

Finnish Association of Vision and Eyecare NÄE ry | Media release 30.8.2017

## **Sales in optometry were favourable – positive expectations abound**

***Retail sales in optometry were ideal at the beginning of the year reaching an increase of about 1.5 per cent compared to the corresponding period of last year. Positive development in sales is also expected for the end of the year. The field of vision and eye health is confident in the new opportunities the ongoing reforms in health and social welfare will bring.***

In the first half of the year, the turnover in retail sales in optometry increased by 1.4 per cent reaching 161 million euros. The favourable development was fuelled, in particular, by the bold increase of more than 4 per cent at the beginning of the year, given that sales decreased by about 1.5 percent in the second quarter. The value of sales in the second quarter was slightly over 80 million euros. Spectacle lenses and frames accounted for more than 80 per cent of the turnover.

The value of sales in spectacles in the second quarter remained at the same level as last year, amounting to 60 million euros. Sales measured in volume increased, however, as much as 6.5 per cent which, in turn, decreased the average price of spectacles.

**Panu Tast**, managing director of the Finnish Association of Vision and Eyecare NÄE ry, states, “Many consumers purchase more than one pair of spectacles at a time. They need different types of lenses for different situations, for example driving, sports and certain types of jobs. Others want several different types of frames while keeping the same lens features. The significance of spectacles as a fashion accessory has grown”.

In the second quarter, the average price of all spectacles decreased by five per cent to 248 euros. The average price of single focal spectacles decreased more than 10 per cent to 164 euros. However, the price of multifocal spectacles increased a couple per cent to 366 euros.

**Rainer Nyman**, managing director of Fenno Optiikka, says, “You can conclude from the development in the price of multifocal spectacles that consumers are once again prepared to invest in higher quality products in this product group”.

## **Chains control 90 % of the market**

The concentration of business into chains has continued substantially. The proportion of independent and online shops has decreased by nearly five percentage points. Only one tenth of the turnover in retail sales in optometry comes from independent businesses.

The share of the top chains, Instru Optiikka and Silmäasema, in the market grew the most: Instru Optiikka 3.3 percentage points to 37.5 per cent and Silmäasema 2.7 percentage points to 28.4 per cent. Fenno Optiikka also increased its share in the market slightly. The 13.3 per cent market share of the third largest chain, Specsavers, remained unchanged. Synsam lost 1.4 percentage points of its market share which is now five per cent.

## **Increased impetus with the health and social welfare reforms and economic growth**

The expectations in the field for the second half of the year are positive. Total sales are expected to increase and there is faith in the sales of multifocal spectacles especially. Actually, a favourable financial outcome in the optometry business is expected in all product groups, not only in spectacles but also in contact lenses and high-quality sunglasses.

Fenno Optiika's Nyman is satisfied that the retail sales in optometry have kept up with other retail trade. Nyman states, "According to Statistics Finland, retail trade sales increased by 1.8 per cent in the entire country in the first half of the year. The optometry business is growing nicely alongside other businesses".

Tast adds, "Along with product sales, there is a positive vibe in the entire field of vision and eyecare and the expectations for the future are confident". He continues by saying, "Despite the delay in the health and social welfare reforms, they are progressing in a favourable direction for us as far as freedom of choice is concerned. When expanding the freedom of choice in eyecare services, municipalities do not have to wait for the reforms to begin. The current laws pertaining to service vouchers allow us to see how well the freedom of choice in eyecare services will work. For example, retinopathy screening for diabetics and cataract surgery are procedures well suitable for using the voucher".

"Freedom of choice makes providing better, more efficient and equal eyecare services possible in the future. Not only do the residents benefit from this, but also the businesses in the field", Tast sums up.

*The GfK research institute provides field-related statistics which are based directly on the data related to the use of the cash register system. The projections concerning the market for private eyecare services are based on the data gathered by Kela, the National Institute for Health and Welfare and NÄE ry.*

#### **Enquiries:**

Managing Director Panu Tast, Finnish Association of Vision and Eyecare, NÄE ry, tel.: +358 (0)40 542 2227, [panu.tast@naery.fi](mailto:panu.tast@naery.fi)

Managing Director Rainer Nyman, Fenno Optiikka, tel.: +358 (0)400 935 936, [rainer.nyman@fennooptiikka.fi](mailto:rainer.nyman@fennooptiikka.fi)

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*The Finnish Association of Vision and Eyecare (NÄE ry) represents optometry businesses, private eyecare clinics and the manufacturers, importers and wholesalers that serve them. NÄE ry is responsible for advocating field-related business, health care, education and communication, and engages in research and offers training. The member businesses make up more than 80 % of the turnover in the field. In addition to businesses, the association comprises educational institutions that train professionals in vision and eye health as well as the organisations representing those institutions. NÄE ry belongs to the Finnish Commerce Federation and the Federation of Finnish Enterprises.*