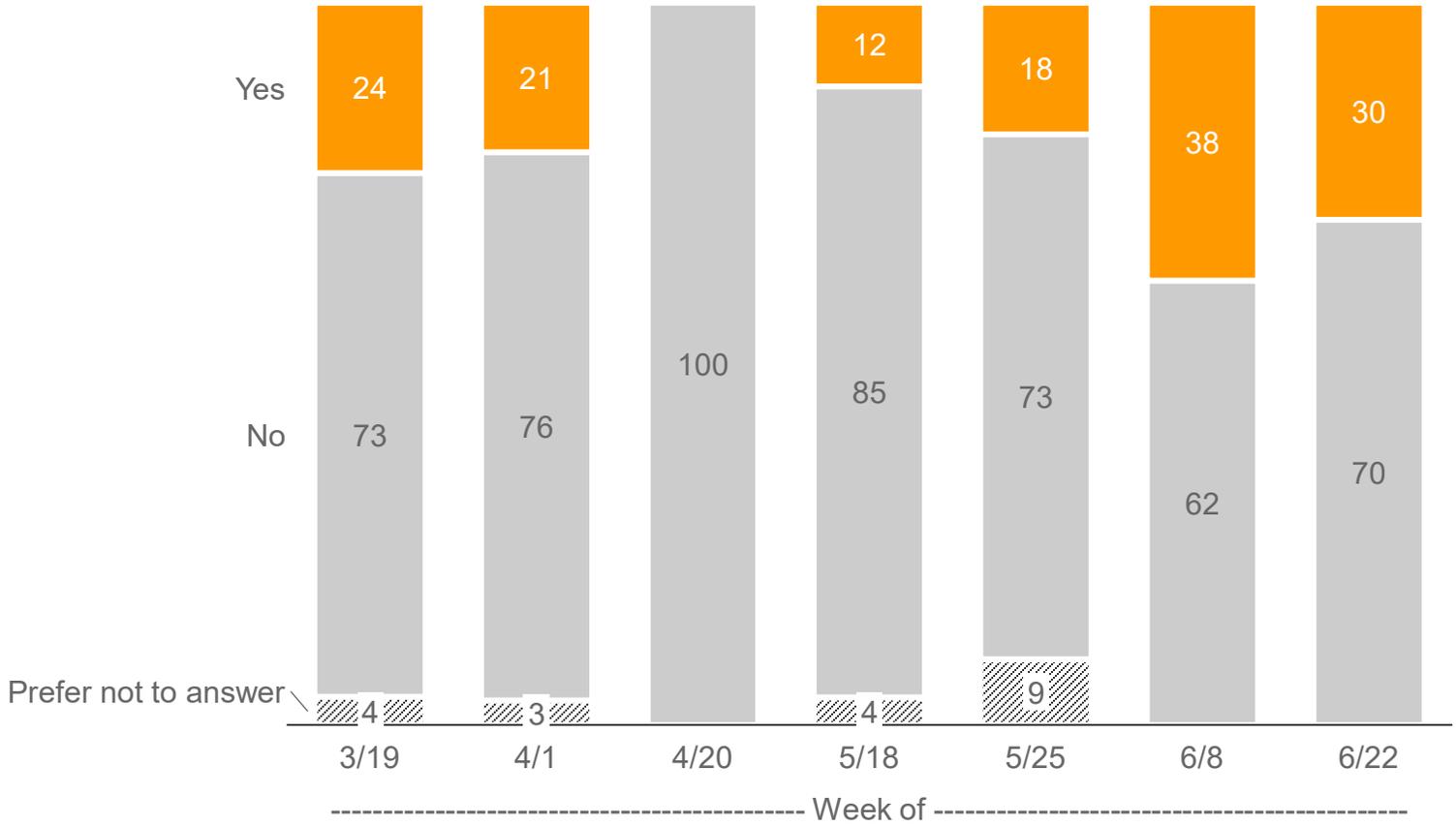




Impact on Employee Absences

Has the coronavirus or COVID-19 led to an increase in workers calling in sick?

% of respondents

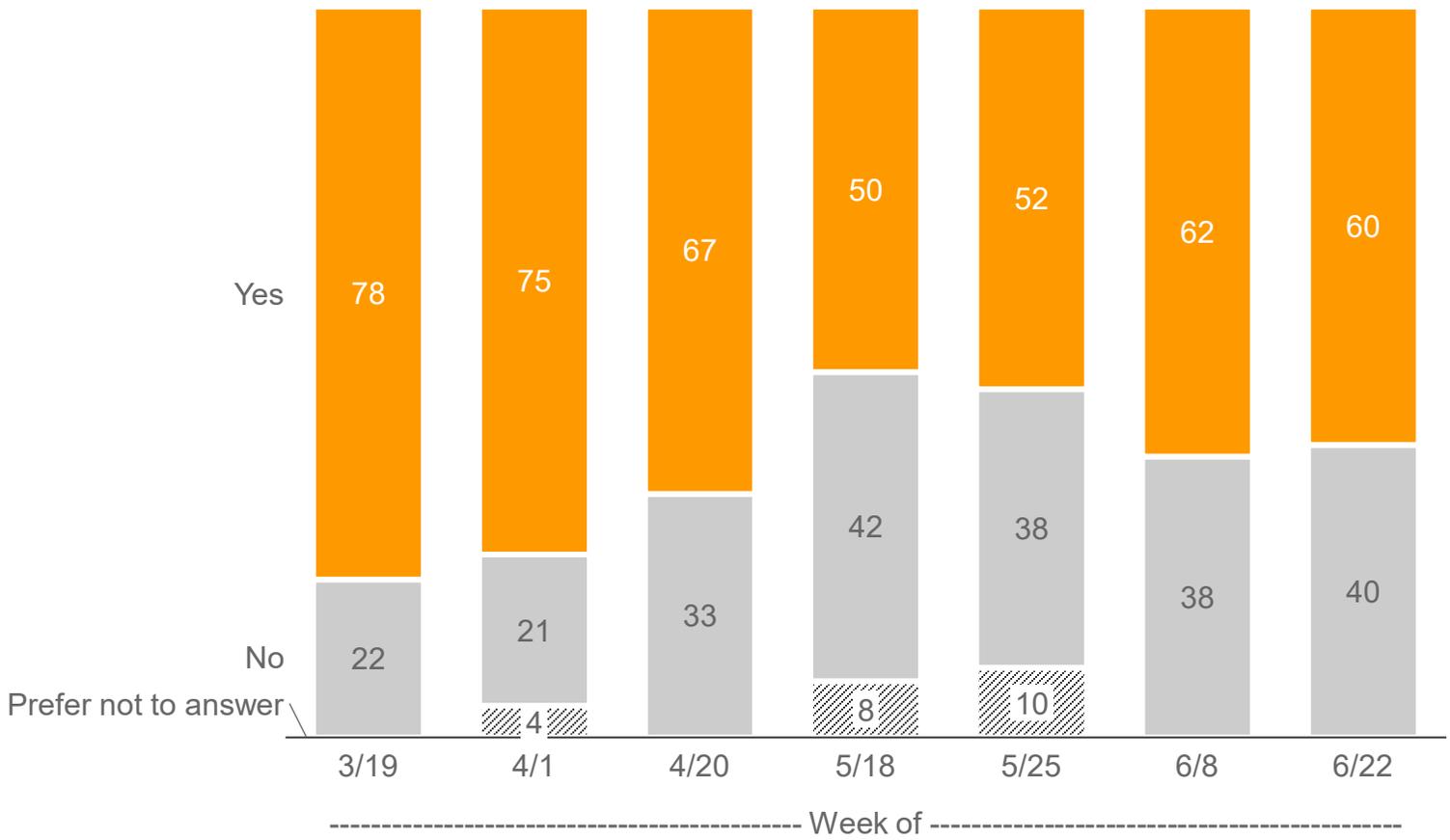




Impact on Employee Health and Safety Concerns

Has the coronavirus or COVID-19 led to employees expressing concern for their health or safety?

% of respondents



Consistently more than half of lab respondents have reported that employees are expressing concern for their health and safety.

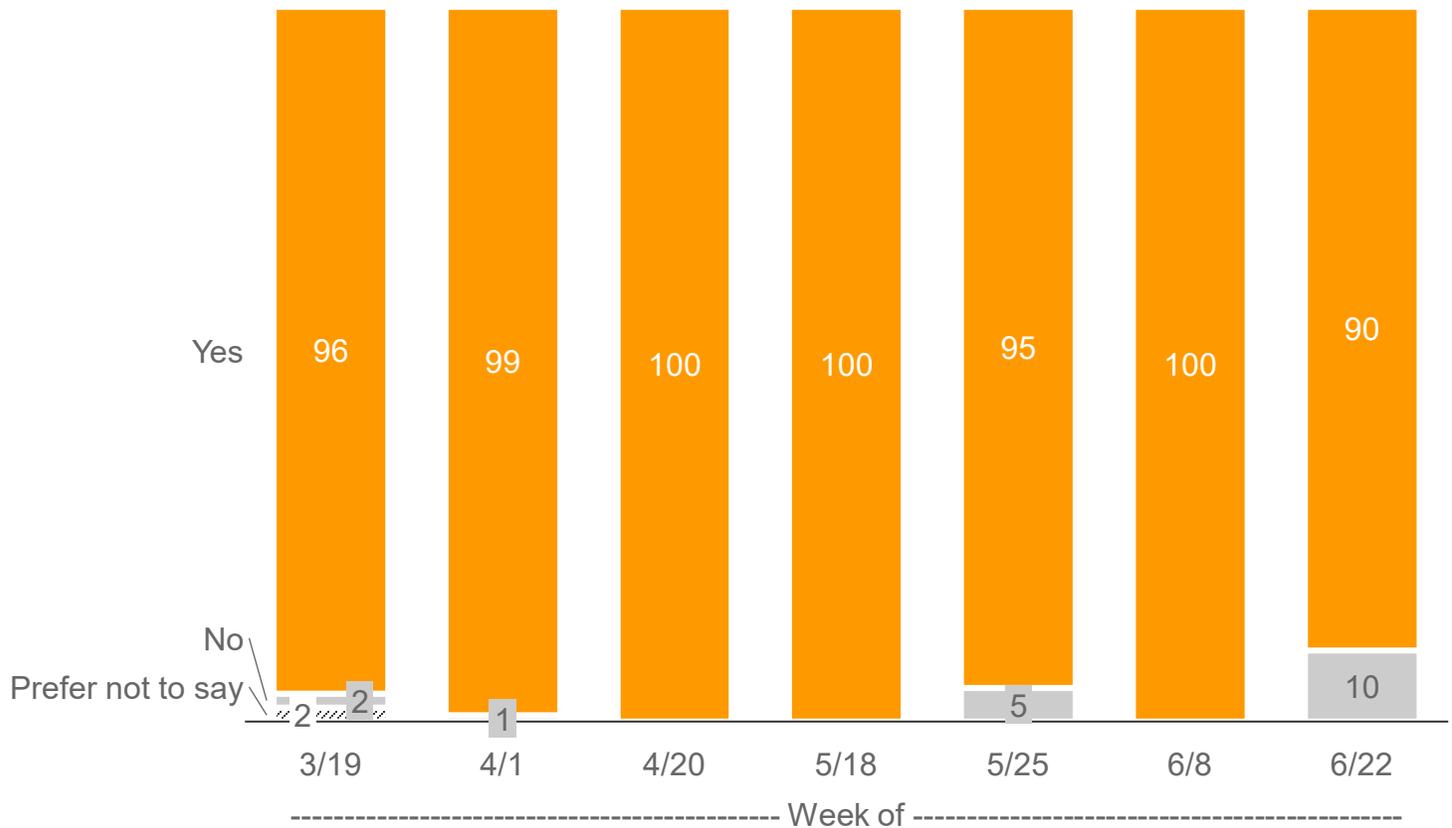
Clear company policies, guidelines and employee assistance programs are suggested to help address their concerns.



Impact on Sales

Has the coronavirus or COVID-19 affected the number of orders your business receives?

% of respondents

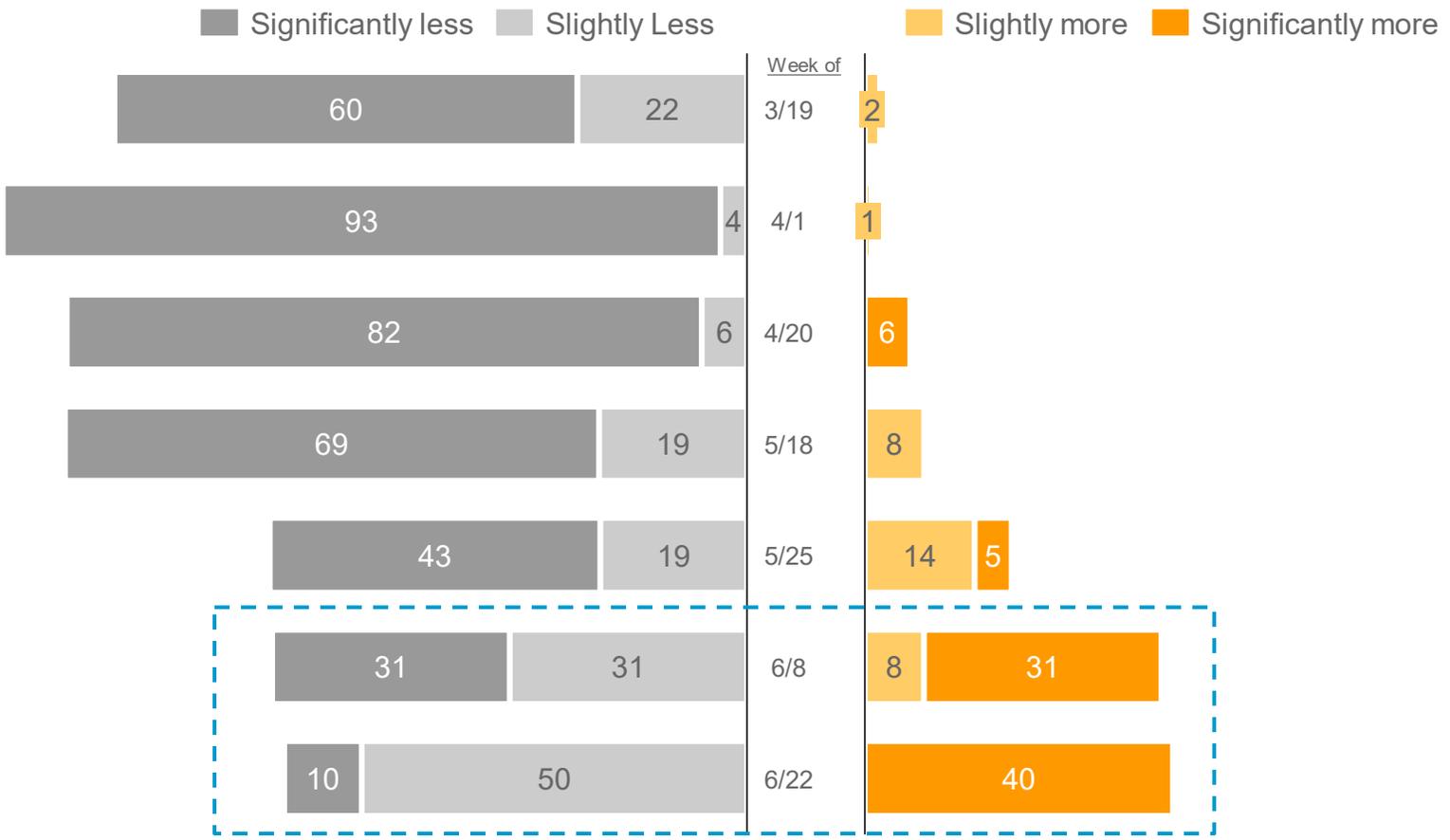




Impact on Sales Volume

How would you describe the level of sales activity within the last week compared to a normal week?

% of respondents¹



¹Figures will not sum to 100%, because "Prefer not to say" and "Unchanged / normal" responses removed. Source: The Vision Council COVID-19 Member Surveys



TVC Support for Lab Division Members

What information could The Vision Council provide that would assist you in recovering from, or limiting, the COVID-19 outbreak effects on you and your business?

% of respondents¹

How optical labs are coping with current challenges generated by COVID-19	57%
Best practices to protect staff going forward	56%
Ongoing updates on COVID-19 information specifically pertaining to our staff, customers, and business	55%
How labs can partner with their retail customers to assist them in recovery	54%
How consumers are responding and changing their behavior in response to the COVID-19 situation	40%
How to best stay in contact with customers so that they return to my business when the COVID-19 threat is over	35%
How to deal with varying and different local, state, and federal rules and regulations regarding operations and reopening	33%
How can suppliers partner with my locations to help us recover as quickly as possible once the situation is reduced or past	31%
Best practices to protect patients and instill confidence	28%
How can suppliers actively assist us in coping with current challenges generated by COVID-19	21%
Instructions on applying for stimulus loans or subsidies	20%
How other optical professionals are coping with stress	16%
Best practices about telehealth opportunities and remotely interfacing with patients and customers	15%
Best practices about how to build a virtual storefront to sell products and service patients	12%
Other	10%

¹Figures will not sum to 100%, because of multiple selections allowed.
Source: The Vision Council COVID-19 Member Surveys



CONSUMER & INDUSTRY RESEARCH HIGHLIGHTS



VisionWatch COVID-19 Consumer Survey

- Custom Consumer Study Conducted via The Vision Council's VisionWatch Survey Program
- Questions appended to the end of the monthly VisionWatch surveys
- Fielded to a demographically balanced sample over the internet

<u>Wave</u>	<u>Dates</u>	<u>Sample size</u>
February	2/10 – 2/27	n = 10,419
March	3/10 – 3/26	n = 10,312
April	4/8 – 4/30	n = 11,401
May	5/1 – 5/31	n = 10,325
June	6/2 – 6/30	n = 10,364

Methodology:

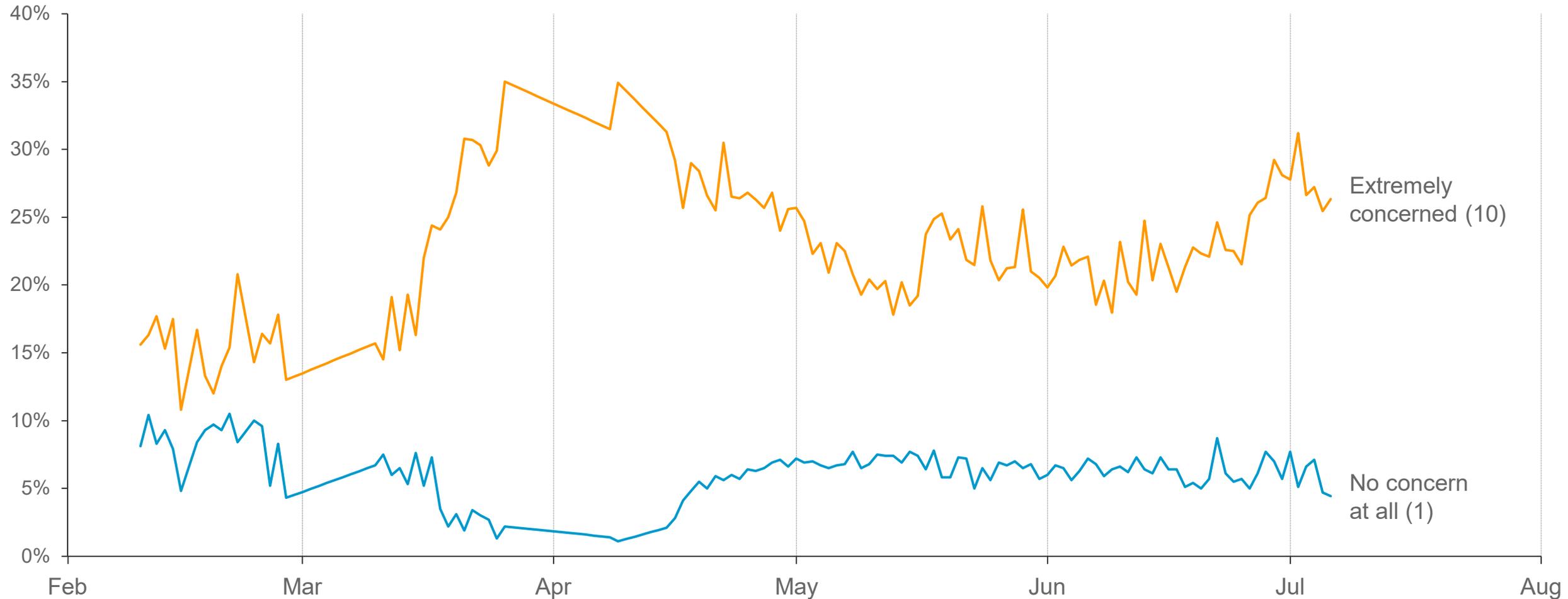
- Online surveys conducted among a panel of more than 1,700 eyecare professionals.
- The participants have the option to receive an incentive in exchange for completing the surveys.
- The surveys include questions about discrete weeks and their location's corresponding performance.
- Some survey questions are added, updated or replaced between waves to inquire about emerging topics and trends.

3/9 – 3/14	n = 478	Wave 1	5/25 – 5/31	n = 344	Wave 12
3/16 – 3/21	n = 411	Wave 2	6/1 – 6/6	n = 296	Wave 13
3/23 – 3/28	n = 446	Wave 3	6/8 – 6/13	n = 257	Wave 14
3/30 – 4/3	n = 448	Wave 4	6/16 – 6/20	n = 238	Wave 15
4/6 – 4/10	n = 450	Wave 5	6/22 – 6/27	n = 233	Wave 16
4/13 – 4/18	n = 453	Wave 6	6/29 – 7/4	n = 176	Wave 17
4/20 – 4/25	n = 466	Wave 7			
4/27 – 5/2	n = 457	Wave 8			
5/4 – 5/9	n = 486	Wave 9			
5/11 – 5/16	n = 423	Wave 10			
5/18 – 5/24	n = 416	Wave 11			

Daily consumer concern about COVID-19 peaked at the end of March and declined for a few weeks, but is ticking back up

On a scale of 1-10 how concerned are you over the recent global coronavirus threat and outbreak?¹

% of respondents¹

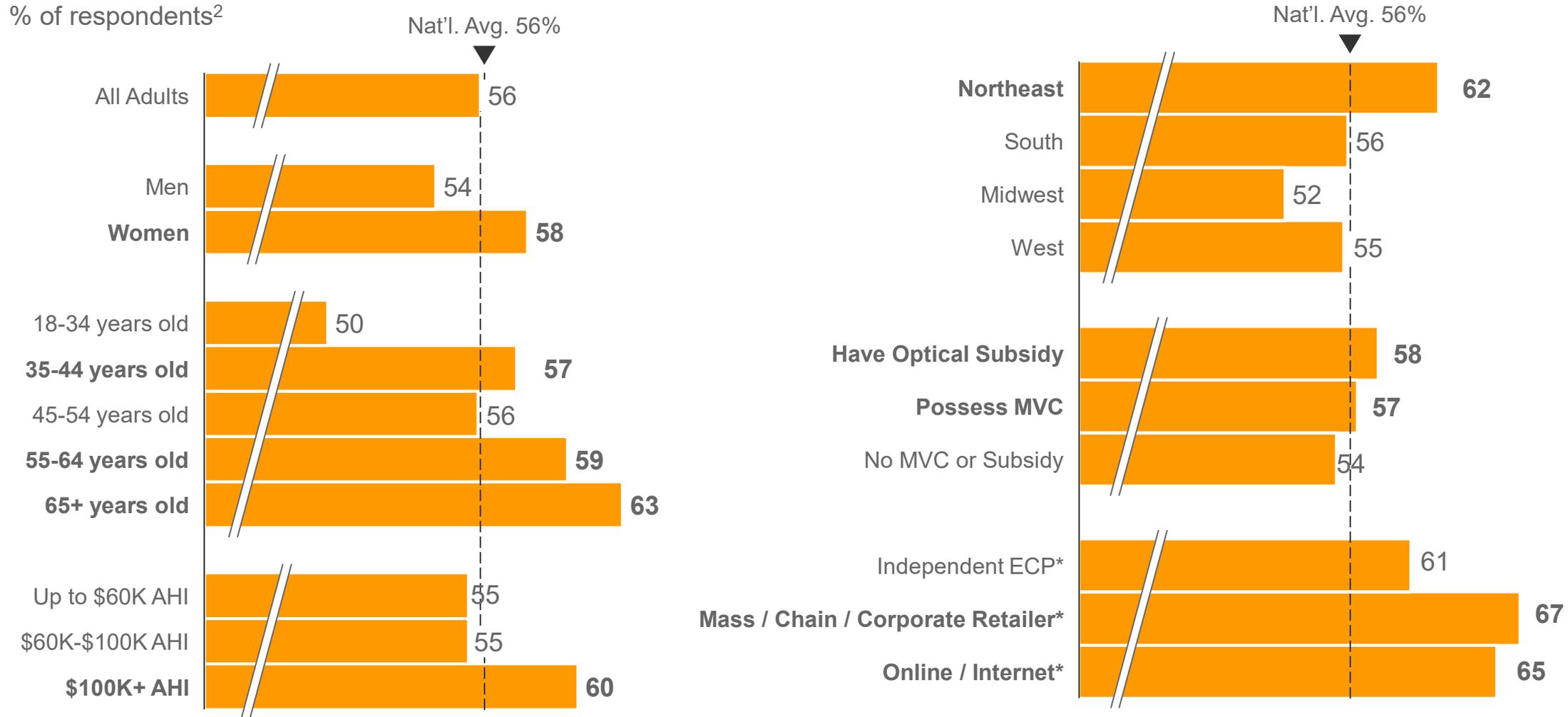


¹Respondents answering 1 "no concern at all" and 10 "extremely concerned."
Source: The Vision Council VisionWatch COVID-19 US Consumer Study

Who is most concerned about COVID-19 among eyewear consumer segments tracked in VisionWatch?

On a scale of 1-10 how concerned are you over the recent global coronavirus threat and outbreak?¹

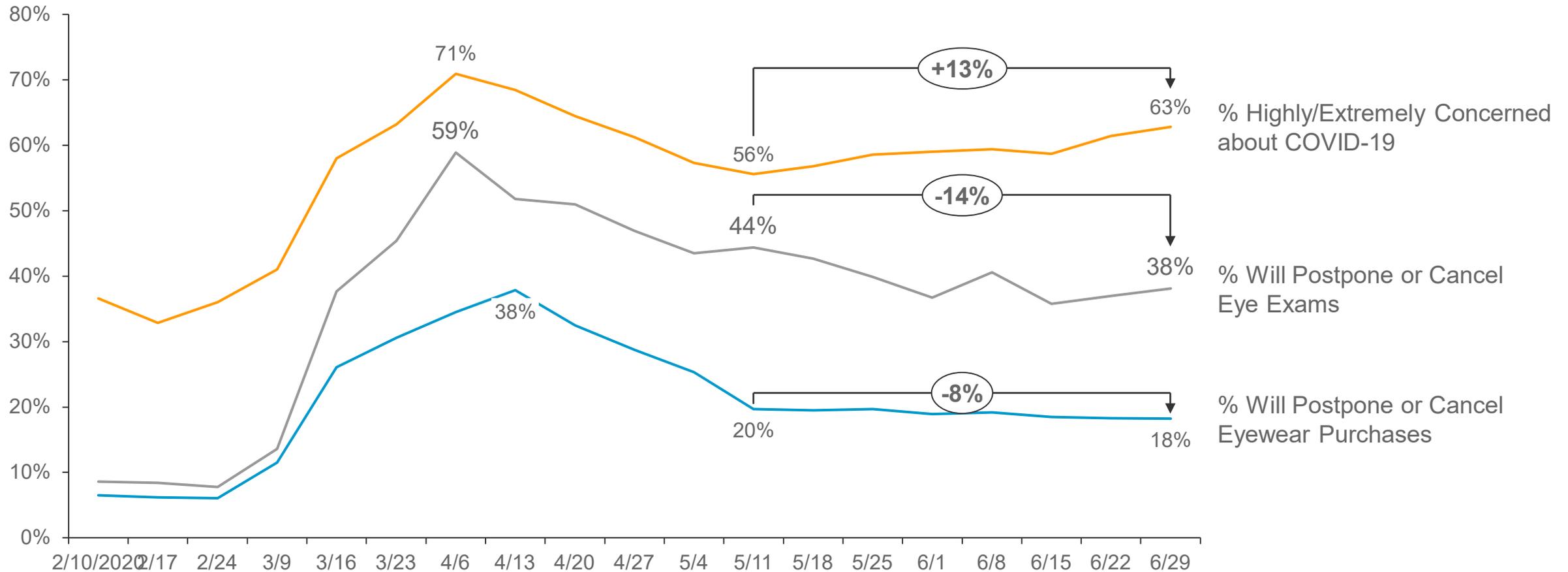
% of respondents²



¹Rated from 1 "no concern at all" to 10 "extremely concerned." ²Respondents answering 8, 9, 10. *By location of last Rx eyewear purchase. Source: The Vision Council VisionWatch COVID-19 US Consumer Study

Consumer concern about COVID-19 impacting eye exam and eyewear purchase behavior

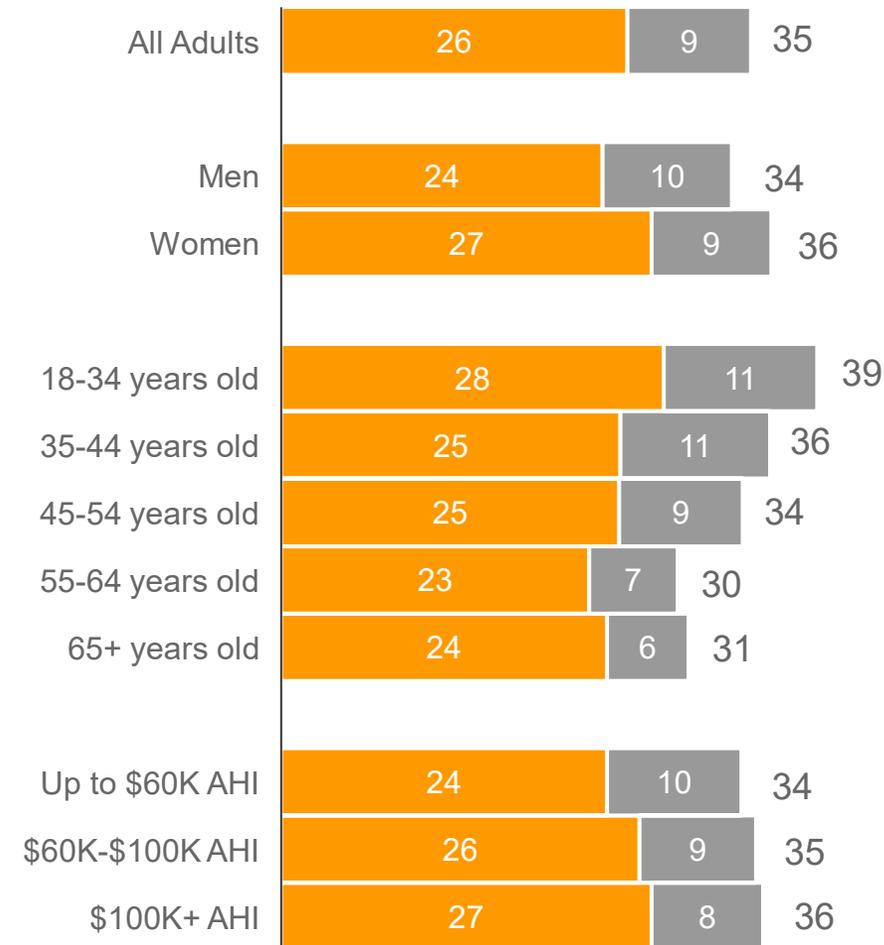
While the level of consumer concern about COVID-19 has been increasing recently, consumers are less likely to modify their eye exam and eyewear purchase behavior in response to that concern compared to the earlier months of the pandemic.



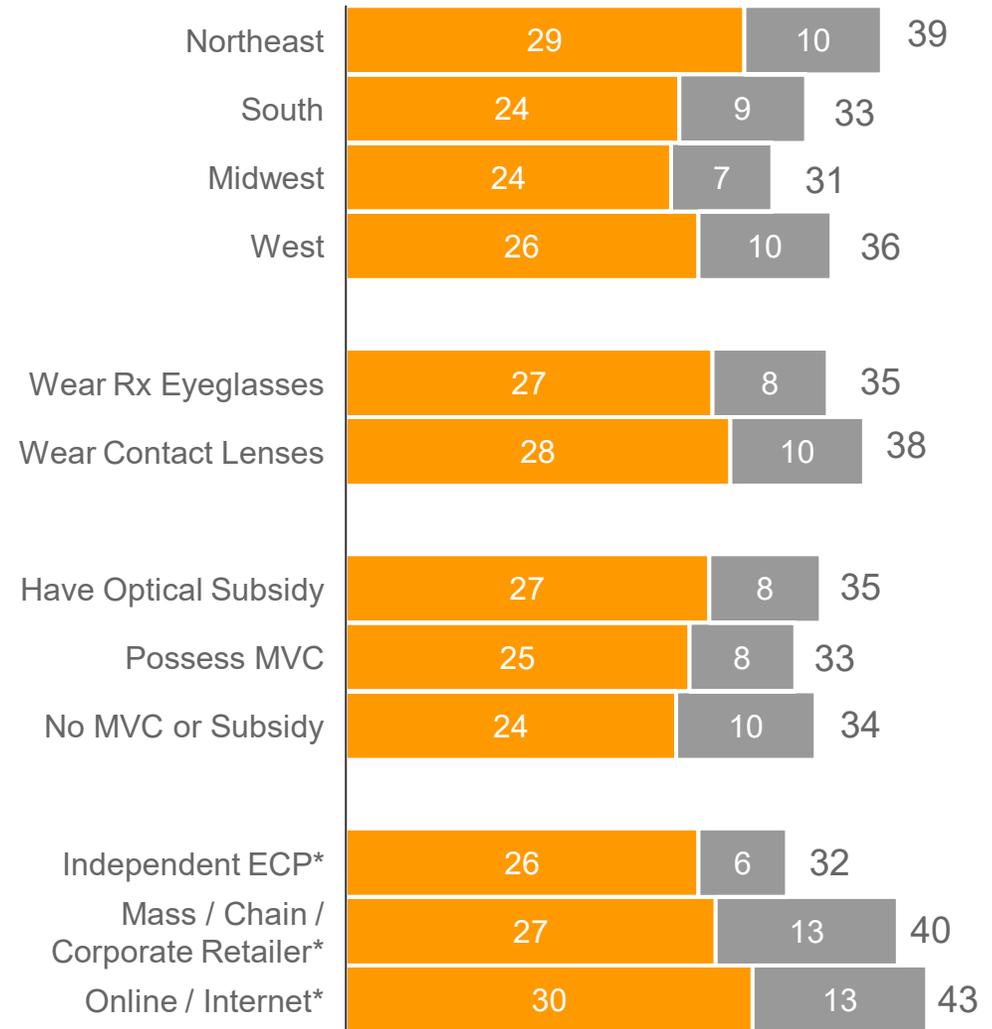
Almost half of Americans will postpone or cancel their eye exams during COVID-19

Will you postpone or cancel any eye exams or trips to the eye doctor while COVID-19 is still a threat?

% of respondents¹



Postpone Cancel

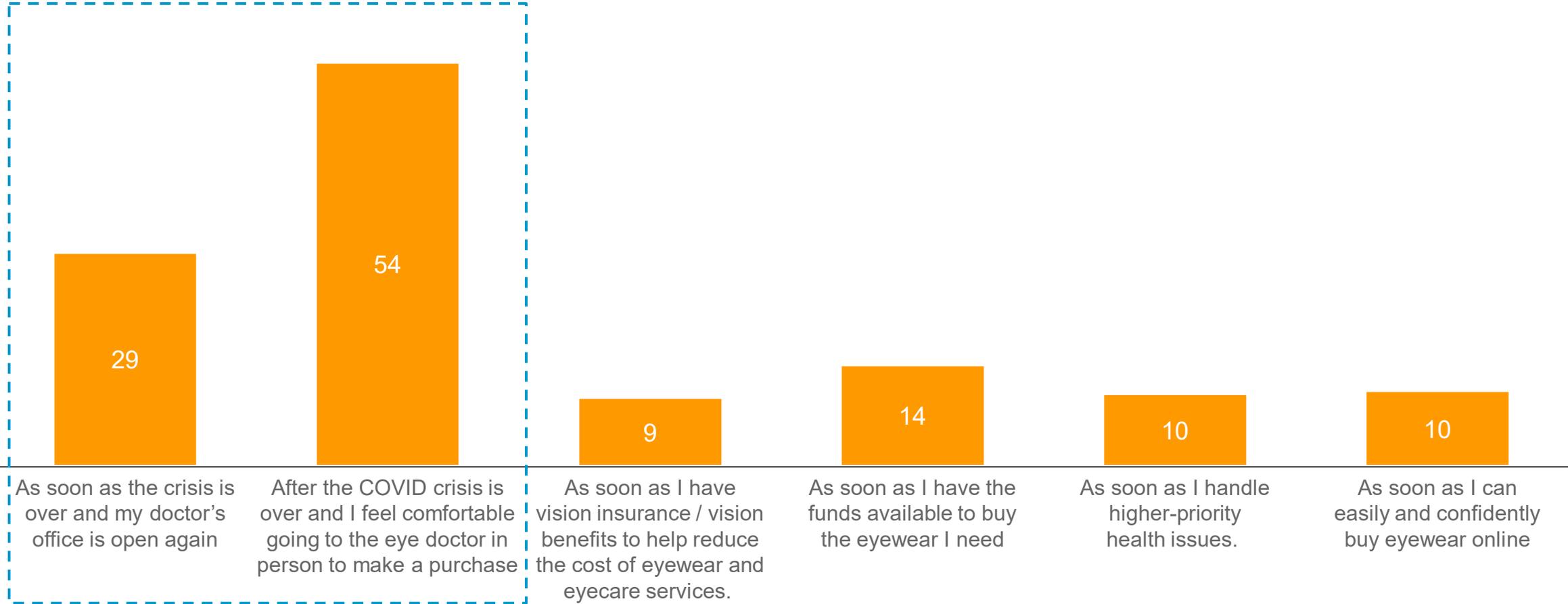


¹Figures will not sum to 100%, because other answer options removed. *By location of last Rx eyewear purchase. Source: The Vision Council VisionWatch COVID-19 US Consumer Study



When are consumers anticipating they will come back

When do you anticipate buying eyewear in the future if you are postponing purchases during the COVID-19 crisis?
% of respondents¹

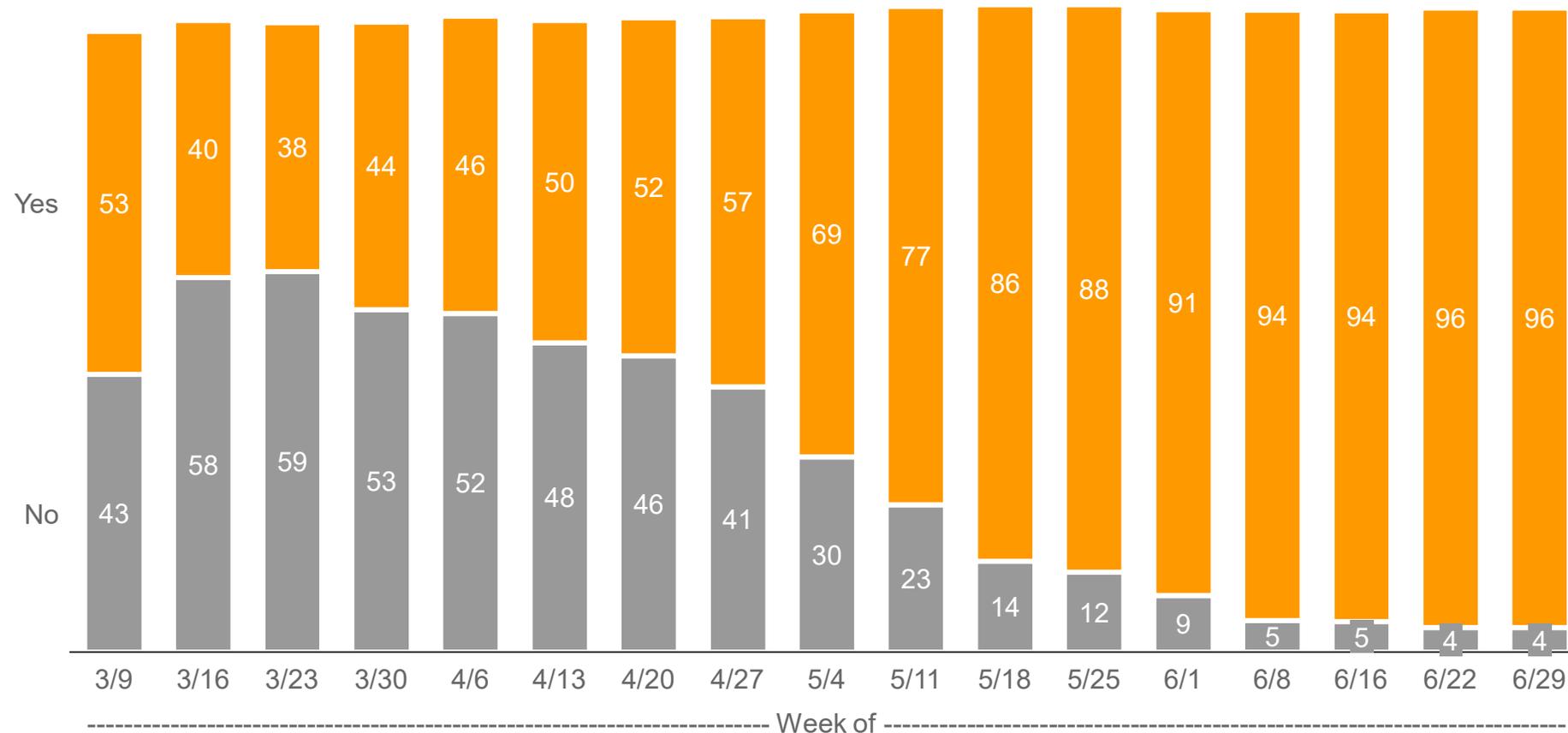


¹Figures will not sum to 100%, because of multiple selections allowed.
Source: The Vision Council VisionWatch COVID-19 US Consumer Study

Majority of optometry practices and optical retailers have reopened

Are you remaining open to the public at this time?

% of respondents¹

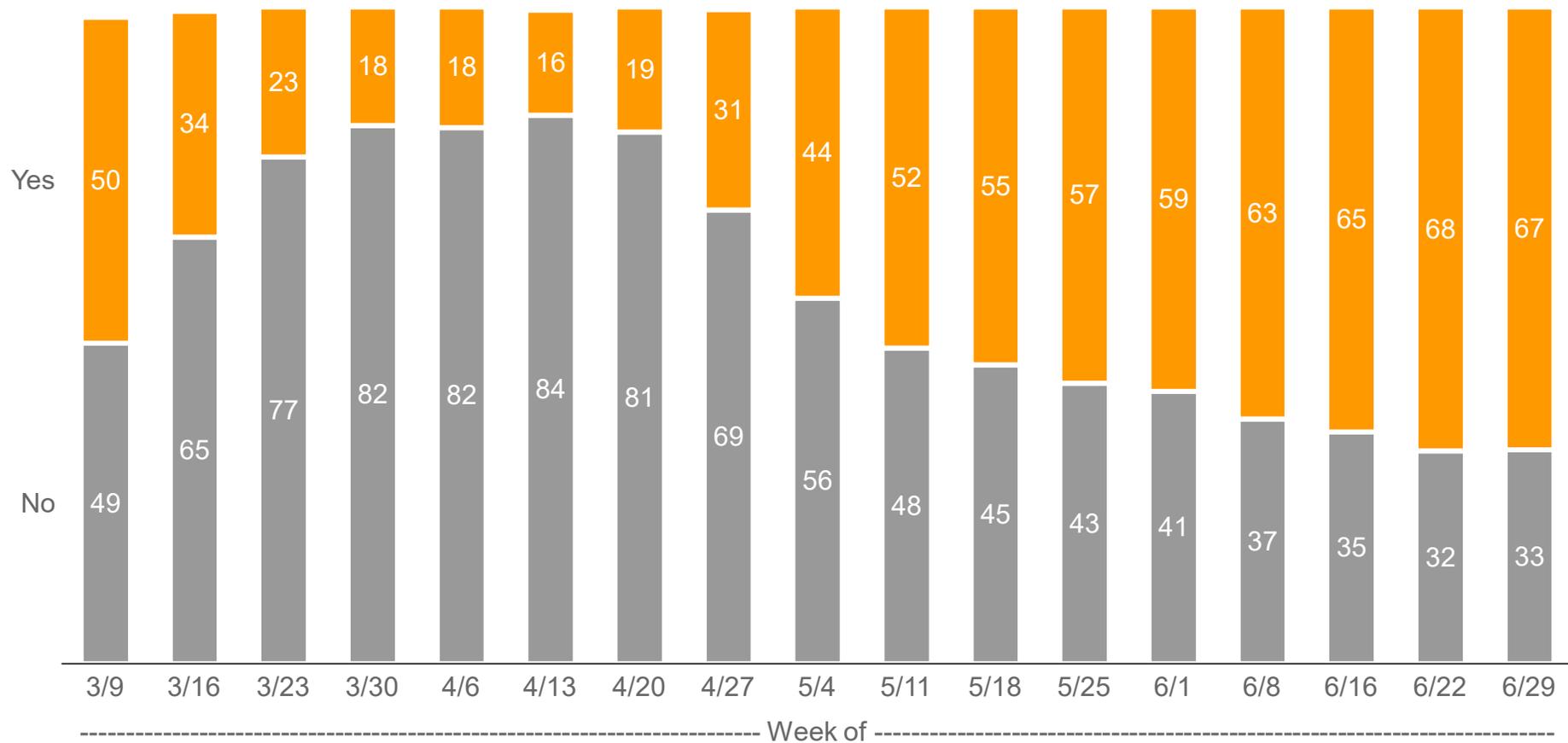


As most state and local governments restrictions on businesses have been lifted, the majority of ECPs are reporting being open to the public.

¹Figures will not sum to 100%, because "Not Sure" response removed.

Practice and store hours are beginning to return to pre-COVID schedules

Is your location currently operating at the normal hours of operation?
 % of respondents¹

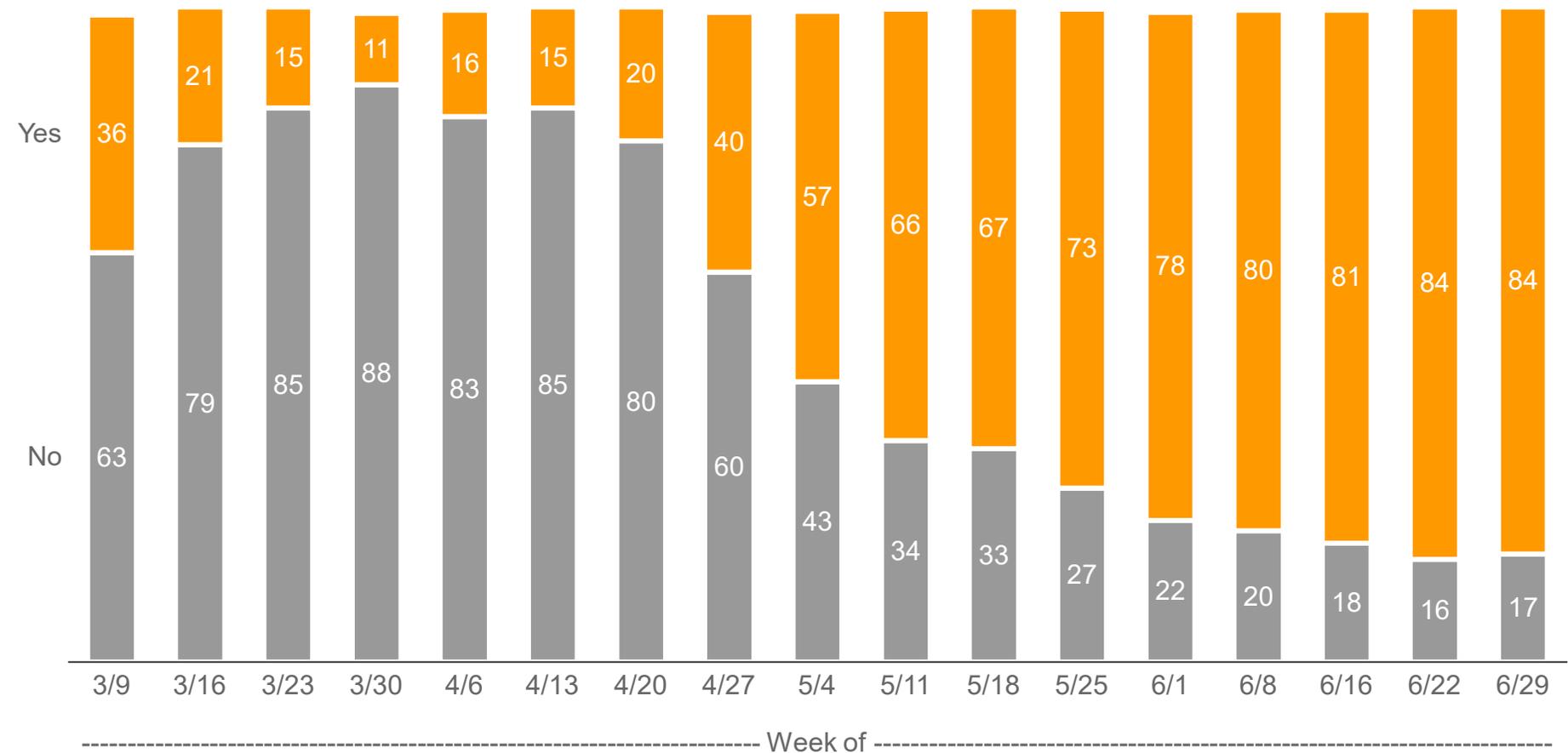


Approximately 2/3 of ECPs report that they are operating normal business hours.

¹Figures may not sum to 100%, because "Not Sure" answer option removed.
 Source: The Vision Council COVID-19 ECP Panel Study

ECPs are also beginning to return to offering their full suite of services to their patients

Are you currently offering your full suite of services?
% of respondents²



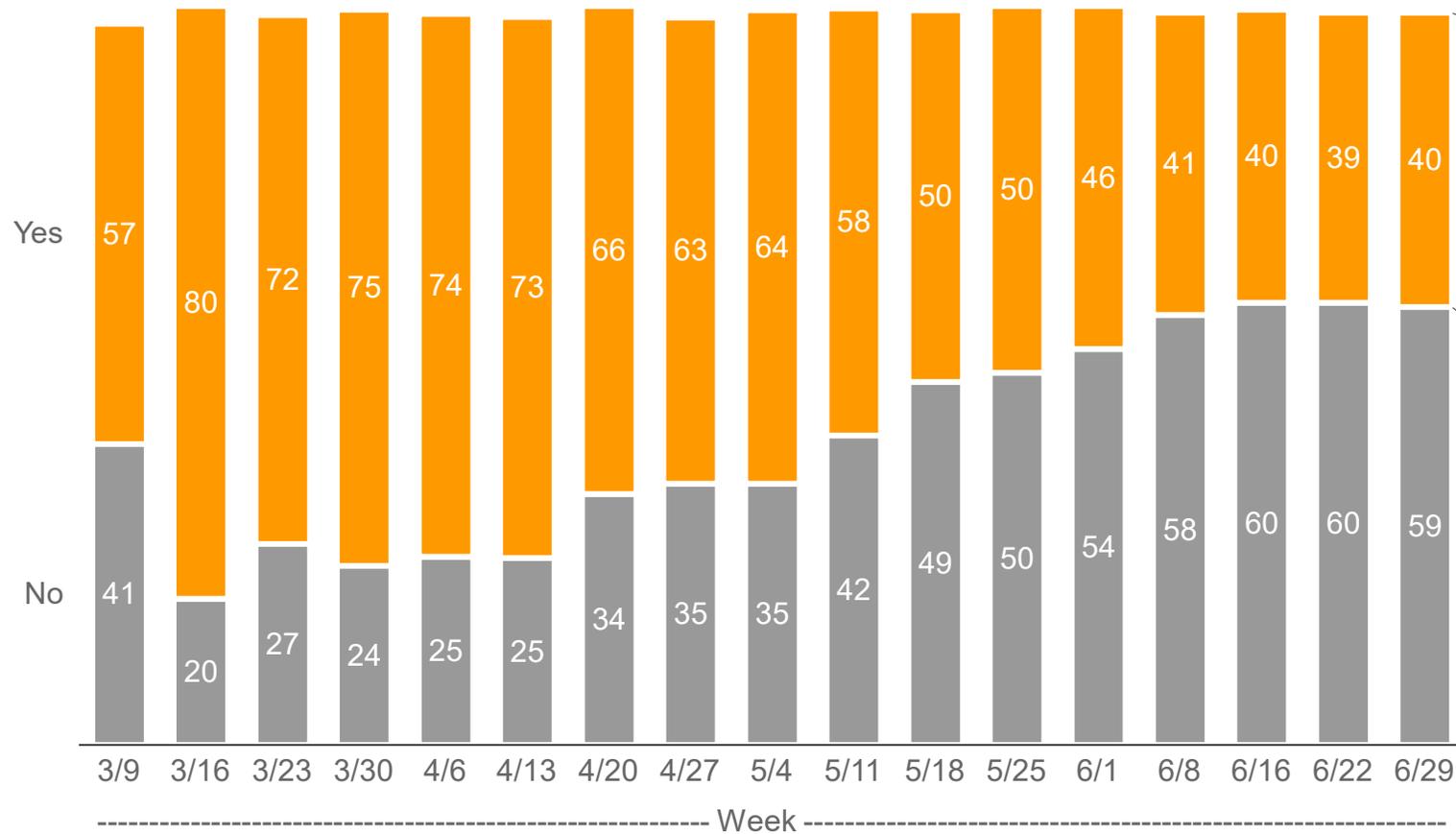
The majority of ECPs – consistently more than 80% during the month of June – report that they are offering their full suite of services.

¹Figures will not sum to 100%, because “Not Sure” answer option removed.
Source: The Vision Council COVID-19 ECP Panel Study

Reductions in employee headcount and staff hours are declining in recent weeks

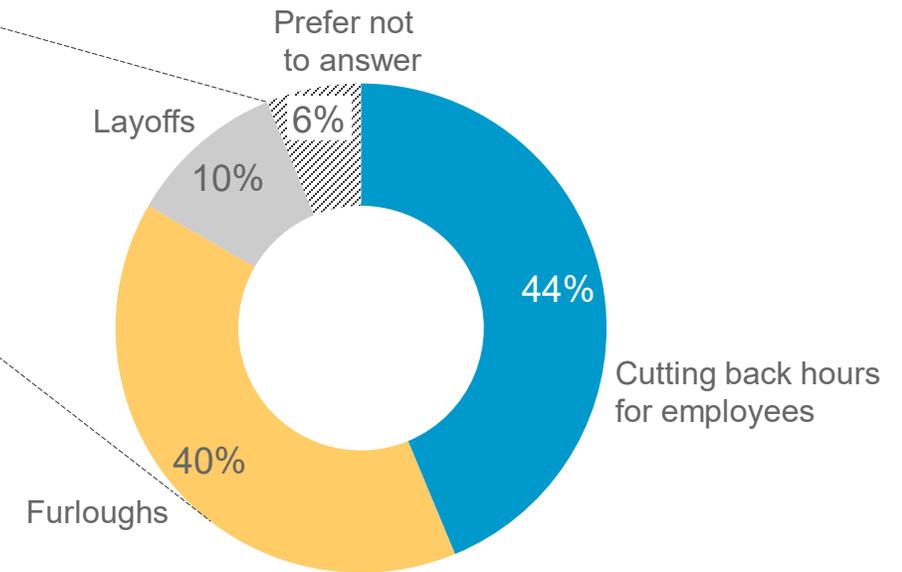
Have you had to reduce staffing over the past week in response to the COVID-19 outbreak?¹

% of respondents¹



How are you reducing staffing at your location?

% of respondents



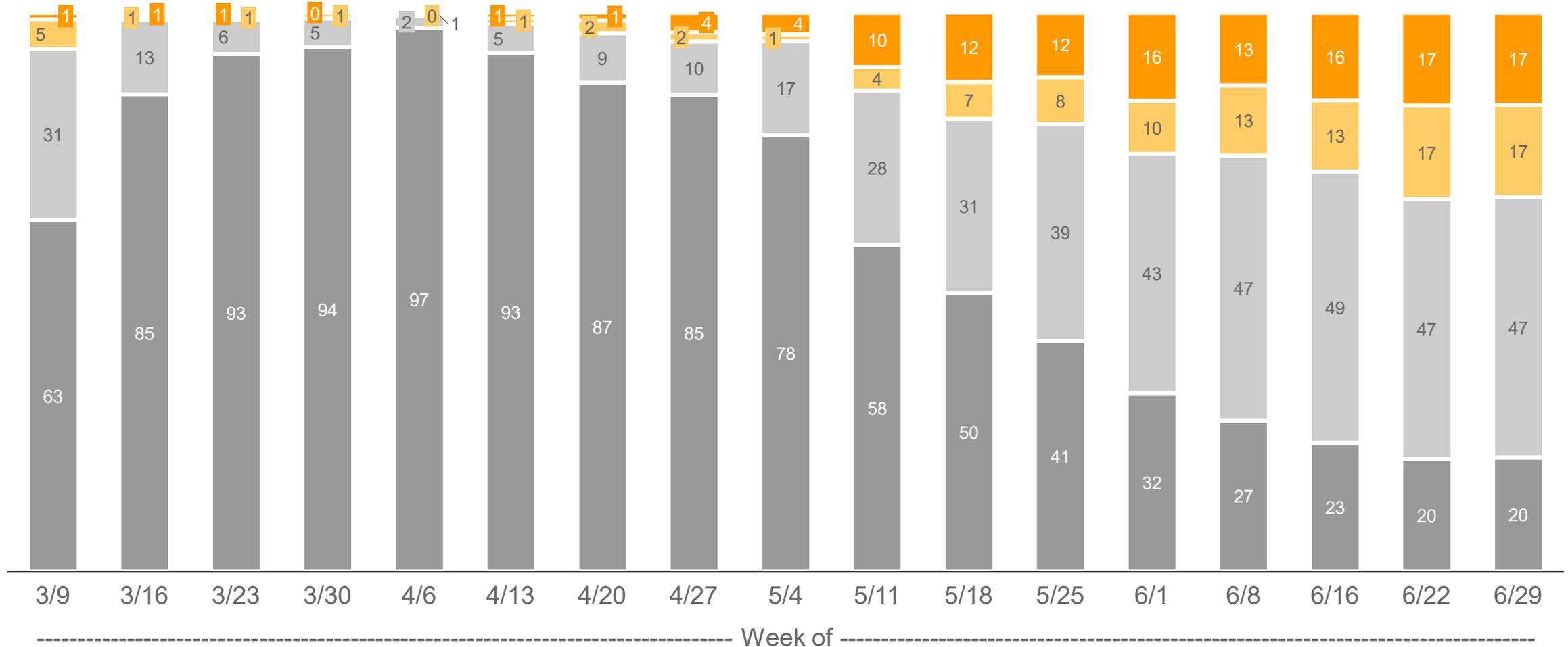
¹Figures will not sum to 100%, because "Don't know / Prefer not to answer" answer option removed.
Source: The Vision Council COVID-19 ECP Panel Study

Patient volume is still depressed overall, but the decrease is less significant than in previous weeks

How would you describe the number of customers / patients your location served within the last week compared to a normal week?

% of respondents¹

- Increased
- Unchanged / normal
- Decreased slightly
- Decreased significantly



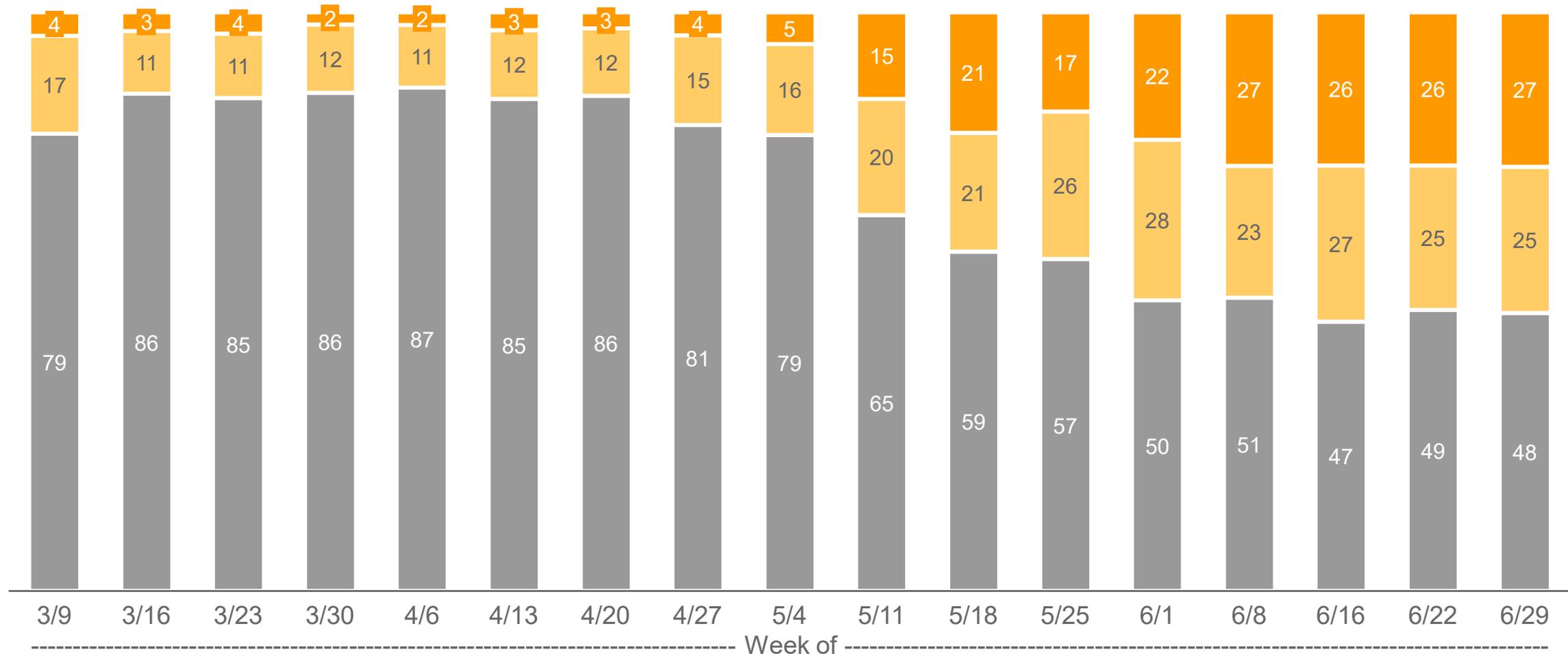
¹Figures may not sum to 100%, because of rounding.
Source: The Vision Council COVID-19 ECP Panel Study

More than 50% of ECPs report capture rate is normal or increased in recent surveys

How would you describe the capture rate at your location served within the last week compared to a normal week?

% of respondents¹

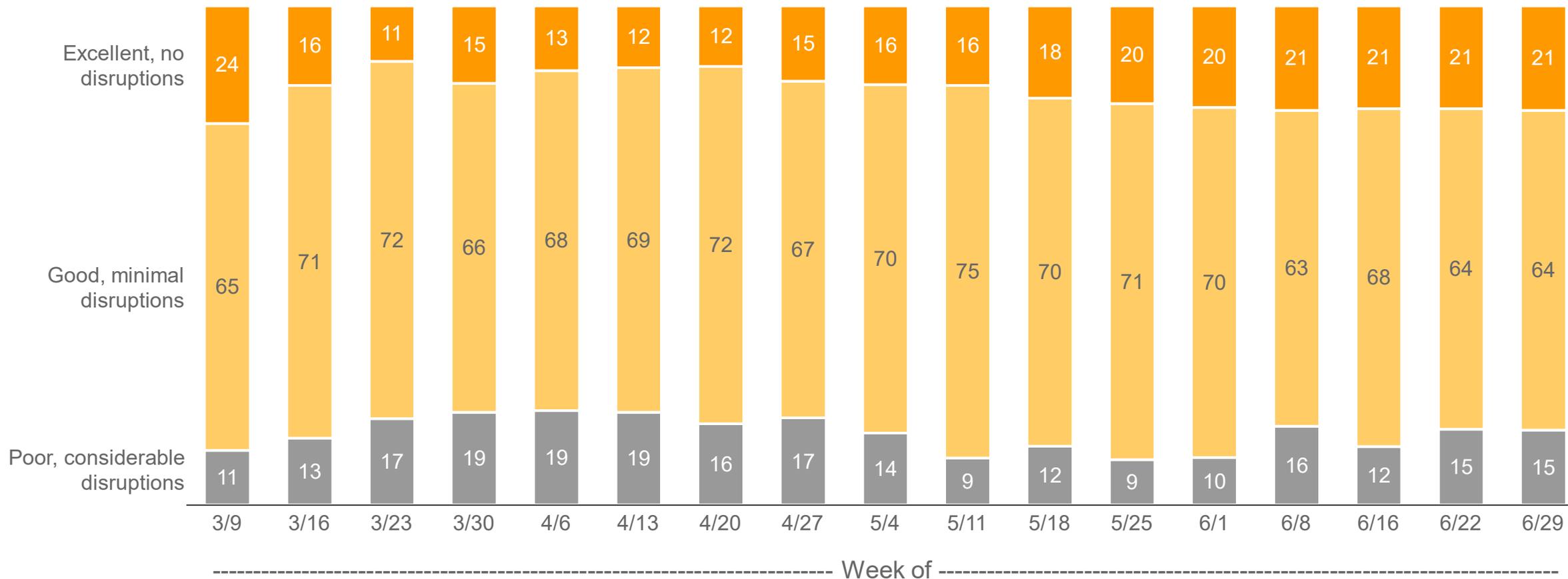
- Increased
- Unchanged / normal
- Decreased



¹Figures may not sum to 100%, because of rounding.
Source: The Vision Council COVID-19 ECP Panel Study

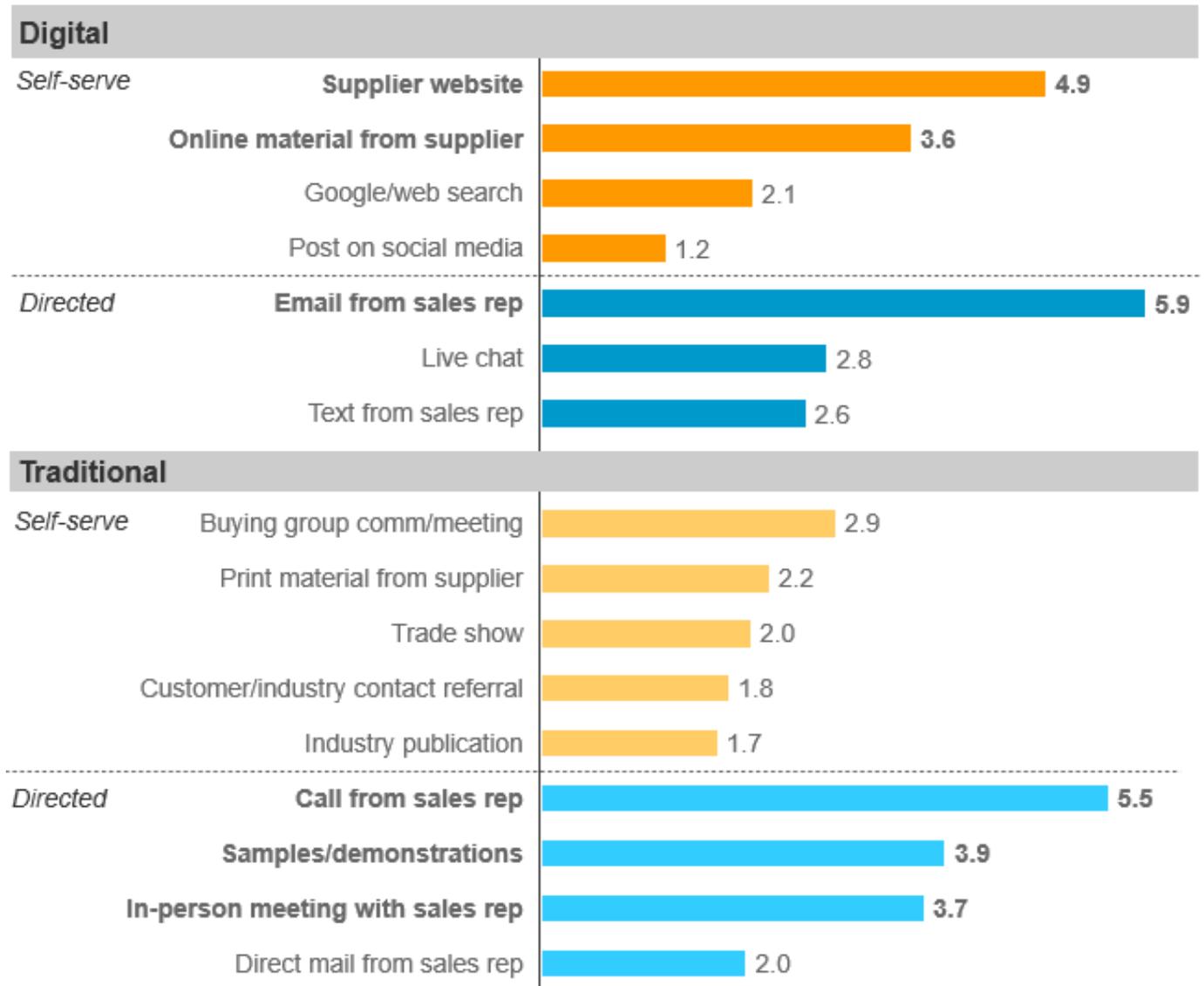
Majority of ECPs report good to excellent vendor performance throughout the entire COVID pandemic to date

How would you rate your vendors' ability to keep pace with your product demands/needs last week?
% of respondents



Sales reps continue to be among the most beneficial channels for ECPs when considering suppliers

Given the COVID-19 situation, what modes of interaction would be most beneficial to you when considering suppliers going forward? (Rank top 5)
Weighted score¹



¹ Weighted scores based on respondent rankings.
Source: The Vision Council COVID-19 ECP Panel Study, 5/25–5/31/2020, n = 285

ECPs are delaying purchases, reducing current spending, and limiting investment in their businesses

Please indicate how strongly you agree or disagree with each of the following statements.

% of respondents

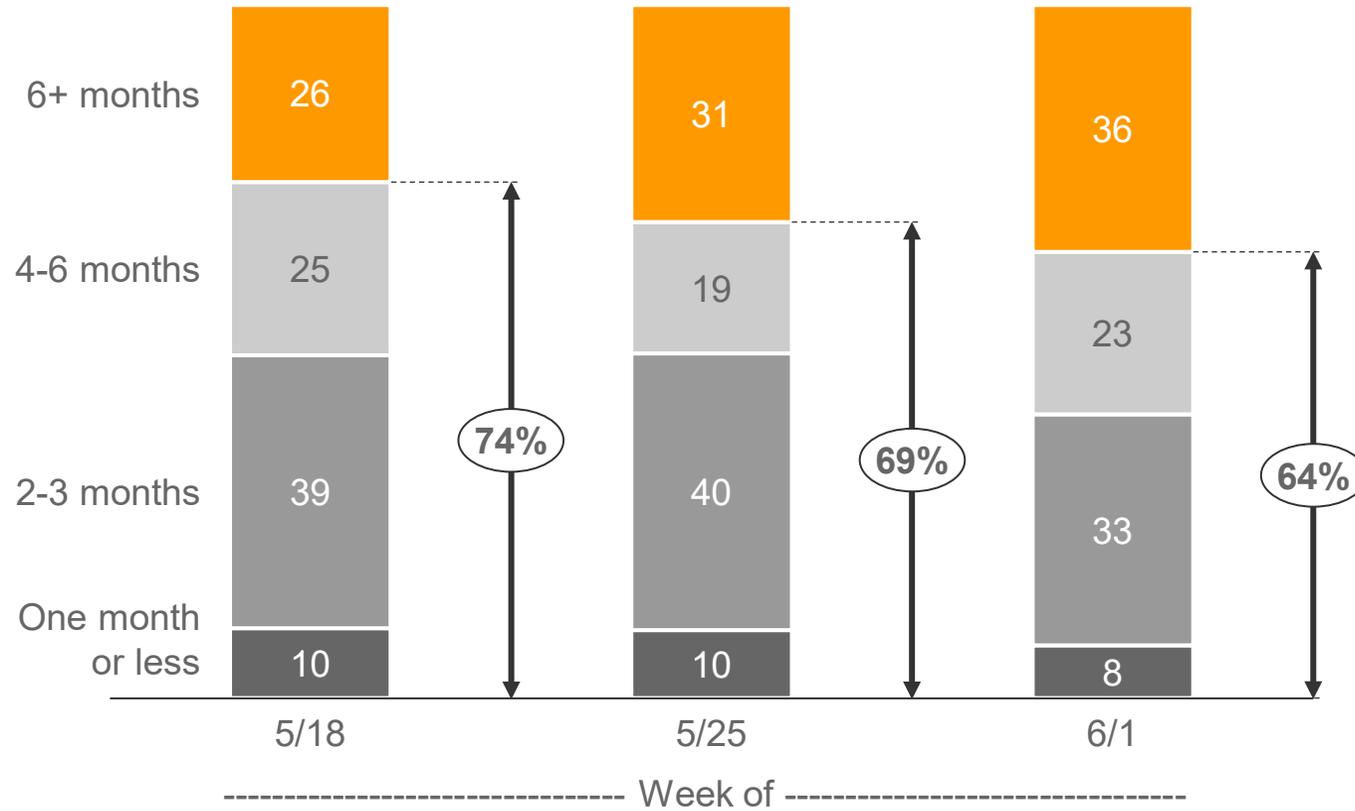


The majority of ECPs indicate that they are delaying purchases, reducing spending and limiting investment in their businesses

While the majority of ECPs are experiencing or anticipate a significant drop in income over the next 6-12 months, only 15% believe filing for bankruptcy is likely or uncertain

Majority of ECPs report that their current cash flow will last 6 months or less

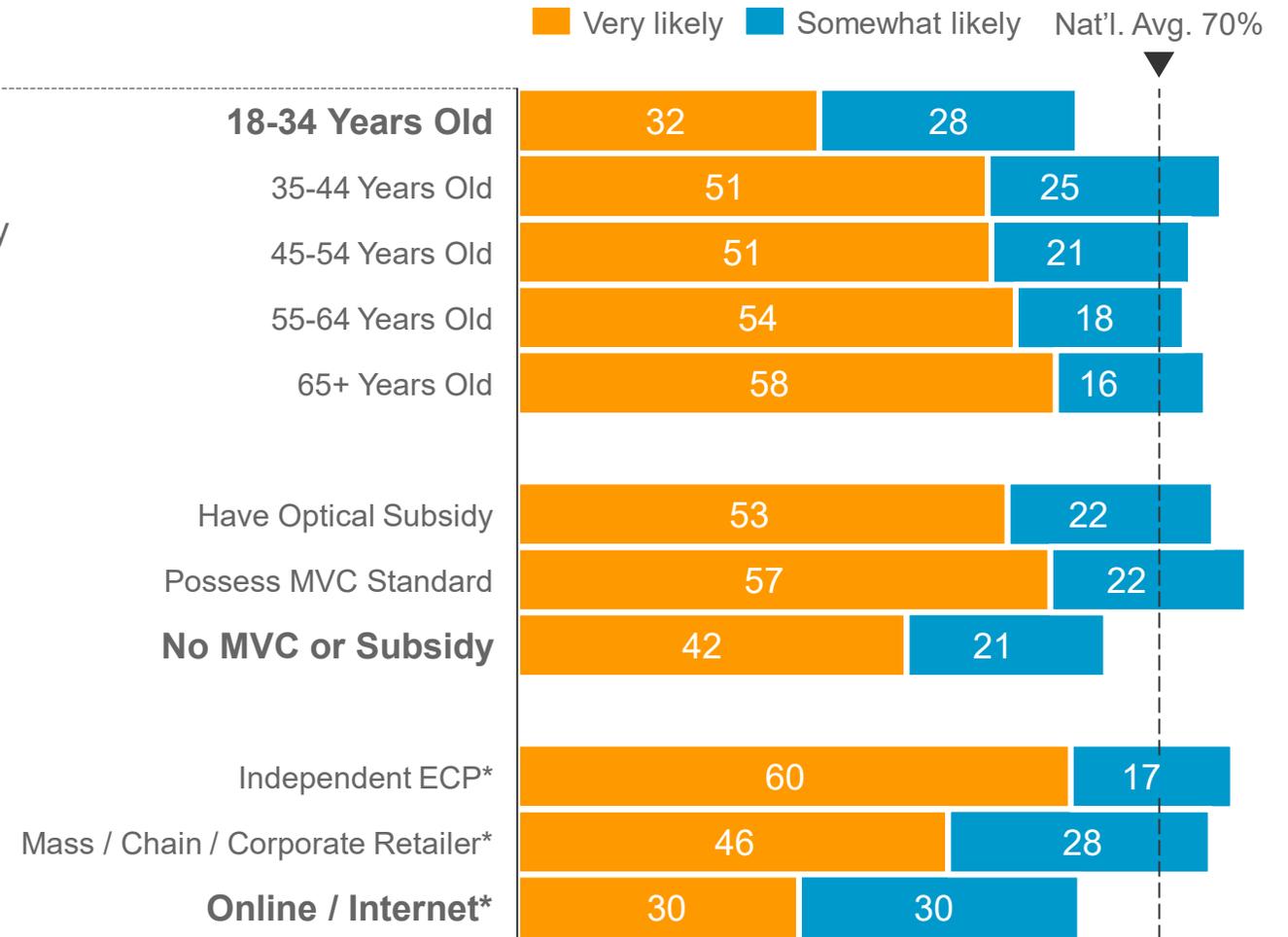
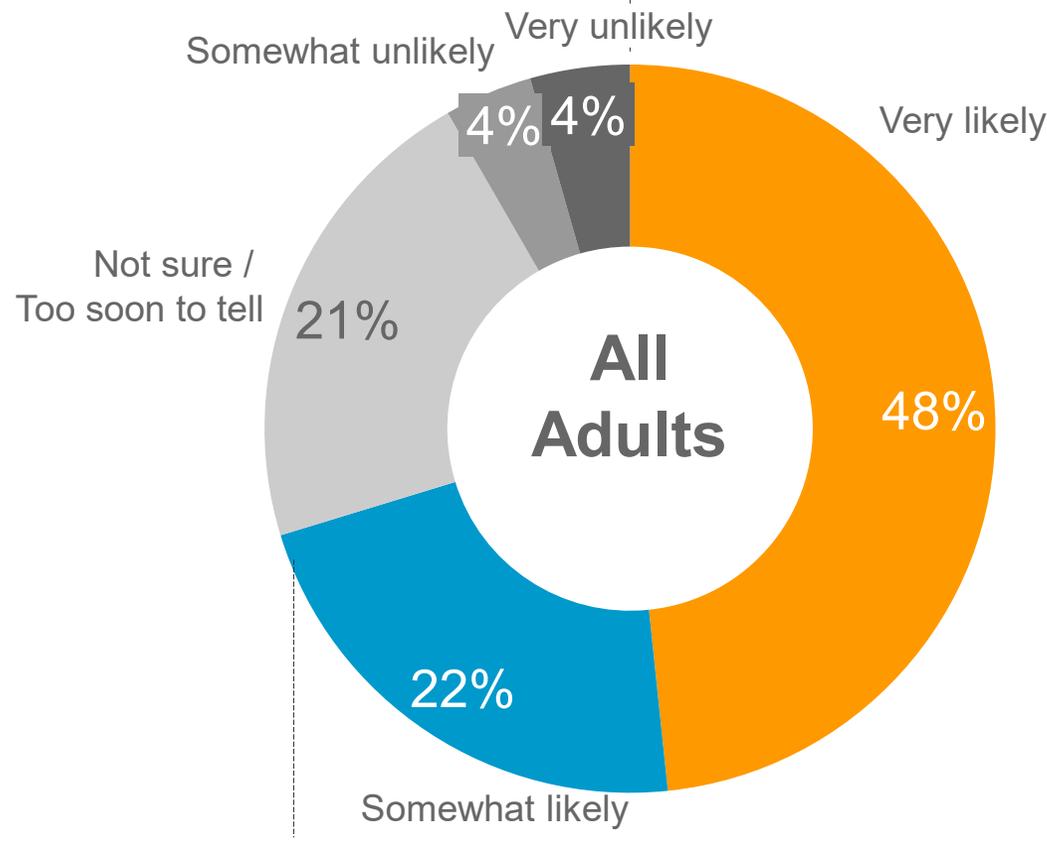
How long do you anticipate your current cash flow to last?
% of respondents



Nearly 70% of consumers indicate that they will likely return to physical eyewear retailers after COVID-19

After the COVID-19 crisis is over, how likely are you to return to a brick and mortar physical eyewear retailer to try on and purchase eyewear?

% of respondents¹

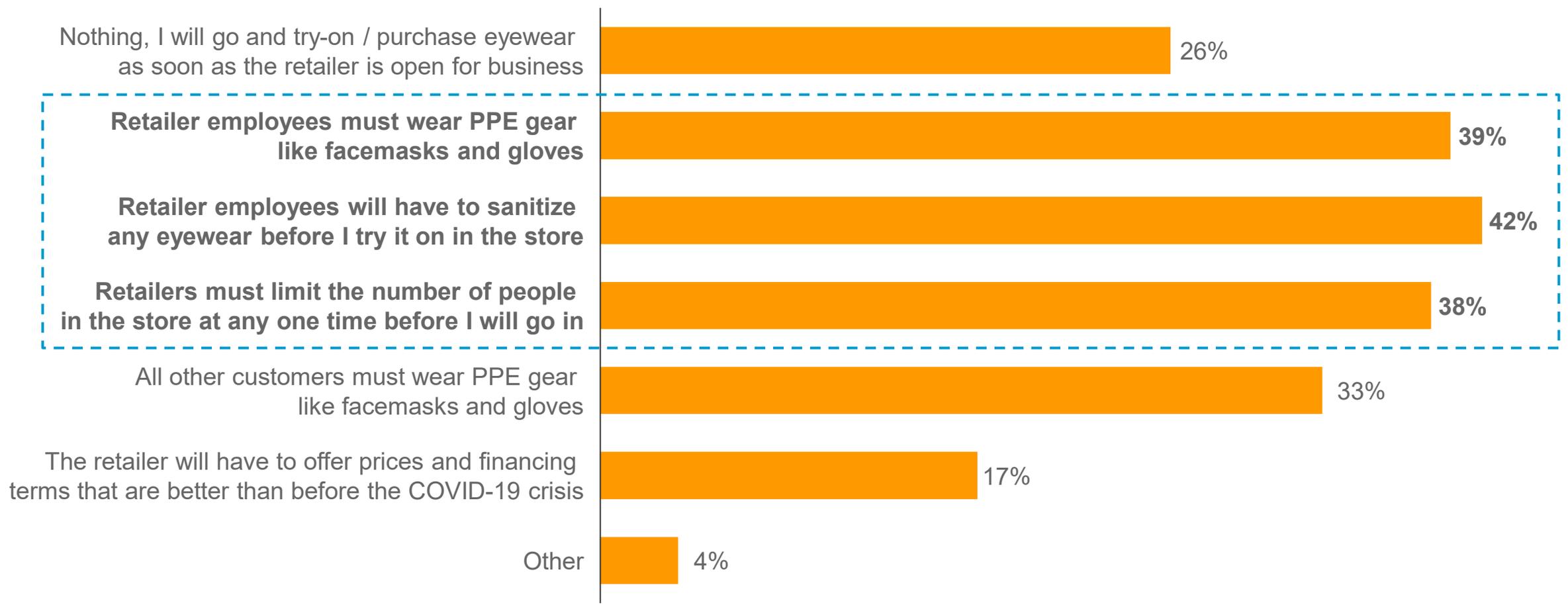


¹Figures will not sum to 100%, because other answer options removed. *By location of last Rx eyewear purchase. Source: The Vision Council VisionWatch COVID-19 US Consumer Study

Consumers want PPE, safety precautions, sanitization and social distancing protocols to be comfortable in stores

Which of the situations below would encourage you to visit, try-on and purchase eyewear from a physical brick and mortar retailer?

% of respondents¹

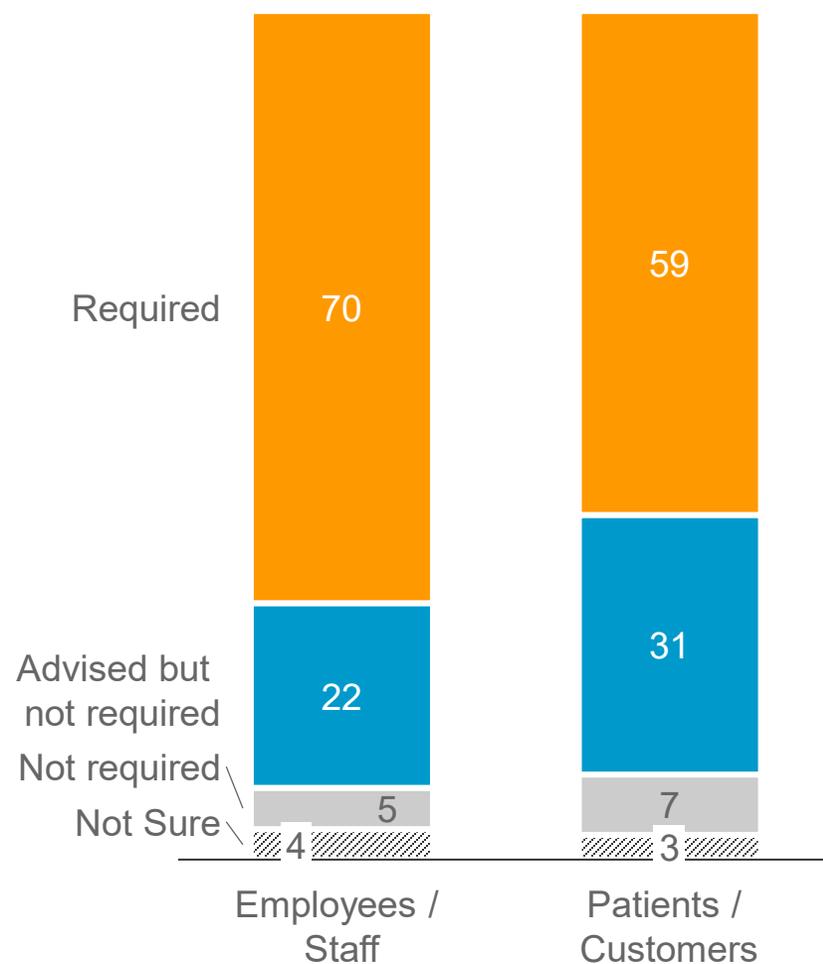


¹Figures will not sum to 100%, because of multiple selections.
Source: The Vision Council VisionWatch COVID-19 US Consumer Study

PPE requirements and advisements are the standard as optical practices begin to reopen across the country

Does your state or local government require employees/staff and/or patients to wear personal protective equipment?

% of respondents²



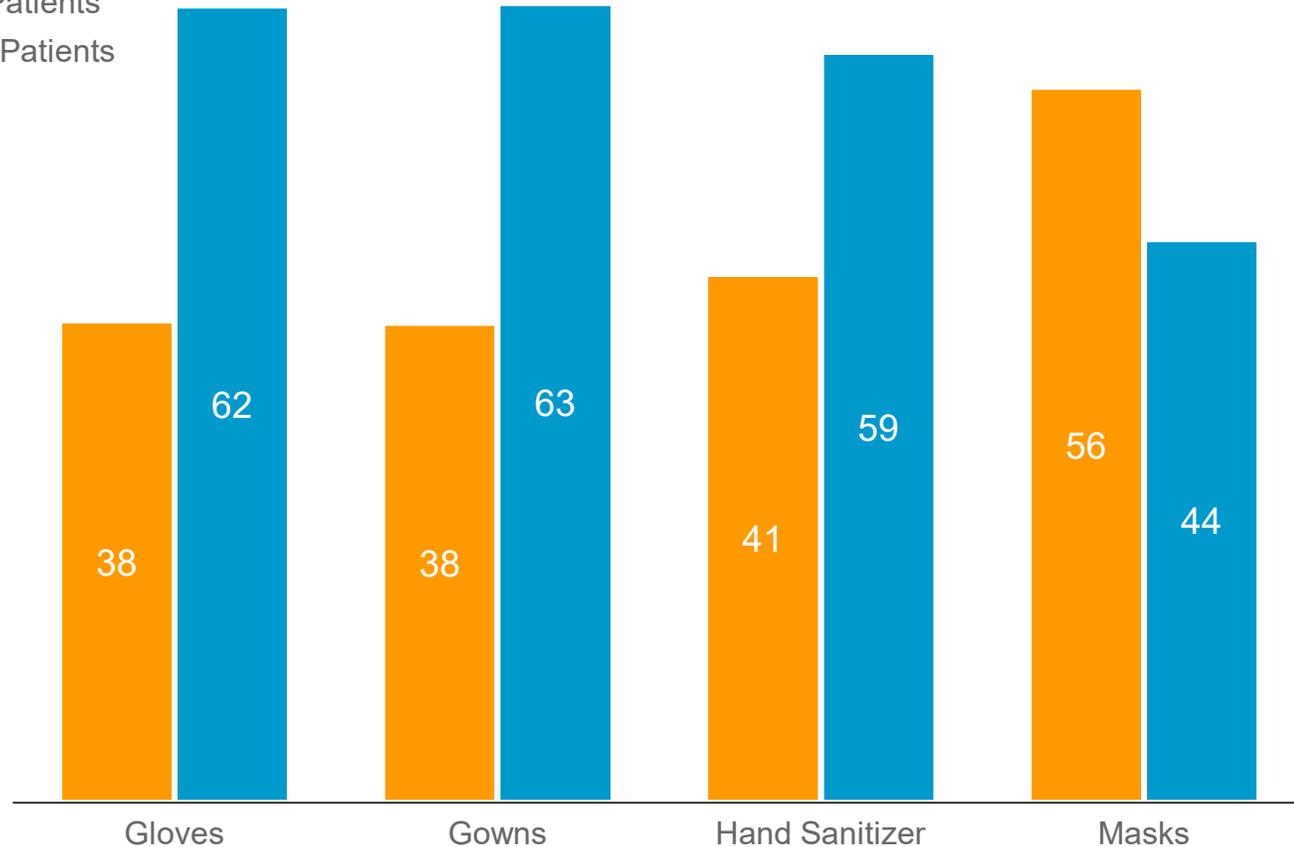
More than 90% of ECPs reported that their state/local governments either require or advise use of PPE, such as masks, for both employees and customers.

Masks are the most often required but least often provided PPE for patients

Please indicate which type(s) of personal protective equipment you are requiring and/or providing for your patients.

% of respondents

Required of Patients
Providing for Patients

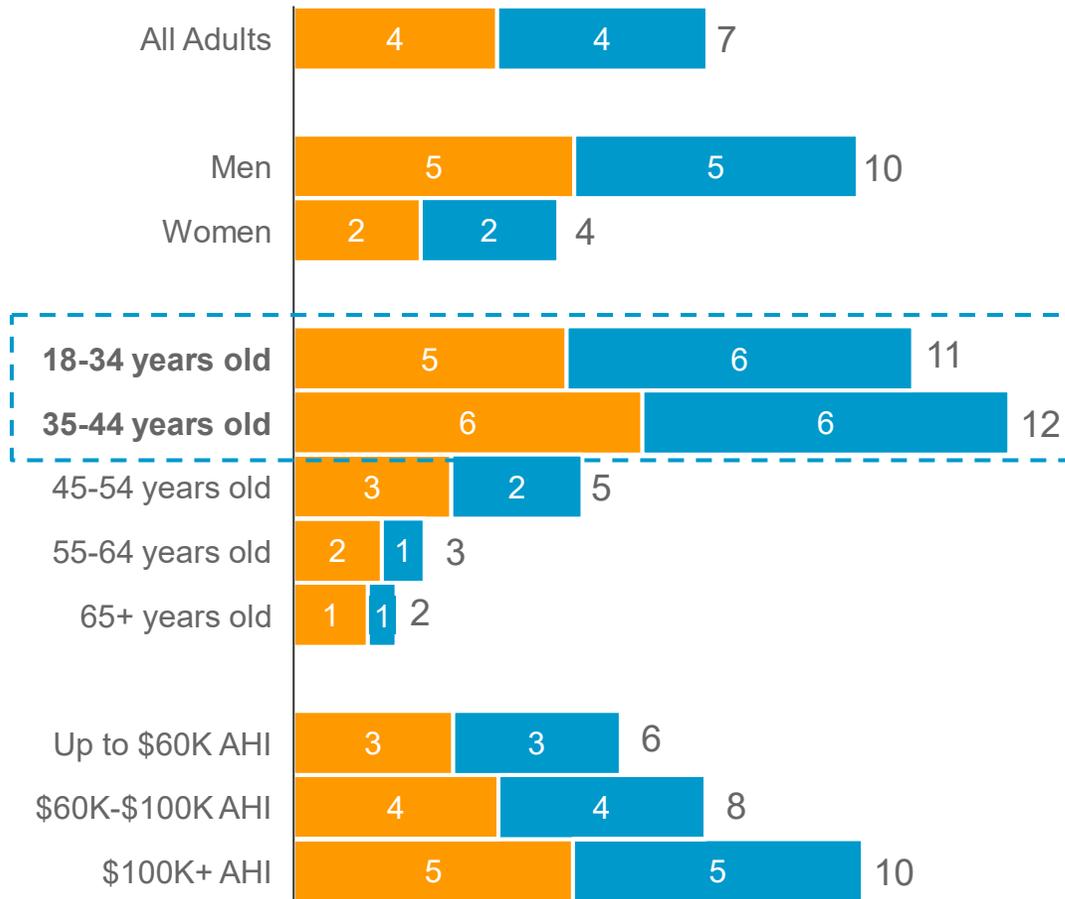


Masks are the most required PPE for patients by ECPs, but they are also the least provided.

Younger consumers, previous chain and online eyewear buyers are more open to telehealth eye exam alternatives

Will you postpone or cancel any eye exams or trips to the eye doctor while COVID-19 is still a threat?

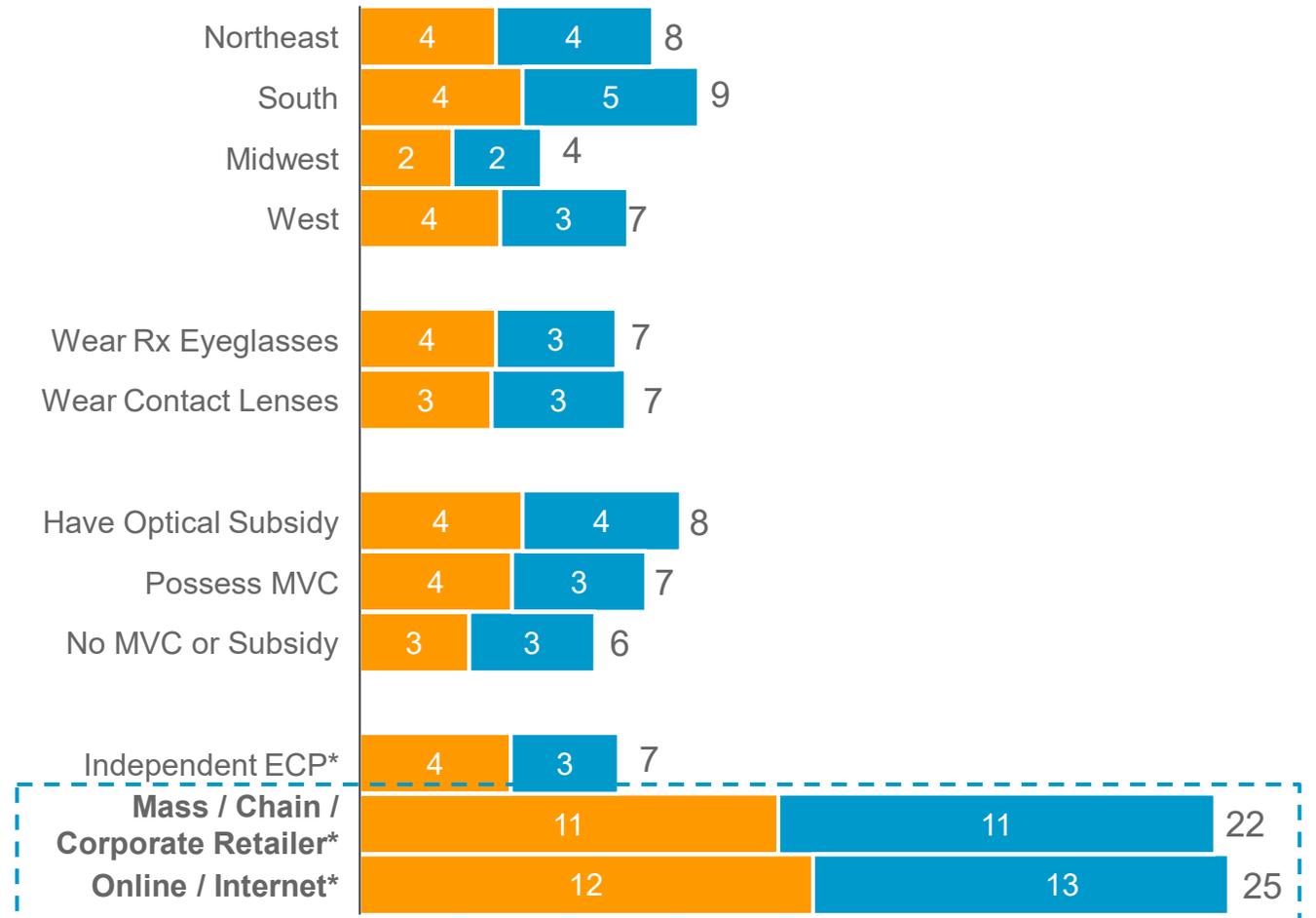
% of respondents¹



"I will get a...."

...complete telemedicine eye exam at remote location"

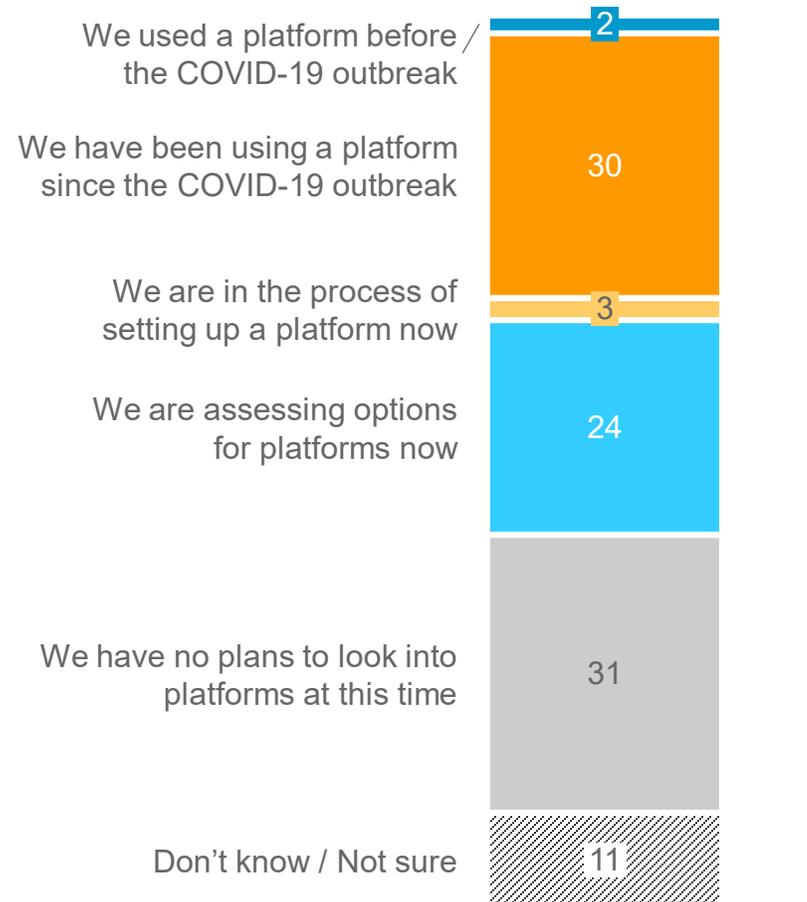
...virtual eye screening or visual acuity test via pc/mobile app"



¹Figures will not sum to 100%, because other answer options removed. *By location of last Rx eyewear purchase. Source: The Vision Council VisionWatch COVID-19 US Consumer Study

ECPs report consistent levels of telehealth platform evaluation and use in response to COVID-19

What best describes the use of virtual / telehealth related platforms at your location?
% of respondents



Nearly 60% of ECPs indicate some type of current exploration and/or use of telehealth platforms since the start of the COVID-19 pandemic in February.



PERSPECTIVES FROM TVC MEMBER DIVISIONS



Perspectives from Lab Division Members

Best practices to protect staff going forward:

- Structured communication to employees regarding the latest COVID protocols
- Staggered employee start times to limit congestion / groups within facility
- Lab routing / directional arrows on ground throughout facility
- Employee PPE guidelines (masks, gloves)
- Limitations on employee socialization
- Contact tracing protocols for known COVID cases among employees
- Regular cleaning/disinfecting of touch points throughout the lab

Perspectives from Optical Retail Division (ORD) Members

Anecdotal feedback on current market dynamics at retail:

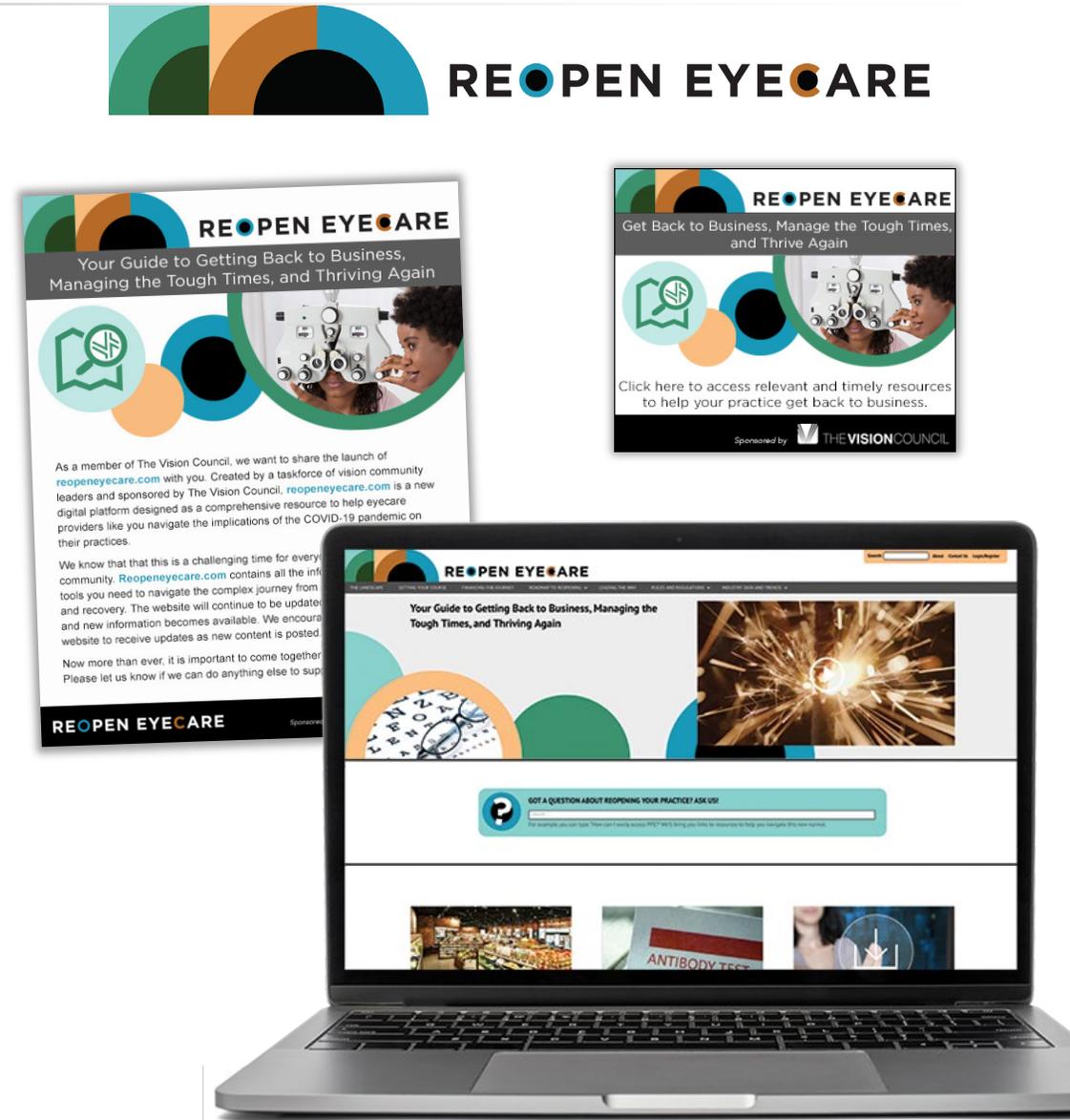
- High purchase intent among patients
 - While ECPs may only be seeing 25-50% of the patient volume compared to pre-COVID, many of those patients are making purchases leading to a stronger than normal capture rate and modest lab order volumes
- Geography matters
 - Smaller regions in the Midwest are back to pre-COVID volume, some even up to LY
 - Major metros (e.g, NY/NJ, Chicago) only at 50% pre-COVID volume
- Retail chain volume variability
 - Some chains are reporting volumes above LY based on weekly comps, possibly attributable to increased competition/opportunity for patients among the smaller number of open retail chain locations (e.g., not all locations/chains are open)

How labs are partnering with retail customers to assist them in recovery:

- More aggressively priced value packages
- Incentives on additional pairs to pass along to consumers
- Extended terms
 - 60 days in addition to existing terms
 - For example: if your existing terms are net 60 – they now are net 120
- Accounts receivable (A/R) considerations
 - Revised payment terms for the pre-COVID shut down A/R
 - For example: adjusted terms to pay down the rather robust accounts receivable from the middle of March back to January

Reopen Eyecare – ECP Support Program

- Launched late May, reopeneyecare.com contains information for eyecare providers to navigate the reopening & recovery process
- The site is updated weekly with new curated content and new features added monthly
- The Vision Council provides hosting, design and promotion of the site
 - Encourage Lab Division members to share the site with your ECP accounts
 - Member materials can be found [here](#)
 - Social Media Toolkit
 - Graphics for Instagram, Facebook, Twitter and LinkedIn
 - Web banner ads
 - Newsletter articles
 - Promotional videos





Thank you for joining us!

For regularly updated facts and information regarding the implications of the COVID-19 pandemic on the optical industry, visit the The Vision Council's resource page at thevisioncouncil.org/covid-19-implications.

To help us improve this series, please direct all questions and feedback to info@thevisioncouncil.org.