Johnson & Johnson Vision Care | SUPPORTING YOUR SUCCESS

The Vision Project
Executive Summary

Over half of the European population requires vision correction, representing an estimated 190 million customers[1] and a market value of €34 billion (£28 billion).[2] Yet penetration of contact lenses in Europe is lower than in the US and Japan, and varies widely between individual

The Vision Project is a Europe-wide study aimed at understanding customer needs and delivering the many valuable benefits of contact lens wear to more of the vision-corrected population.

The project brings together more than 20 independent market research surveys and studies conducted between 2008 and 2013 by or on behalf of Johnson & Johnson Vision Care, part of Johnson & Johnson Medical Ltd, and manufacturer of ACUVUE® Brand Contact Lenses.

SUMMARY OF MAJOR FINDINGS

GOALS & PRIORITIES

- Where are we now?
- What are the key challenges for the contact lens market?
- What are customers' needs and opportunities?
- Where do we want to get to and how?
- How can Johnson & Johnson Vision Care help?

WHERE ARE WE NOW?

The outlook is positive as more customers will need and want to invest in their vision correction.
Among the factors driving growth are:

- **An ageing population**[4] will increase the potential lifetime value of vision correction customers as they stay in the category for longer
- **Increased use of screen-based technology**[5] is associated with decreasing onset age and increasing severity of vision correction
- **Concern about appearance**[6] means customers are increasingly prepared to spend money to gain emotional benefit from looking good
- **Growing interest in health**[7] and associated benefits of looking ourselves leads to more health-driven customers
- **Financial priorities**[8] show that vision correction is a 'no compromise' category despite financial pressures

Contact lenses and care products are growing at more than twice the rate of ophthalmic lenses in value share.[9] Nearly a third (31%) of the 190 million vision-corrected in Europe are potential new wearers who are considering contact lenses, more than double the proportion of current users (15%).[10]

Shopper segmentation research has identified four distinct customer types. Across five countries, 46% of contact lens wearers are categorised as **health driven**, 23% as **value driven**, 19% as **time driven** and 13% as **price driven**.[11] In contrast, one in five glasses wearers (20%) are price driven.

Health-driven customers are particularly valuable due to high loyalty, value and engagement. By understanding the needs of their target shopper segment, Eye Care Professionals (ECPs) can tailor practice strategies to better meet these needs.

Dual wearers (using contact lenses and glasses) and triple wearers (using contact lenses, glasses and sunglasses) have greater lifetime value than glasses-only wearers.12 Making contact lenses part of a complementary package for customers is key to category growth.

WHAT ARE THE KEY CHALLENGES FOR THE CONTACT LENS MARKET?

The Vision Project focuses on three key challenges:

- **Attraction** – how we can attract customers into complementary vision correction products
- **Conversion** – how we can best convert trial into ongoing purchase
- **Retention** – how we can drive retention and referral to ECPs' businesses

One in five are considering contact lenses but about one in 10 (11%) wearers have dropped out.[10]

Three drivers for growing the total vision correction category are:

- **Complete vision care** driving footfall into complementary products
- **The right product** converting trial into ongoing purchase
- **Lifetime engagement** driving retention and referral to ECPs' businesses

WHAT ARE CUSTOMERS' NEEDS AND OPPORTUNITIES?

Customers often start wearing contact lens for **emotional and life changing reasons**, such as making them feel attractive, giving them more confidence or greater freedom to enjoy life.

A UK study[13] of vision correction needs found:

- 70% agree contact lenses 'make me feel more confident' vs 4% with glasses
- 60% agree 'I'm very happy how I look' in contact lenses vs 5% with glasses
- 60% agree contact lenses 'fit with my lifestyle' vs 7% with glasses

Nearly eight in 10 (78%) glasses wearers in other European countries are dissatisfied with wearing glasses.[14] Glasses wearers are much more likely than contact lens wearers to go without their correction for everyday situations, such as when taking part in sports (52% vs 10%), at home (40% vs 22%), socialising (37% vs 4%) or 'out and about' (26% vs 3%).[14]

A key opportunity to unlock category growth is to drive customer awareness of the benefits of a **complementary package** of vision correction. A UK study[15] found only 13% of the vision corrected population wear both glasses and contact lenses, and just 6% have glasses, contact lenses and prescription sunglasses.

Other insights include:

- **Part-time wear is prevalent** among contact lens wearers; 40% wear their lenses for fewer than five days a week and 74% wear them less than all day[14,15]
- **Sport is the no.1** driver for contact lens penetration among teens and young adults; 79% of 13 to 17-year - olds are interested in contact lenses for sport[14]
- **Average age for first wear is 21 years** for contact lenses and 14 years for glasses. Among 16-24 year olds 36% need vision correction but only 13% wear contact lenses[14]

Those considering contact lenses **lack information** on which to base their decision. Two-thirds (67%) of contact lens considers do not feel well informed about contact lenses and 76% want their practitioner to give them more contact lens information.[16] When prompted, 88% are interested in trying contact lenses and 33% of those will go on to buy lenses.[17]

If they do go ahead, one in three contact lens wearers will drop out in the first three months.[18] The main reasons are uncomfortable to wear/irritated eyes (48%), uncomfortable in the evening/later in the day (30%), and too much time/effort to apply and remove (23%) or to care for lenses (23%).[19]

The primary reasons for **dropout** among trialists can be managed by a positive initial wearing experience: by trialling the most comfortable lenses and caring for them properly, by fitting lenses that are easy to handle and the right modality, and by providing ongoing training and aftercare.

WHERE DO WE WANT TO GET TO AND HOW?

Customers rely on ECPs as **trusted experts** to recommend right product for them; 85% agree that ECPs are the experts with appropriate knowledge about contact lenses[19] but 79% of contact lens considerers do not know what brands are available to them.[14]

Since customers have different needs, a **balanced portfolio** of products is required. Currently, there is a mismatch between what customers are looking for and what they get; only 13% of European contact lens wearers are price driven[11] yet 31% of lenses fitted are in the lowest price range.[20]

Contact lens considerers expect to pay 42% more for contact lenses than wearers actually do.[21] Many contact lens wearers are also more **willing to pay more** for their lenses if they understand the health benefits. Most (66%-79%) would be prepared to pay more for lenses with specific benefits:[21]

- 23% more for lenses with better UV protection
- 27% more for lenses with clear vision
- 28% more for lenses with better comfort
- 33% more for lenses that 'keep the eyes healthy'

Delight customers by understanding all their needs and recommending the right product for them:

- **Vision care need** – Short Sighted / Long Sighted / Presbyopia / Astigmatism
- **Lifestyle need** – Glasses + Contact Lenses + Sunglasses
- **Wearing experience** – Convenience / Comfort / Performance / Health
- **Customer choices** – Lens type / Modality / Brand / Payment Pan / Delivery / Budget

HOW CAN JOHNSON & JOHNSON VISION CARE HELP?

The ECP drives **brand choice** and in more than half (52%) of cases only one lens is tried.[22] Only 8% of customers ask their ECP for a specific brand. Yet a UK study found one in three (33%) choose a practice because it 'stocks the best brands of lenses'.[21]

ACUVUE® Brand Contact Lenses have the highest prompted awareness of all contact lens brands and are rated best by ECPs for performance, comfort and health.[17] More practitioners wear ACUVUE® Brand Contact Lenses (39%) than any other brand.[23] And nine out of 10 wearers are satisfied with ACUVUE® Brand Contact Lenses.[24]

Staff and service is the most significant differentiator between stores which then drives recommendation.[21] A trained, knowledgeable ECP and team is key. At Johnson & Johnson Vision Care we believe in supporting your success not just through innovative products but by delivering professional education, practice support tools and better customer care.

The Vision Project reveals customer and category insights that will inform our vision correction growth plan and strategies over next few years, and help us fulfil our mission 'To bring healthy vision to everyone, everywhere, every day'.

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About Johnson & Johnson Vision Care

Johnson & Johnson Vision Care is committed to creating life-long solutions to vision care needs. Since the ACUVUE® Brand made its debut in 1987 as the world's first weekly disposable soft contact lens, the company has repeatedly brought innovative, quality, and scientific advancements to the industry. Headquartered in Jacksonville, Florida, the company has some 3,000 employees worldwide.