2023 Optometry Business Insights Report

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Methodology

Weave commissioned an independent market research firm to study 120 optometrists and 536 optometry patients across the U.S. The margin of error for this study is +/- 3% at the 95% confidence level. Online sampling was conducted in partnership with Qualtrics.

As more and more optometry businesses look toward the future, many are concerned with how they can remain competitive while managing patient expectations. This report will serve as a deep insight into the challenges and trends facing optometry providers in 2023 and beyond.

The optometry industry has become increasingly more competitive in the last five years. The sheer amount of competition between vision centers makes it difficult for small practices to beat out the rest and attract new patients. With the uncertain economic climate and the need for medical services rising, it's no wonder that many optometry practices are looking for tools that drive positive outcomes for the business.

Throughout 2022, many optometry practices faced significant challenges in delivering an impressive patient experience because of macroeconomic challenges rarely faced in prior years. To be sure, 2022 was a transformational year for many optometry professionals and their team members, driven by staffing challenges, rising costs and a shifting competitive landscape as patient preferences continued to shift toward a modern and tech-forward office.

Weave commissioned a nationwide survey of optometry patients and providers in November 2022 to understand the challenges, trends, and opportunities facing small optometry practices in 2023 and beyond.

The results of that survey showed several key trends. First, optometry practices are not entirely immune from the macroeconomic issues facing all small businesses across the country, but there are meaningfully different implications for their industry. Second, patients are setting a higher bar than ever before when it comes to the patient experience and what they expect concerning care & communication. Third, staffing woes are considerable in the industry and most practices anticipate these trends will continue in 2023.

01

The Current State of Small Healthcare Practices

The Economy Is the Name of the Game in 2023

The long-term success of any optometry practice is tied to the individual experience you provide your patients. This has been a compelling truth most practice owners and managers have learned over the last few years, doubling down on patient experience and delivering top-notch care that ensures loyalty.

However, as the impact of Wall Street's tough 2022 continues to affect the wallets of the average consumers into 2023, many practices will be impacted by factors outside of their control. With many optometry businesses relying on an insured patient base with some disposable income dedicated to optometry spending, and as wallets tighten for consumers this year, patients may be forced to delay care or may be looking for payment flexibility that practices haven't traditionally offered or are incredibly cumbersome to manage.

Although healthcare (including vision care) is a buoyant industry that remains vital even during a recession, many people choose to put off vision care when times are tough financially. Does that change your focus in 2023 to move away from the patient experience? The quick answer is no.

Concerning the patient experience in 2023 for small or medium-sized optometry practices, Dr. Alan Glazier, OD, FAAO, encourages optometry practices to work on understanding effective practice marketing and implementing a plan to become an effective marketing machine. Dr. Glazier says that doing so will help patients not forget about your practice in between visits and can help you stand out from the competition.

But the patient experience you provide needs to be reexamined to adapt to a more cash-strapped patient base. According to Weave's survey, out of 119 optometry respondents, 62% said they've seen patients delay treatment or care due to affordability/cost concerns. It's imperative now more than ever for optometry practices to adjust their business to a more budget-conscious model.

How Providers Are Adapting in a Recession

So how should your practice adapt to a patient base that's more price sensitive in 2023? Although the optometry industry is not immune from the pressures of a recession, compared to other industries, it typically remains prosperous.

Weave's survey shows that, while many practices are implementing measures to "recession-proof" their practice, opinions are mixed among optometry providers as to who is investing more in their practice and what the best practices are for investing in 2023. According to Weave's survey, 38% of optometry providers opt not to invest in their practice right now due to the economy.

For those who are investing in their practice, 23% are investing in digital tools and technology, 20% are investing in hardware and 19% are investing in marketing. Providers are working to diversify their spending to better prepare themselves for the changing economic climate.

35%

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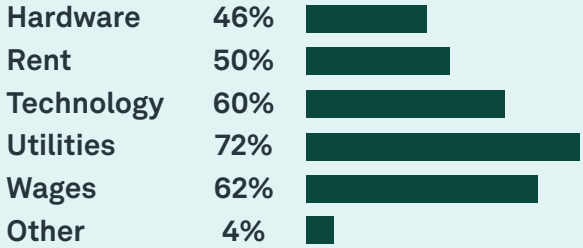
Inflation

The inflation trend that impacted many optometry practices in 2022 is abating somewhat in 2023, though practices are continuing to feel the pinch of increased costs in their business combined with constraints on revenue due to insurance billing contracts and the difficulty to raise prices.



In almost every area, optometry providers have been forced to adjust to increasing prices and inflation consequences. According to Weave's survey, 45% of practices have raised their prices in the last 90 days, while 55% have not. For those who increased prices, 48% have raised them between 1 and 5%, 47% have raised them between 6 and 15% and 5% have raised them over 15%.

Additionally, 38% of practices plan to raise prices in 2023 and 55% think they may raise prices in 2023. Passing on a price increase to your patients can create new issues in the business – patients leaving for lower-cost competitors or asking for more flexible payment options. A large portion of optometry providers (63%) are already seeing patients delay care due to economic concerns and the potential of a recession.

A possible recession is a likely reason many vision patients might not purchase new glasses, delay care or look for a cheaper option. Unlike other industries, optometrists rely on retail sales for a large portion of their revenue. Weave found that 44% of optometrists are concerned about declining retail sales in their practice. A majority of optometry respondents (63%) are concerned about by-mail competitors like 1800 Contacts and Warby Parker. Weave found that 24% of optometry providers list their available inventory online.

Although places like Warby Parker and 1800 Contacts can ship out millions of vision products at a time, they cannot meet the level of personalization that your small practice can. There are a few things you can do as a small optometry practice to improve your chances of retail sales even in a recession. You can offer personalized touches to your customers like free vision tests and in office try ons. Keeping your appointments efficient and timely will also help improve your chances of increasing retail sales. Weave found that 1 in 3 providers say patients are more likely to buy retail if their appointment takes less than 30 minutes.

In 2023, practices should anticipate increased patient interest in convenient and flexible payment options. You can offer flexible payment options to your customers like text-to-pay, Google pay, or Buy-Now-Pay-over-time. Using these tools you can continue to make money through retail sales even during a recession. According to Weave's study, 30% of providers are already seeing an increase in patients using a payment plan.

A payment plan is a great way to provide flexibility and give your vision patients the treatment they need without the immediate cost burden. You can also offer on-the-go payment options like text-to-pay, Google Pay, and more to speed up your collection of payments for less price-sensitive patients. Flexible payment plans that are automated and streamline collection for the office staff like buy now, pay later are a great way to stand out from the competition and give your patients the care they need.

02

Key Trend: Patients Are Raising the Bar for Small Practices

In 2023, patients will continue to raise the bar on their optometry providers in terms of digital-first communications and in-office expectations. Weave found that 46% of optometrists answered probably yes or definitely yes when asked if patient expectations have increased since the pandemic, 40% are unsure, and 14% answered probably not or definitely not. The pandemic ushered in a significant shift in the quality of care practices are providing their patients.

Another main reason patient expectations are rising is the “convenience economy” trend overall that accelerated businesses’ overall adoption of technology to drive more convenient experiences for consumers. The drive-up pickup for retail, the app-driven delivery boom for online shopping and restaurants, as well as the curbside check-in for healthcare-related practices (including optometry), are all examples of these convenience-driven trends that have taken root in consumers’ minds.

Optometry practices are keeping up with the increasing patient demand for convenience but will need to continue to modernize and adopt new technology as that trend shows no sign of stopping. Another reason could be the greater desire for value-based care and high-quality in-office experiences with an emphasis on building relationships with patients. We have seen over the years how valuable a repeat patient can be and those who find a quality optometry provider they enjoy visiting are more likely to return.

Patient-Provider Tensions Are Growing

Tensions between providers and patients that first emerged during the COVID pandemic have continued to take root in 2022 and reflect the high bar patients are setting for practice owners and staff. Weave found that 52% of optometry providers say patients are less reasonable now than 12 months ago.

According to Weave's research, 10% of optometrists think their patients trust them less than a year ago while 74% believe their patients lie to them during appointments. To decrease this tension and start building more trust with your patients, look for ways to create a better experience from the way you greet your patients to the way you schedule appointments and do business.

As a small optometry provider, you might be wondering why a patient would want to return to your practice. Although your services might be identical to the services offered by the competition, the difference comes in the overall experience. Factors like digital paperwork, quick communication, marketing efforts, convenient payment methods, the look and feel of your practice, record management, or the way your team greets your patients all play a role in the patient experience.

03

Key Trend: Staffing Challenges Show No Sign of Letting Up

Staffing

If running an optometry practice isn't hard enough, many small practices do so with a small number of team members. The majority of optometry providers have fewer than 10 employees in their offices and the day-to-day operations fall onto the ones who work there full time. In 2022, staffing shortages were a major hurdle for most optometry providers.

According to Weave's ebook, The 2022 State of Optometry Staffing, 66% of healthcare professionals concluded they were short-staffed as of February 2022. Of this total percentage, 5% were optometry professionals. On top of this, 48% of optometry providers agree that compared to a year ago, front-desk staff has less time to help clients because they're spending more time dealing with other issues.

One way to combat an overburdened front desk and combat being short-staffed is to use software that can make life easier. Tools like appointment reminders and online scheduling save time during the day and keep everyone on the same page. Although tech tools can make life easier for a short-staffed team, Weave found that 14% of optometry providers are concerned they'll have to conduct a layoff in the next 12 months.

Compensation

One major concern for optometry staff is compensation and fair wages. According to Weave's report The 2022 State of Healthcare Staffing, 30% of healthcare workers (including optometry employees) left their job because they were unhappy with compensation. Although there is no black-and-white answer for what a fair wage is, optometry providers should be cognizant of the cost of living as it fluctuates and determine how they can create positions that compensate their team fairly. This is especially true if a practice is short-staffed and workloads have become more demanding. Weave's survey showed that 50% of providers have raised wages in the last 90 days to adjust for cost of living increases.

For those providers who have increased wages, 55% raised wages between 1-5%, 37% raised them between 6-15%, and 8% raised them over 15%.

Plans to increase or decrease wages along with the cost of services will be greatly influenced by the economy and how busy a practice gets. No matter who stays on your team and who you decide to hire, compensation is a major area of concern for optometry workers and should be handled with care.

Hiring & Retention

Hiring and retaining your staff is key to strengthening and improving patient experiences. The time your staff can spend with your patients will directly affect their loyalty. Your patients will be the first ones to notice when your business is struggling to retain team members and the quality of their individual experience will suffer.

According to Weave's ebook entitled, The 2022 State of Healthcare Staffing, many small healthcare practices recognize patient satisfaction is affected by staffing shortages, but only half (51%) meet monthly to better understand the patient experience of their practice. Investing in your team will help you create a better patient experience and can make up the difference when an office is short-staffed. Better tools will also help team members perform more efficiently in their roles which will aid in retention efforts.

You might be wondering what factors impact a team member's decision to quit and why are providers struggling to retain their team. According to Weave's survey, 23% of providers say definitely yes or probably yes that an employee has quit because of frustration with the tech used in the office. More than half of the respondents we surveyed (58%) said that having the latest tech makes it easier to retain good employees. New tech is not only easier to use when hiring but is a good investment that provides a much simpler way to run your business.

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04

Key Trend: Software Investment is Critical for Reaching Multi-Generational Patient Bases

The Adoption of Healthcare Technolog in Optometry

Although 45% of providers say that technology is important to providing a great patient experience and increasing revenue, 28% of offices haven't updated their office technology in over 3-4 years. Weave wanted to find where the modern optometry practice struggles day-to-day and what technology can be implemented to aid in these areas.

The following answers are the top hassles in the office along with the percentage of respondents who chose that as their answer:

- 18% say demanding clients
- 55% say Insurance claims
- 19% say billing issues
- 6% say client intake forms
- 2% say reviews and social media

All Modalities Required

PPatients want options when it comes to how they can communicate with their optometry providers. When asked about preferences for appointment reminders, 76% of patients prefer receiving appointment reminders via text message versus phone calls, emails, or other. When asked how patients prefer to communicate with their provider, the majority answered by phone. To cover a wide variety of patient types, optometry providers should offer all modalities and be flexible when it comes to patient communication.

Utilizing all modalities and communication types is also a preference when it comes to paying bills and showing up for appointments. Weave found that 77% of optometry providers say that the ability for patients to pay by text helps prevent overdue invoices.

94%

of providers agree that a text message reminder makes patients more likely to show up for their appointment

Weave found that 94% of providers agree that a text message reminder makes patients more likely to show up for their appointment. When comparing phone calls to text preferences, 53% of providers say a text message is the best way to prevent no-shows while 43% of providers say a phone call is the best way to prevent no-shows.

Weave also found that:

- Text messaging is the preferred method for:
  - Appointment reminders (80%)
  - Digital Form Reminders (56%)
  - After-hours questions (39%)
- Email is the preferred method for:
  - Promoting new products or services (66%)
- Phone calls are the preferred method for:
  - Scheduling appointments (65%)
  - Follow-up questions (44%)
  - Collecting payments (53%)
  - Value-based care (38%) - this one is very close between all three methods

Each modality has pros/cons and every patient will have a preference for their ideal communication method. It's up to you as a healthcare provider to be flexible and offer multiple communication methods so your patients feel comfortable and your schedule can stay full.

Investment in new tech

Investing in new tech is essential to keeping your practice competitive. If a patient wants to schedule an appointment with you but doing so requires a lengthy phone call or waiting on hold, they might start looking for a quicker option. Luckily, tools like appointment scheduling and reminders are easier to use than ever before. You can get tools like appointment scheduling bundled with other helpful tools on one platform.

Weave found that 61% of providers typically use at least three separate technologies to communicate with patients, but 1 in 3 providers feel they should only need two software programs. Weave gives you all the tools you need to run your practice on one simplified platform. Weave also integrates with your existing EHR or PMS software so you can simply integrate the two systems and never miss a beat.

In the last year, less than 4% of offices have cut back on office software or technology, pointing to the impact high-ROI software like patient communication platforms has on the patient experience. Weave found that 67% of providers have kept the same tools and 28% have invested in more tools and tech.

Investing in new tech will also help attract Millennials and Gen-Z professionals to your practice and keep your business fresh, on top of giving your patients a better experience. When you invest in new pieces of technology it shows you care about your business and keeping up with the market. Patients will be more likely to refer their friends/family if they know your business is competitive and not falling behind.

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Better Tools to improve efficiency

Text Messaging

One major tool to step up your game is text communication. Although you might have a few patients who prefer getting a phone call, the majority will prefer a text message. Communicating with patients through text messages is quick, and simple and they can respond when it's convenient for them. Because Weave integrates all of the tools you need on one platform, you can also send appointment reminders and payment invoices through texts as well.

Phone Systems

According to our respondents, 49% of providers say their phone is the #1 most important technology that ensures their office runs smoothly, 17% said scheduling was their #1 most important tool and 12% said texting was their #1 most important tool. All of these tools are essential to running your practice and investing in your phone system will save your front desk workers time.

Offering multiple communication methods will help accommodate all types of patients. You wouldn't want an older patient to avoid your practice because you only offer text communication or they don't have access to a cell phone. According to Weave's survey, 81% of providers still prefer communicating with older clients over the phone versus text and email.

This is the same philosophy for young patients who specifically want an optometry practice that offers text communication. Providers would also rather use text communication with 80% of providers preferring it over phone calls and email messages. To give yourself the best chance of attracting patients, offer multiple kinds of communication.

05

Stay Ahead: How Providers Are Adapting in 2023

Adapting in 2023 means looking toward the future with the patient experience at the forefront. Nobody knows your patients and team better than you so take some time and think about what your people really want. If it's a better way to communicate, there are tools available for that. If your patients need a better way to make payments or schedule appointments there are also tools available for those purposes.

We know that choosing which software you want to adopt in your practice can be a tough choice and there isn't a one size fits all solution. A good rule of thumb is to invest in software that saves you time, helps your team members do their job more efficiently, and creates a better patient experience. If you're curious about how Weave can help you grow your practice, book a free demo today.