

# The LASIK Market: Yesterday's Technology or Poised for Recovery?

An argument can be made for both theories.

BY DAVID R. HARMON

Is the US market for LASIK saturated and destined to fade into the sunset, or is it poised for a robust recovery? Opinions vary widely, and intelligent arguments can be made for both sides. If the slow economic recovery remains on track at the current rate, it may be 2 to 3 years before we find out if the glass is half full or half empty.

## THE GLASS IS HALF FULL

Economic conditions are responsible for the decline in LASIK volume, and once the economy recovers, procedural volumes will follow. The demand for LASIK has moved in step with consumer confidence during the past decade. Demand declined during the brief and minor recession of 2001 to 2003 and recovered during the relatively stronger economic conditions of 2004 to 2007. Consumer confidence is currently at one of the lowest levels since measurements began in the late 1980s. During the past few months, it has improved slightly, and Market Scope's (St. Louis, MO) survey respondents have reported small increases in the number of procedures performed. Although consumer confidence is still in the low 80s, when it recovers to baseline (100), we in the industry will see the demand for LASIK reach the roughly 1.4 million procedures per year performed in 2000 and again in 2007.

Recent results from the US National Health and Nutrition Study indicate that the rate and degree of myopia is increasing.<sup>1</sup> The correction of myopia accounts for almost 85% of US refractive surgery. More than 65 million Americans (130 million eyes) are LASIK candidates, and approximately 1.4 million myopes (2.8 million eyes) reach 21 years of age

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each year in this country. At the current rate of 800,000 procedures per year, the available pool of surgical candidates is growing by 2 million eyes per year.

LASIK results are exceptionally good, and the procedure significantly improves the quality of life for most patients. An estimated 8 million Americans have had a successful LASIK procedure, and most are anxious to discuss their results with friends and family. This positive word of mouth will offset the negative impact of distorted media reporting and malicious Web sites. In addition, the FDA is making progress with its LASIK Quality of Life Project. When complete, this study is expected to find that the vast majority of patients have significantly improved quality of life—a finding that should instill confidence in prospective LASIK patients.

## THE GLASS IS HALF EMPTY

There are at least three good reasons why the LASIK market is flagging. These include market saturation, overexposure of LASIK's complications by the media and government agencies, and changes in demographics and culture. The combination of these factors has sullied the image of LASIK, and as a result, the market will never

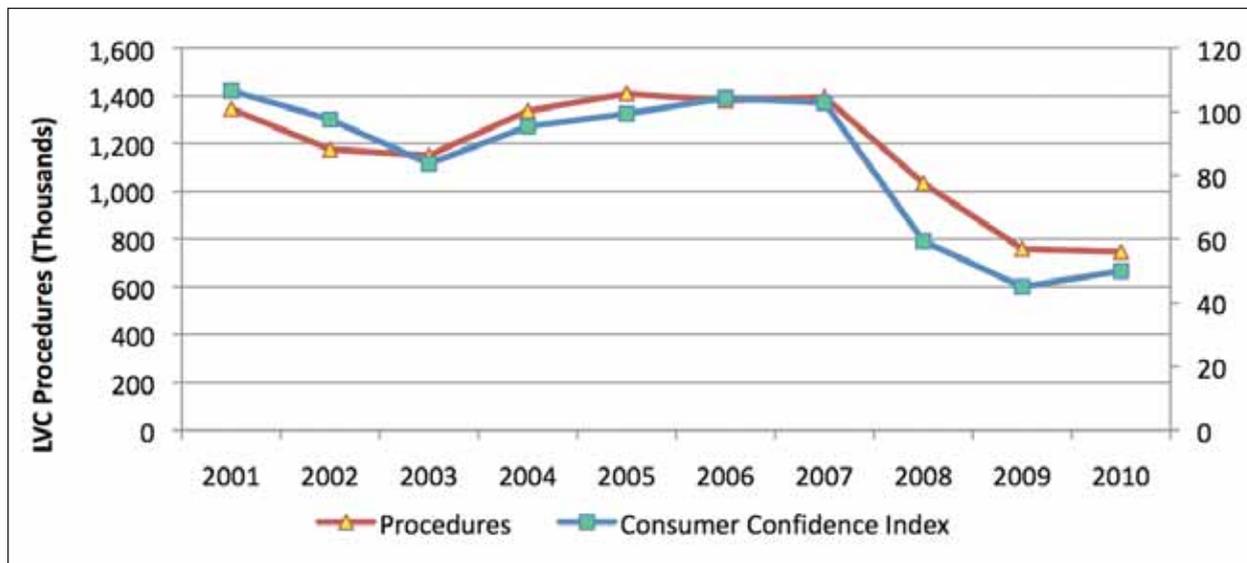


Figure 1. US laser vision correction procedures and consumer confidence.

return to the same level of procedures as in 2007.

More than 8 million Americans have already undergone LASIK, and they represent a large share of those who can afford or are interested in refractive surgery. Declines in procedural volume reflect the market's saturation. As more patients are treated, the available market will be further depleted, leading to stagnation or even greater declines in demand for LASIK. Although the demand for laser vision correction is related to the overall economy, it is only one of a complex number of interrelated factors affecting demand. Recent increases in procedural volume reported by respondents to Market Scope surveys are largely due to a decrease in competition as refractive surgeons shift their emphasis to premium IOLs and other services.

The discussion of LASIK's complications by the media and the FDA has soured the market by creating the perception that complications are widespread and devastating. Internet sites publishing the complaints of unhappy LASIK patients are readily accessible via modern search engines. This minority of patients has shone a spotlight on the procedure's possible complications. As a result, the LASIK fear factor is more important than it was 10 years ago. These events require the industry to deliver a convincing and unified response that places these nagging accusations in the proper perspective, and the failure of the industry to do so has cast a permanent shadow on the market.

The US economic recession that began in 2008 has been devastating to most consumers but especially those in their 20s and 30s. This generation suffered disproportionately from the economic decline, which has

forever changed these individuals' perception of risk and their willingness to spend scarce resources or borrow for discretionary items. Although we may see some minor growth in demand for laser refractive surgery as the economy improves, it will never reach the levels of 2000.

## CONCLUSION

Despite the strength of the arguments presented, a mathematical analysis indicates that the glass is half full. The number one issue driving the demand for laser vision correction is consumer confidence. During the past 10 years, fluctuations in consumer confidence explain nearly 80% of the change in demand for laser vision correction (Figure 1). In the past, consumer confidence was an accurate predictor of the demand for laser vision correction. This does not necessarily mean that it will continue to be so in the future. Nonetheless, in the absence of any serious market disruptions, the demand for LASIK should recover to roughly 1.4 million procedures per year when consumer confidence returns to the base level of 100. ■

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1. Vitale S, Sperduto RD, Ferris FL. Increased prevalence of myopia in the United States between 1971-1972 and 1999-2004. *Arch Ophthalmol*. 2009;127(12):1632-1639.