

# MEDICAL INSIGHT



Home Use Aesthetic Devices:  
A High-Growth Emerging Market Segment

January 2009

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## M.I.I Professional Biography

Michael Moretti  
Editor and Publisher  
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Michael Moretti has served as a medical industry analyst and strategic advisor for more than 20 years. In 1993, Mr. Moretti founded Medical Insight, Inc., the leader in focused aesthetic market research offering comprehensive data on procedure volume/growth, revenue forecasts and new product introductions. Under Mr. Moretti's leadership, Medical Insight publishes global market studies and forecasts for major industry sectors such as facial injectables, cosmeceuticals, body shaping procedures, skin rejuvenation technologies and home-use aesthetic products. Medical Insight also sponsors executive business forums throughout the year to address scientific developments and market trends for the investment community.

As an industry consultant, Mr. Moretti specializes in strategic business development projects and high-growth, emerging market segments. He provides custom reports and confidential market studies for a variety of clients, including global medical and pharmaceutical companies.

Mr. Moretti is also publisher and editor of *THE Aesthetic Guide* – a bi-monthly publication of Medical Insight featuring in-depth reports on new products, procedures and trends, reaching 50,000 physicians, industry and analyst subscribers globally. Special editions of *THE Aesthetic Guide* address the European market and the Primary Care audience.

In 2007, Mr. Moretti debuted THE Aesthetic Show, the first multidisciplinary annual medical meeting designed to bring together new aesthetic procedures, products and technologies in a dynamic interactive educational format. For more information visit [www.aestheticshow.com](http://www.aestheticshow.com) and/or [www.miinews.com](http://www.miinews.com)

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## Section

## 1

# Executive Summary

With a rapidly softening economy in the U.S., Europe and Japan, the global aesthetic industry is experiencing a slowdown in demand for professional devices and treatments. Home use devices, however, represent a bright spot with strong gains projected as manufacturers continue to introduce innovative new products and cash-strapped consumers view these devices as a way to save money over costly professional treatments.

Through the forecast period, retail sales of home use devices are expected to rise by 34.6% per year, on average, from an estimated \$296.2 million in 2008 to \$1.3 billion in 2013. Of this, manufacturers will earn approximately 40% to 50%, reflecting retail markups and distribution costs.

In 2008, Radiancy dominated the market with 27.4% share of retail unit sales for its hair removal, skin rejuvenation and acne treatment devices. Lexington International, Pacific Bioscience Laboratories, Labowell (formerly Ya-Man), Zeno Corp. (formerly Tyrell) and others all trailed at a distance.

Radiancy will continue to dominate the market in 2013, but a variety of other players will also emerge. Although they have not yet launched devices, Light Bioscience, Palomar and Syneron are expected to capture dominant positions due to their relationships with L'Oreal, Gillette and Johnson & Johnson and Procter & Gamble, respectively. With a heritage in consumer electronics devices (such as electric razors), Philips will also assume a leading position.

Even more so than for professional aesthetic devices, many home use devices are expected to require disposable components such as treatment tips, pre or post treatment topicals, etc. This represents a significant additional revenue stream for manufacturers and fits well with consumer comfort in purchasing new razor blades and other similar consumables. Retail sales of its disposables will rise by 39.2% from \$6.3 million in 2008 to \$32.7 million in 2013.