

# Consumer Demand for Aesthetic Procedures Remains Solid Despite Economic Downturn

By Alison Sahoo, Contributing Editor

In spite of a seemingly endless tide of home foreclosures, credit meltdowns and a contraction in consumer spending, demand for aesthetic procedures is staying strong. In fact, Medical Insight, Inc. (Aliso Viejo, Calif.) predicts an 8.6% annual rise in global treatment volume through 2012 and an 8.1% annual increase in treatment fees.

"Populations of both the U.S. and Europe are aging rapidly and now more than ever, consumers want to avail themselves of the latest technologies to retain a youthful look," said Michael Moretti, president of Medical Insight.



**Michael Moretti**  
President  
Medical Insight, Inc.  
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"Consumers today are better informed of their options, thanks to the Internet, continued press coverage and a long line up of television programs that focus on plastic surgery and extreme makeovers," Mr. Moretti noted. "The public's appetite for advanced aesthetic procedures has been whetted. As more and more people receive these treatments, they will become the new standard of beauty." Today's consumer will view BOTOX from Allergan (Irvine, Calif.), dermal fillers and body shaping as equivalent to hair color, pharmaceutical-grade acne treatments and cosmetics in the '90s.

However, not all aesthetic practices will see increases in their business. Certain procedures will experience strong gains while demand for

others will decrease. In addition, savvy practice marketing will play a crucial role to not just surviving but flourishing during this uncertain time. *THE Aesthetic Practice Association* – a new organization created in connection with THE Aesthetic Show, is providing marketing assistance to aesthetic physicians, to help level the playing field.

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According to the most recent comprehensive market study from Medical Insight – *The Global Aesthetic Market V (GAM V)*, skin tightening procedures will demonstrate the greatest treatment growth at 40.4% per year, rising from less than 500,000 procedures in 2008 to more than 2.6 million in 2012. As a new treatment to restore firmness, skin tightening is an ideal

complement to phototherapy and other treatments that improve skin texture, tone and wrinkling but are unable to reverse sagging.

Body shaping treatments, dermal fillers and neuromodulators will follow, with annual procedure growth of 21.6%, 14.7% and 13.5%, respectively. These three procedures will increasingly comprise a significant portion of all aesthetic treatments with global 2012 procedure volume expected to reach 21.5 million, 15.9 million and 12.6 million.

With rising competition from device-based body shaping and a growing demand for less invasive procedures, liposuction treatment volume will rise by just 2.4% per year, from 1.4 million surgeries in 2008 to 1.5 million in 2012. Device-based body shaping in turn will benefit from this and the introduction of new technologies such as Smartlipo MPX from Cynosure (Westford, Mass.) will allow physicians to sculpt and refine the body's contours using a less invasive approach.

Increasingly, these and other technologies are becoming the standard of care. Aesthetic physicians serious about building their practices are given educational opportunities and

hands-on demonstrations of the latest technologies and products available in the industry at THE Aesthetic Show in Las Vegas, Nev. ([aestheticshow.com](http://aestheticshow.com)).

Over the next several years, neuromodulators and dermal fillers will become staples to quickly eliminate wrinkles as continued promotion from manufacturers and practitioners keep these treatments in the public eye.

With consumers increasingly requesting newly FDA approved silicone implants, breast augmentations are expected to expand by 6.4% annually, growing the number of surgeries from about 800,000 in 2008 to more than 1 million in 2012.

Phototherapy treatments will also rise, albeit at a slower pace as these procedures have been offered for several years and many of the consumers interested in them have already been treated. Medical Insight predicts that through 2012, annual procedure volume for skin rejuvenation, acne reduction and hair removal will increase by 3.9%, 2.8% and 2.1%, respectively. Acne reduction will increase from 3.3 million treatments in 2008 to 3.7 million in 2012 and hair removal will rise from 11.1 million to 12.1 million procedures, which translates into overall photorejuvenation treatment volume expanding from 12 million procedures in 2008 to 14 million in 2012.

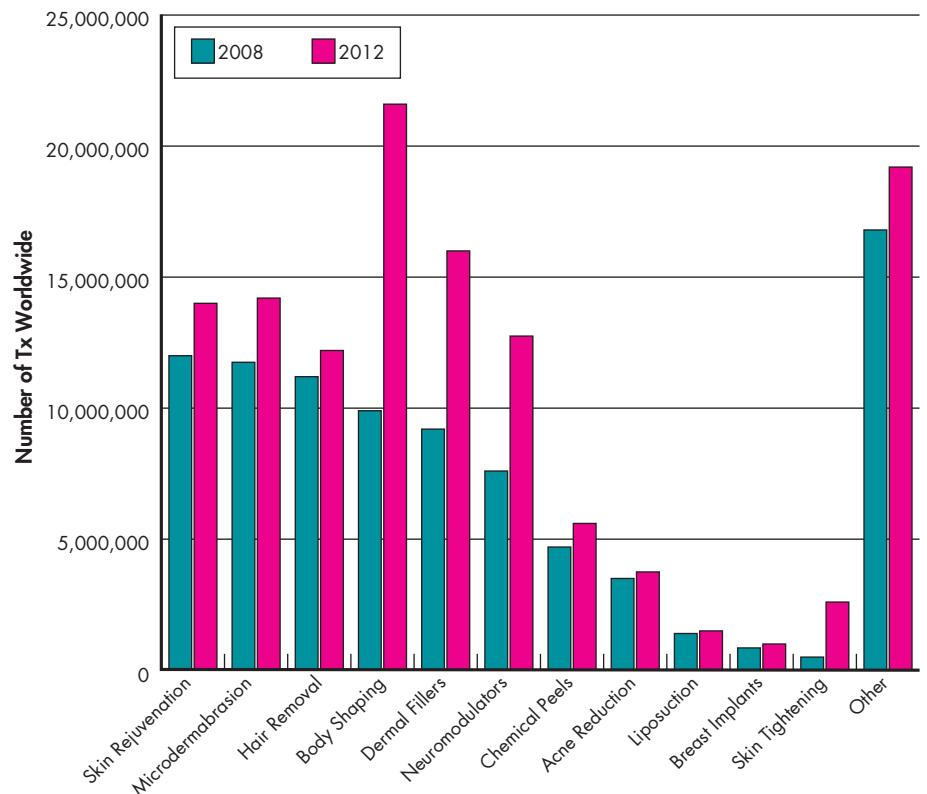
Certain aesthetician-performed procedures, such as microdermabrasion and chemical peels, will exhibit stronger growth as hair salons, spas and other non-medically oriented

businesses increasingly incorporate these treatments. Over the next four years, microdermabrasion performed in both medical and non-medical settings will rise by 4.7% per year from 11.8 million procedures in 2008 to 14.2 million in 2012, while chemical peels will expand by 4.8% annually from 4.6 million treatments to 5.5 million during this time.

For many of these procedures, treatment fees will continue to be pressured by ongoing price discounting. This will be led by medspas and other high volume providers, however according to Mr. Moretti, more and more plastic surgeons and dermatologists are also offering discounted pricing on selected treatments.

Procedures that are expected to suffer from decreasing prices include light-based skin rejuvenation, hair removal and acne reduction, as well as microdermabrasion, chemical peels and neuromodulators.

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Medical Insight predicts that over the next four years skin tightening will demonstrate the strongest fee growth, with total global treatment fees rising by 35.3% per year from \$1.0 billion in 2008 to \$3.2 billion in 2012. Body shaping will follow, with total fees expanding by 23.9% per year from \$2.5 billion in 2008 to \$5.9 billion in 2012.

Dermal fillers will experience fee growth of 17.2% per year, with total fees to physicians expanding from \$4.1 billion in 2008 to almost \$7.8 billion in 2012 due to rising prices resulting from high performance product introductions. However, unit prices of BOTOX will decline as new neuromodulators are launched in the

U.S., with total treatment fees only rising by 11.8% per year from \$2.6 billion in 2008 to \$4.1 billion in 2012.

With virtually no competition, breast augmentation fees will continue to expand, as total procedure

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fees rise by 7.1% per year from \$3.1 billion in 2008 to \$4.1 billion in 2012. While conversely, liposuction fees are only expected to expand by 3.2% annually, from \$4.2 billion to \$4.7 billion due to competing technology being established at a rapid pace.

According to Mr. Moretti, phototherapy will be most subject to pricing pressure with broadening use of light-based devices throughout many different types of practices, as well as competition from other types of aesthetic treatments. Through 2012, total worldwide fees for skin rejuvenation will rise by 3.4% per year, from \$3.6 billion to \$4.1 billion while fees for hair removal will decline by 1.1% annually from almost \$3.2 billion to \$3.0 billion. Fees for light-based acne reduction will expand by just 1.0% per year, from \$998 million to \$1.0 billion.

Microdermabrasion and chemical peels will similarly remain subject to heavy discounting. Over the next four years, Medical Insight predicts that total fees to microdermabrasion practitioners will rise by just 1.5% per year from \$1.2 billion in 2008 to \$1.3 billion in 2012 and global fees for chemical peels will increase by 2.8% per year from \$1.2 billion to \$1.4 billion during this time. ■

