

DEVICE MANUFACTURERS GET CREATIVE: REAP THE BENEFITS OF QUICKER PAYOFF AND BETTER ROI

Device manufacturers are changing how they sell to and support customers. Aesthetic practices can now base purchasing decisions on more than just technology innovation.



BY BOB FABBIO

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With access to more information than ever before, today's savvy consumers are well-educated on the most effective and innovative aesthetic treatments available. From social media posts to celebrity endorsements to popular community-driven review sites like RealSelf, the benefits of what's new and trending are shared widely and quickly.

Aesthetic practices that want to meet demand, differentiate themselves from the competition, and thrive must strike a delicate balance between investing in the latest technology and keeping a vigilant eye toward positive return on investment (ROI). That's why, when making capital purchases, it's essential to choose wisely.

Often, when practices consider purchasing sophisticated and costly equipment for the latest treatments, concerns about how to market the new services, generate consistent revenue, and recover costs often result in delaying or completely forgoing the investment. However, the unintended consequence of not acquiring the devices can be a missed opportunity for growth.

With device payoff time averaging 12 to 18 months, it's easy to understand why a new equipment purchase might easily move down the priority list. To address this market challenge, device manufacturers are adding value-add marketing support to their sales processes to help their aesthetic practice customers recover investment costs in far less time.

WHY MARKETING SUPPORT MATTERS

Most practices have neither the marketing expertise nor time to market a new device, which can make generating a quick return on investment daunting, especially for smaller or new practices. Purchasing without the resources to market effectively reduces the total investment value of the device and the practice's appetite to buy. Conversely, effective marketing support delivers a clear path to a device's ROI and more quickly contributes to a practice's overall revenue and profitability.

But executing effective marketing comes at a price. It requires time and sophisticated marketing expertise to get it right, both of which are often out of reach for many aesthetic practices.

For Suneel Chilukuri, MD, Director of Cosmetic Surgery at Refresh Dermatology in Houston, hastening the return on his capital equipment purchase meant outsourcing the marketing through a manufacturer-sponsored program.

"I want my staff taking care of patients, not marketing to them," he says.

Marketing support extended to practices by manufacturers to speed up payoff can often be the difference between an investment with a positive ROI and a device that gathers dust or can take years to pay off.

John Bagnato, MD of Palmyra Surgical, has also leveraged value-add marketing services for his Georgia-based practice,

which offers weight loss surgery and non-invasive procedures. In one month, the practice generated \$19,170 through marketing support offered by a device manufacturer.

Clearly, there are also benefits to manufacturers.

By going beyond offering innovative technology, device manufacturers providing these value-add programs are significantly improving the way they drive new revenue for customers, strengthening practice relationships and, as a result, achieving a major advantage in a highly competitive market.

HOW THE VALUE-ADD MARKETING PROGRAMS WORK

The marketing support varies widely. It ranges from including providers on manufacturers' high-traffic web sites; manufacturer-funded marketing events; in-house agencies created by manufacturers to specifically help practices with their marketing; or bundling robust outside marketing services with the device purchase. The marketing support is sometimes included in the price of the equipment or charged separately.

To extract the most value from the marketing programs, it's important that any marketing support helps promote the practice, not just the manufacturer's brand. That's how manufacturers deliver the most long-term value.

Since late 2015, BTL Aesthetics has helped practices

adding its Vanquish ME, Exilis Ultra 360, Ultra Femme 360, or Cellutone technologies to market the devices through an outside marketing service. BTL customers get six months of marketing free. After the trial, they can opt into the service at the monthly subscription rate.

The bundled marketing service has helped BTL practices generate an average of just over \$16,000 in incremental revenue per month, with an average of 19 more patient consultation requests per month. Data collected over a year-long period show practices that have taken advantage of the program pay off their devices in less than six months. The average payoff time for BTL practices not using the service is nine months, according to BTL data.

THE BENEFIT OF CHOICE

As device manufacturers get creative about how they sell to and support customers, aesthetic practices now have the opportunity to base purchasing decisions on more than just technology innovation. They can consider how manufacturers will support them in marketing their new services, generate consistent revenue and recover the cost of their investment.

This added choice will leave practices equipped with not only technology, but also added confidence that they made a wise investment. ■