Pricing and promoting services are essential aspects of a successful cosmetic practice, as is understanding the value of your own expertise.

**Pricing Basics and Discounts**

Despite the common sentiment that it’s an “easy buck,” providing cosmetic services can be more time-consuming and stressful than the non-aesthetic alternative, starting with pricing. The first steps to consider are what percentage of your practice will be medical versus cosmetic, the range of services you plan to offer patients, and from where you will get your patients. Recruiting cosmetic patients from your medical practice may be more cost-effective than getting cosmetic customers de novo. It also may be a good idea to start with fewer aesthetic services that the practice can provide efficiently and then add others. Once you’ve defined your practice parameters, then it’s time to do the numbers.

The price of a cosmetic procedure should be based on a combination of:

1) the cost of disposables and equipment used;
2) the time required for the physician or ancillary staff to perform the procedure;
3) the skill and experience of the physician or ancillary staff;
4) the practice’s general overhead; and
5) the practice’s geographic location.

Even the experienced core cosmetic physician with multiple physician extenders can feel frustrated when low-overhead medi-spas owned by non-core or even non-physicians offer bargain basement prices that attract patients. A high-end cosmetic practice will have overhead that makes competing on price impossible. The choice is to beat them or join them.

I like to remember that aesthetic procedures and products are luxury items. As an experienced core cosmetic specialist, I am Neiman Marcus, not Walmart. The top designers create demand by raising their prices: Look at the waiting lists for the ‘it’ Hermes purse of the moment. And Hermes does not reduce prices to compete with Louis Vuitton. Obviously, everyone looks for a bargain now and again, but for something important—like a bride buying her wedding dress, or getting botulinum toxin so she won’t frown or sweat—people will save and pay for quality. We must educate patients that they are not just paying for a product like botulinum toxin or hyaluronic acid gel; but rather the expertise and knowledge of the physician administering or overseeing the procedure. In other words, if possible, we need to make ourselves name brands.

While it is important not to undersell your services, special pricing may be a worthwhile way to offer incentives for established patients to have treatment during a quieter time of year or to draw in new patients, particularly after investing in new technology or bringing in a new associate. But it must be offered in a format that fits your style and ethos. I have always tried to provide value added to patients having more product or procedures at once. I do this by offering additional syringes of a given filler at a lower price, or treating multiple anatomic areas with a particular laser at a bundled price. My staff also routinely hands patients industry rebate information.

However, I have always been uncomfortable with the concept of a “sale” on a procedure in a doctor’s office and didn’t want representatives talking with my patients. That changed last year when I offered a discount on some new procedures to patients attending an educational seminar and others having the procedure around the same time. Holding an educational event was a good fit for me—it felt like an extension of my academic and public education activities. After 15 years in practice, I was surprised by the number of people who responded to a 10 percent discount. In addition to booking new cosmetic consults, we got calls from established patients who had received the seminar invitation to book procedures for which they already had consults but had been on the fence about pursuing. In addition, patients still tell us how much they appreciated that event and others that I’ve held since.

Another consideration in the realm of discounts and pricing is the type of payment options to offer. Because ‘sales’ can attract doctor-shoppers, it is important to protect your time and money from no-shows and last minute cancellations, at least for your bigger ticket services. I get far more of each at my university practice than at my private practice. At the latter, packages and special pricing are associated with a non-refundable deposit to book, and require final prepayment a week before the appointment. For smaller, more routine appointments, patients are told they will be charged $100 if they no-show or cancel without a good reason less than 24 hours in advance. It is less about collecting the charge than it is about promoting patient responsibility. Making specials and discounts a ‘limited time’ offer can also help you and your staff identify and spend quality time with the patients who truly want procedures but are cost-conscious versus the chronic repeat consult-makers who enjoy considering their options but never plan to take action.

**SELECTING AND MARKETING PROCEDURES**

When deciding on which procedures to offer in your practice, choose procedures at which you not only excel but that you also enjoy. I have always believed in building a niche. Don’t feel you have to be an expert on everything; instead be the best at fewer things. The other side of that coin is that you won’t be able to provide the optimal service for everyone. In my experience, patients appreciate when their physician is honest and refers out for procedures he or she doesn’t perform but feels would be the best fit. And remember to confirm you are within your state’s laws and your specialty academy’s guidelines before adding procedures that will be done by physician extenders. Also, it is important for your staff to be well trained and confident; no patient should feel he or she is a test subject; even routine procedural side effects will be larger to the patient who feels the person doing the procedure was ill-prepared.

As long as the services to be provided are appropriate for your established patients, in-house marketing is crucial.

**DO THIS NOW**

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As the saying goes, “80 percent of your business comes from 20 percent of your clientele,” or in this case, patients and their families. If you or other physicians in your practice treat medical patients, put information about your cosmetic procedures in those waiting rooms also—you never know whose husband, daughter, mother, or neighbor was just complaining about excess facial or back hair, love handles or brown spots. Established patients already trust and respect you and your staff—a feeling that removes the first hurdle in any cosmetic consultation. You also don’t want long-time patients of your office to get their botulinum toxin or fillers elsewhere just because they didn’t realize you offered it. And never forget that happy patients refer new patients.

The launch of new botulinum toxins, fillers, and devices on the market can also be harnessed to stimulate your practice. Direct-to-consumer advertising alerts patients to the ability to improve a particular condition, medical or cosmetic. It costs nothing to be listed on the find-a-doctor link on industry websites related to services your office offers. If your office does not have that particular product or device but offers other options to treat the same condition, make sure the staff answering the phone tells potential patients and suggests a consultation rather than dismissing them. As long as you are able to clearly explain why, as an expert in the field, you choose one over the other procedure, device, or product for your office, the patient will feel the time and money is well-spent.

This leads me to perhaps the most important aspects of price setting and promotion: Communication and expectation management. Promote your practice and services enthusiastically but realistically. Not all procedures are ideal for all patients. To keep clinical expectations realistic, I avoid terms like “non-surgical facelift” in my practice and my promotional materials, because my patients may find it misleading. Beyond informed consent, we need to make sure patients understand the therapeutic plan for treatment, including the anticipated cost. It is more complicated when recommending a combination of cosmetic therapies that require regular maintenance than a single surgical procedure.

Gradual improvement and maintenance is attractive to most of my patients, who tend to be cosmetically, medically, and/or financially conservative. I routinely suggest a surgical consult to those who want a single treatment solution or for whom I feel the additive cost of noninvasive procedures required for the desired effect would near
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or exceed that of a surgical alternative. Some patients will never have realistic expectations. However, it is the clinician’s job to honestly and accurately portray the medical, cosmetic, and financial elements of cosmetic procedures so that reasonable patients have reasonable expectations as to the effects and limitations of treatment.

DON’T UNDERPRICE

To quote a friend and colleague, the pre-eminent French plastic surgeon, Patrick Trevedic, when a patient asked him why a procedure cost so much even though it took him only 20 minutes, he responded “20 minutes and 20 years of experience.” Cosmetic medicine and surgery require a thorough knowledge of anatomy, aesthetics of beauty, procedural technique, and management of complications. In addition, a solid basis in psychology is important. Even “normal” aesthetic patients require and expect more attention and tend to be more critical of results.

An effective way of giving patients value added from your knowledge and expertise is to make them part of the process—it would be quicker to run in and out doing “standard” five-point toxin injection and filling nasolabial folds when patients complain about the “11”s and “parentheses,” but the results would not be as good. So my staff and I take the time to explain to the patient in front of a mirror why I instead inject in other areas or use other techniques to provide a more natural result. That way, even though my prices are higher and the wait for an appointment longer, the patients understand they have gotten top quality treatment unavailable at the cosmetic doc-in-the-box (or nurse-in-the-box in our state).

Most importantly, don’t underprice. I’ll spend on Tom Ford sunglasses and my patients will spend on me. Undervaluing is a common problem and one I’ve struggled with. As physicians, we feel an ethical obligation to treat patients: we are not trained to set prices. We made it through a decade or more of school and training before making a living consistent with our level of education. We are providing a service, have high liability for that service, and have overhead costs—there is no reason why we should not get paid for our experience and our work.

GOOD BOOKKEEPING

Whether you are establishing discount plans or basic pricing for procedures, it is important to keep a solid track of your numbers and bookkeeping. This entails determining the exact costs of the procedure to your practice. Find out how much you spend on the product, syringes, etc. and how that stacks up against how much you charge. This, in addition to keeping an eye on market trends and the latest in research for a given procedure, can be a helpful way of deciding on a discount structure as well as generally how you price procedures.