How did the aesthetic industry fare in 2012? Where is it headed in 2013?

Surviving, but not thriving

There are many factors to consider when looking at the current activity and potential growth of plastic surgery and the commercial activities that support this specialty. When you look at the industry, you see that in 2006 there were 1,923,000 surgical cosmetic procedures and 9,534,000 nonsurgical cosmetic procedures. When you compare this to 2011, the figures are 1,639,000 surgical cosmetic procedures and 7,556,000 nonsurgical cosmetic procedures (data from American Society for Aesthetic Plastic Surgery).
Key Leaders continued

In an economy that is clearly depressed — and has been for several years — these figures are consistent with the economic downturn that has occurred. However, it is staying at a consistent figure, and although most plastic surgery providers as well as skincare centers are down about 15 to 25 percent, most are surviving from a business standpoint.

Patient P.O.V. From the patient’s point of view, it appears that there are many more options for them today, and they have to research online and select carefully before pursuing a particular treatment option. There are promises being made by providers for the benefits of what one or another treatment will provide, and some of these treatment outcomes don’t live up to the promises made or expectations from the patients.

In addition, more patients are getting procedures done in the older age group. I am seeing women in their 70s and early 80s still coming in for fillers and skincare, mainly because they have taken good care of themselves and feel no different than they did 20 years ago. Older patients are trying new things such as laser or nonsurgical body contouring procedures. They have learned to be smarter shoppers, and they are sometimes getting two or more opinions for the best possible outcome. They are also shopping for better prices. This group has less to spend because of the economy, but they are susceptible to marketing and will try new things. They are using more financing and at the same time demanding better results for the money spent.

The bottom line from the patient perspective is that we are going to have a constant stream of patients coming to plastic surgery, and the numbers will be less or more, depending on the general economy and on disposable income. However, the good and reliable providers who market well and who are able to offer selective choices to their patients should continue to thrive, but not as much as in the days when the economy was so much better.

Industry Standpoint From the industry point of view, instrument and product representatives note that since about 1998 there has been an increased awareness on the part of patients because of the choices available to them. According to multiple instrument and machine reps to whom I have spoken, they are hearing across the board that cosmetic practice with surgery is down, but that nonsurgical procedures are up. Because of this, the market from this group is focusing very strongly on these nonsurgical ancillary procedures.

There is some move toward leasing machines versus owning, and there is also the possibility of renting from some of the reps simply according to time use without obligating to a contract until its continued use is assured. Sales are flat for laser and associated technology machines, financing is definitely being needed for these, and some practitioners are sharing lasers. There are more refinements in some of the newer lasers, but these are less in demand because of practitioners not being able to afford them.

The future of technology from the point of view of instrument and product providers is that CO2 laser prices are down and the machines are more versatile. Stem cell technology is seen to be the “wave of the future,” along with the associated use of PRP (platelet-rich plasma) and growth factors. Interestingly, this is a type of growth in plastic surgery that is reimbursable from the point of view of insurance companies as well as government grants.

Commercial equipment sales in this area have gone up, and more companies are trying to get into this market. A recent ruling in a court case notes that the FDA (Food and Drug Administration) has classified stem cells as drugs, which means it will cost more for clearance studies. However, this rule does not apply to individual practitioners who are able to harvest stem cells and use them at the same time without storing them.

Plastic Surgeon Perspective From the plastic surgery point of view, some practitioners to whom I have spoken note that while cosmetic surgery procedures have dropped off in number, there has been a return of plastic surgeons to reconstructive-type surgery because of the need to maintain their case workload. This is being promoted by hospitals that would like their outpatient operating facilities and hospital beds to be occupied. Because of this, there is an increased push to hire plastic surgeons through the hospital to maintain this type of reconstructive workload.

In speaking to plastic surgeons and residents at a recent regional meeting, it was noted that the new things on the horizon — such as the resurgence of fat grafting and the use of cellular derms — are generating more cases. This is both from the reconstructive and cosmetic point of view. The residents interviewed think that these are “hot” areas for young plastic surgeons.

Sales growth in machines dealing with fat grafts and stem cells has encouraged the specialty overall and given it a push in the direction of performing more of these procedures. Implant companies note that their sales have gone down for cosmetic surgery but are staying flat or slightly improving for reconstructive instruments.

A Local Look There is considerable variation now in plastic surgery practices and product and instrument sales, depending on what is happening with local economies. Military spending shifts in different areas from time to time or the real estate market in one city may be good and another terrible, and all of these things affect the local activity of plastic surgeons.

What is generally being seen is that if the economy is good in a local area, then there are more cosmetic surgery procedures being done, but that growth is mostly in the nonsurgical area. The reliable practitioners who market well are maintaining a steady source of patients for surgical procedures.

Quite a few skincare centers have gone out of business because of a lack of revenue source, and some practitioners seem to be working less, but they are still maintaining their office spaces in the hopes of an upturn in the economy.

Advice for young surgeons is to get more than one specialty area, continue doing some reconstructive surgery, add ancillary skincare procedures and product sales to your practice early and market these, and stay vigilant with what is happening in your surrounding area so that you can keep up with your peers in a competitive manner.
The State of Cosmetic surgery

A minimalist mindset

The year 2012 was a year of challenges for the cosmetic industry. Some sectors saw growth while others have struggled to survive. Mergers and acquisitions continued as the industry experienced ongoing consolidation in many areas. There were also areas of growth, and some areas showed renewed innovation and investment in research.

Globally, there were wide variations in economic strength and weakness. Some areas such as Brazil and parts of Asia showed strong growth in certain cosmetic products and procedures, while other countries struggled with serious economic problems weighing down the cosmetic market.

In America, large procedures (particularly those with recovery time and general anesthesia) remained weak, while noninvasive or minimally invasive procedures were stable or grew in popularity. Injectable products generally showed an improvement, and cosmeceuticals — especially those in the anti-aging category — also continued to show significant growth.

I believe there is substantial room for growth for injectables of all types without cannibalizing market share from existing products and companies. Antioxidants will continue to become more important, as will anti-aging cosmeceuticals in general. Some of these cosmeceutical products increasingly have drug-like effects, which potentially pose significant challenges regarding marketing and regulatory issues. Despite this potential for difficulty, such substances may also offer great gains in efficacy for consumers.

Looking ahead, as the economic pundits like to say, 2013 has the potential for some strong “headwinds” to slow recovery and growth, but I do believe there is a brighter future for minimally invasive cosmetic procedures. Some FDA approvals in late 2012 and new introductions for 2013 should liven up the menu of nonsurgical procedures, all with improved safety and efficacy as well as reduced pain and downtime.

RESEARCH & DEVELOPMENT OUTLOOK

Probably one of the most encouraging things from my perspective is the improved clinical results, and especially improved consistency of results, from the next generation of therapies. I remain very concerned about the lack of investment in research and development; many recent new introductions are coming from investment in research that is several years old or which even predates the economic crisis. The “innovation pipeline” is still far from robust, but it does appear to be improving.

HOME-USE UPDATE

Home-use devices have thus far not been particularly commercially successful. There are now a few devices that possess good science and that have FDA approvals for the actual claims being made (something most of these devices do not have).

The market has suffered from a flood of ineffective or bogus home-use devices, but despite these early difficulties, I feel that this remains an area for huge future growth. The science/marketing/distribution issues have simply not yet been mastered by any company, but when that occurs home-use device growth will soar as these devices gain more widespread acceptance in the market and become more integrated into daily life.

ECONOMIC UNCERTAINTY

One of the great questions for 2013 and beyond in America involves wondering what the net impact of the new economic realities and the significant increase in ‘non-core’ physicians and non-physicians into cosmetic medicine and surgery will be. Major shifts will continue to occur in research and development, business models and marketing, and the impact of social media on the daily practice of medicine will only accelerate further. All of these factors will lead to a profoundly different environment for cosmetic practices in the very near future.

The world of 2013 and beyond is not the same as we have experienced in recent decades, and it will never return to those times. Many of the fundamental business and marketing tenets we based our careers on is a baseline for the past — but not a road map to the future. Profound change is upon us, and we must embrace the good parts and adapt to the negative parts if we are to thrive while continuing to offer our patients the best possible care with the ethical standards we wish to uphold.

The core of how we do things is changing, and the rate of change is accelerating at an increasingly rapid pace (albeit an uncomfortable and unfamiliar one) for many. One thing is for certain: An exciting and challenging 2013 lies ahead!

Riding the economic roller coaster

2012 was a flat year for cosmetic surgery. The economy has affected us all with a certain roller coaster ride of highs and lows, maybe more lows this time around. This is normal, to some extent but more so in this uncertain economic world. As for next year, we may see an improvement if the economy becomes healthier.

DEVICE DILEMMAS

Money is tight not only for the patient but for the surgeon as well. Sadly for us, most new innovations in cosmetic surgery in recent years has been driven by technology that is expensive to buy and maintain and is oversold by the companies that sell it. If a cosmetic surgeon were to buy a new laser or nonsurgical device, for example, they would need to fork out between $100,000 and $250,000 just to purchase the machine. Add to that the cost of disposables and an annual maintenance contract, and the price starts to look insurmountable.

The real kicker is that the physician may purchase said device, but no one in their community will know they have it unless the surgeon advertises. More money spent, and they haven’t even done their first case! These surgeons might even need to hire another employee. Thus the cost rises even higher.

Now the big question: Does the device do what it says it does? The true answer is, “Maybe.” Remember, these devices are all oversold as to their treatment success. You can probably make a case for 25 percent of the patients not having any acceptable improvement at all, and the remaining 75 percent will have minimal changes at best. These numbers are even more accurate the less invasive the device. This may be fine in the short run, but it will fade away with time or until the next best thing comes along.

With this scenario, it would be better to focus on what we know works, doing fewer cases but minimizing personal debt and saving ourselves from an unused broken-down machine that is collecting dust in our garage along with all our other technology that “sort of works.”

What we really need is a new surgical procedure disconnected to technology. The last great one was liposuction, and specifically tumescent liposuction. I still have and use many of my original $100 cannulas. Stem cell treatment may be the next tumescent liposuction, but it’s not there yet. We can only hope.
A little luck, & lots of love

Dr. Joe Niamtu III, D.M.D., F.A.A.C.S.
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I am oftentimes asked how I think the profession and business of cosmetic surgery is faring in my area, our country and during this sour economy. It is not a simple question to answer, as there are so many variables.

Personally, my practice has prospered, and I have increased my bottom line every year since I limited my practice to cosmetic facial surgery a decade ago. I don’t say this to sound arrogant because it is my life’s work and in every stitch of the fabric of my being. I work all day, and I work when I go home by updating Web pages and blogs, doing before and after pictures, and keeping things tight. I probably work harder than I should, but I love what I do. It is a labor of love.

Right place, right time

I also may be an example of right time and right place, as my professional situation has matured after years of trying to be the best and working harder than others. It may just be my time in the sun. Some of my friends think I am lucky, but I remember my dad saying that when someone looks at a successful person and calls them lucky, that person could say, “Yes, I am lucky; the harder I work, the luckier I get.”

Most of my friends who have successful practices have a common denominator, and that is love for what they do. They all also work harder than their competition. Having said that, I have several friends who are in large metropolitan areas that are not doing so well. They are hard workers and good surgeons. The intense competition in these large cities may have something to do with it.

I often ask myself, “Why do some docs prosper while others of equal skill flounder?” One thing that has truly changed the landscape is the Internet and social media. I have seen seasoned practitioners who have been really successful become overshadowed by younger media-savvy newbies who understand the importance of the Internet, YouTube, Facebook, Twitter, etc. There has definitely been a paradigm shift, and those who don’t stay on top of it all may lose market share, regardless of their skill level.

Economic struggles

The economy has remained largely untapped, and aesthetic procedures. Until now, the male patients who are taking an interest in cosmetic surgery is concerned, I’m particularly excited about the ongoing expansion I’m seeing in the number of male patients who are taking an interest in aesthetic procedures.
The cosmetic world saw a dramatic shift from the traditional surgical approach to facial rejuvenation with minimally invasive procedures. These trends have continued through to today, yet experience has exposed the truth..."

Dr. Returning to the tried-and-true

In association with the downturn of the economy in 2008, the cosmetic world saw a dramatic shift from the traditional surgical approach to facial rejuvenation with minimally invasive procedures. These trends have continued through to today, yet experience has exposed the truth, and the shift may be heading back to more invasive options for all of the right reasons.

The reason for the shift to minimally invasive techniques is multifactorial, yet the emphasis on in-office procedures for facial aesthetic enhancement with minimal recovery was primarily due to a blossoming industry. New products and devices combined with customers who had reduced disposable income and less time for convalescence yet still desired to maintain their youthful appearance.

While a huge advantage to the masses of individuals interested in self-preservation or enhancement, many of the products and devices that overloaded the industry promised age reversal but ended up being more hype than hope. Nonetheless, the explosion of interest and uptake was similar to the Starbucks phenomenon, in that more individuals could participate in this experience and facial rejuvenation could be enjoyed by those other than the “rich.”

A particular area of frustration has involved methods to improve the appearance of the soft-tissue region around the eye. The “tear trough” became a household name, and patients who would historically present to their aesthetic surgeon complaining of “bags” now presented to treat their “hollows.” This shift in perception was in part fueled by a newly discovered “filling” solution to the aging lower eyelid. This solution converted the “bags” that required surgery to the “hollows” that required filling. Nothing had changed in lower periorbital aging or anatomy, just the perception and definitions that became dictated, in part, by new treatment options.

BLEPHAROPLASTY UPDATE

The most common presentation for the middle-aged female is still unhappiness with the appearance around the eyes, and the most common faciaL plastic surgical procedure to date remains blepharoplasty, or cosmetic eyelid plastic surgery.

We’ve come a long way in surgical techniques to improve the appearance of the region around the eye. From the early days of making incisions to obtain access for skin, muscle and fat removal to more comprehensive approaches that consider the real aging changes in this region (with attempts to reverse this with resuspension and soft tissue preservation), techniques have advanced over the years.

Of course, we (surgeons and patients alike) would prefer methods with substantial benefits and minimal downtime, but most efforts of rejuvenation that provide safe, beautiful and long-lasting results require much more.

Every year, some new technique to improve the appearance of the aging eye region surfaces that heralds promise to obviate the need for surgery, yet with more experience, the truth about the results of such techniques are quite limited. Examples of this range from laser resurfacing to injectable filling agents around the eye. Although each of these has the potential for benefits and aesthetic improvement, they are limited due to the small focus on a single component, whereas the aging process is far more complex.

In the end, a small group of patients might be satisfied with these abbreviated approaches, yet most require much more to give a youthful and long-lasting result. Advanced surgical procedures for eyelid rejuvenation take into account the many components of aging in this region, and via a single operative procedure, they can address the gravitational descent (lift); volume loss and shifts (the hollows); loss of structural support; and skin appearance that no single injectable agent or device can come close to. Yes, there may be some recovery time required, but what patients want more than anything else is to have a beautiful, long-lasting result that defies detection.

There will always be a place for minimally invasive procedures selected for the appropriate patient. We must understand, however, the limitations of these procedures and how to best apply these techniques and realize that there is still a place for precise surgical solutions to these more complex issues.

For more information:


It’s also important to note industry’s growing efforts to reach men in the aesthetic arena. More and more cosmetic companies are focusing on males. Case in point: Merz’s upcoming launch of a Radiesse to be re-packaged specifically for men. I believe this new launch will be the first of many that place a renewed focus on the male patient.

In addition to the clinical research I expect we’ll glean from conducting more studies involving male patients, I also believe more exploration of male patients’ expectations and the societal implications of aesthetic surgery in males will take place. This January, I’m opening a men’s center at the Washington Institute of Dermatologic Laser Surgery in Washington, D.C. This will be the first male-only center for medical and cosmetic dermatology in the nation, and I’m anticipating its quick growth and high patient interest in our services.

There’s no doubt that the coming year will bring many exciting opportunities for expansion in both the male patient population as well as noninvasive technologies for aesthetic purposes. Here’s to an invigorating, successful 2013! ☘️

efforts to penetrate this particular patient population have, to date, been unsuccessful.

This is a whole new area for physicians and for industry, and one that I expect will spur a new era of clinical research. The vast majority of studies have been conducted with women until now, and as physicians, we are going to learn a lot more about what is appropriate for men aesthetically.

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