

# BOARD FORUM: CONFRONTING COMMODITIZATION

## How is commoditization affecting the field of medical aesthetics?

**Vince Bertucci, MD:** As the medical aesthetics world has matured over the years, it has attracted business-savvy providers looking to profit from increasing demand for medical aesthetic services. An ever-growing number of large chains and low cost providers are entering the medical aesthetic marketplace. Typically, these groups attract clients through savvy marketing and bargain pricing. This has served to drive down the price of medical aesthetic services in many areas. Having said that, price erosion is not a foregone conclusion. As I often say, you can give an artist a palette of paint and a canvas and the result may be a unique work of art. However, the same is not true if the same tools were to be provided to most others. As experts in the field, I believe that our services cannot be easily commoditized.

**Adam Schaffner, MD:** As more healthcare professionals offer aesthetic services, there may be an appearance from the outside that the products offered are being commoditized. The service a healthcare professional delivering aesthetic services offers is not limited to the product. How, which, and in what manner the product(s) are used requires judgment, knowledge, training and skill. It is this, combined with outstanding customer service and personalized attention, for which a patient pays.

**Jason Emer, MD:** Obviously many of the cosmetic treatments we commonly perform are becoming commoditized and the only thing distinguishing them is education, experience, price, and any specialized combinations physicians do to make the treatment more advanced/unique...Companies put devices in non-core hands and others with less experience or dedication to science, and the procedures are focused on sales rather than treatment plans or outcomes.

**Shannon Humphrey, MD:** Commoditization is relevant for certain consumers who will be seeking out the lowest price regardless of expertise and quality of care. Certain

procedures like laser hair removal have become heavily commoditized and it is difficult to compete in that market (but who wants to!). On the other hand the value and expertise of a trained specialist can never be commoditized.

**Jose Raul Montes, MD:** I think commoditization is here to stay. There are too many powerful forces sponsoring this consumer behavior, especially from leading companies of cosmetic products and devices. It is a disappointing situation for the highly qualified and experienced practitioners.

## Do you confront commoditization in your marketing and public outreach?

**Dr. Montes:** Definitely. I do in-house social media to have complete control of the message. I participate in the local news health section on a monthly basis. I outreach at every opportunity. I try to provide people useful information. I never try to sell any product or myself, albeit, I manage to disclose my experience and qualifications. My message is consistent: It is not the product or device, but the operator who makes the difference.

**Dr. Schaffner:** While one needs to be aware of offerings in the marketplace and price ranges for these services, a practice needs to be focused on delivering outstanding care, a pleasant customer experience and obtaining beautiful results with which patients are happy. With this focus, a practice will differentiate itself.

**Dr. Bertucci:** As the commoditization trend continues, it becomes important for each of us to come to terms with our own value proposition. For example, is your goal to be the lowest cost provider, to be the provider that has the most convenient hours, to deliver the best service or to provide the best possible results and overall experience? Competing on price alone becomes a race to the bottom and may be a losing battle for individual practitioners and small groups.

In my practice, we believe that it is by setting the highest standards in all aspects of the patient experience, start-

ing with unparalleled, thorough assessments, meticulous treatment planning, advanced science-based treatments and techniques, and comprehensive after-care, that we can deliver truly outstanding results that will be sought after by the discerning patient. We don't compete on price.

By showcasing training, expertise, leadership in the field, and, ultimately, the results we deliver, we are able differentiate our offerings from those of larger groups and low-cost providers. Patients that come to see us know we're not the least expensive and they appreciate the results we're able to achieve. This means that during the consultation process, we respectfully identify areas that may benefit from treatment while also pointing out areas that are of low impact. This sometimes means that we don't treat areas identified by the patient when such treatment would not be of benefit. This frank, respectful discussion is the beginning of our marketing and is at the core of who we are as an office. Our goal is to deliver the best possible results with the patient's interest always at the forefront of everything we do. Doing so has helped our reputation in the community, helping us build trust and a loyal following.

**Dr. Emer:** When I market or outreach, which is mainly via social media, I do not try to sell any "Device." I sell my expertise, my philosophy and my experience that gives outcomes. I focus on experiences patients go through and outcomes they achieve. I want them to relate to each other so they understand I am an expert in a specific area and they then go to me for guidance of decisions and treatment—not necessarily for a branded product.

**Dr. Kaminer:** Quality will nearly always trump commoditization when it is for a service. There can be effective price competition for a single "commodity," such as a moisturizer cream that is identical, but services are different. Savvy patients recognize that low prices for services come with risk, and that gets magnified when it is for a cosmetic service.

**Dr. Humphrey:** I hold myself to the highest standards of evidence-based medicine, comprehensive treatment planning, technical expertise, and patient care. I do not discount or bargain.

### **Which providers do you see as your biggest local competition? How do you try to differentiate?**

**Dr. Bertucci:** Competitors may appear to come in many forms—the local spa that has a general practitioner or nurse come in to do periodic injections or the family physician that has decided to start doing medical aesthetics—but the biggest competition comes not from low-cost providers but from our expert peers. I don't worry about

competition any longer. Patients in our community know what we're all about and they come to see us to benefit from our expertise and unique value proposition.

**Dr. Humphrey:** My competitors are other fellowship-trained specialists in aesthetic medicine who also commit themselves to high standards of practice. I differentiate based on my own unique value propositions: comprehensive treatment planning, natural looking outcomes, high level of service, welcoming luxurious, and comfortable environment, and active leadership in clinical research. There needs to be a match between patient and physician in terms of personality and communication style.

**Dr. Kaminer:** We try not worry about competition. By staying ahead of the curve with technology and customer service, the rest of the medical community is forced to play catch-up, which is difficult. Patients appreciate high quality, and they tell their friends about it. A good example is what happened after the market crash in 2008. Most of our competition from spas and non-core disappeared overnight. The patients looking for a bargain, and willing to accept less service and limited results, simply left the market. Those patients who wanted quality were willing to pay a bit extra to ensure that they were getting value for their money.

### **Can/should core specialists work together more to confront commoditization?**

**Dr. Bertucci:** By consistently focusing on excellent service, detailed assessments, comprehensive treatment planning and leadership in the field through research and continuing education, we minimize the impact of commoditization. By joining together as a group, core specialists can help the public better appreciate the importance of seeking an expert provider.

**Dr. Schaffner:** Specialists in aesthetic medicine can and should work together to learn from each other and help patients. Multi-disciplinary meetings are more common now, which helps facilitate such education and relationships...Adhering to core values and delivering outstanding care are the "tactics" one needs to build and maintain a successful practice.

**Dr. Montes:** Having core specialists working together could be the way to start, and likely the only way we could reach out to industry, in order to demand more control of products and technology, which are made available to the inexperienced, uneducated providers. Multispecialty and core specialty meetings, such as the Cosmetic Bootcamp®, have been a precursor in creating an alliance among core specialists. ■

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