

SPECIAL REPORT

The Aesthetic Industry in 2021:

23 leading practice owners predict how the market will change...

...And how clinics must adapt to survive



Getting your aesthetic clinic through the Coronavirus shut-down felt like fighting a tsunami.

Within days, you had to figure out how to keep your practice viable, even when you couldn't treat patients...

And you had to keep your patients, your staff and your bank manager happy under the most difficult circumstances.

It was completely overwhelming.

Now you have come through the other side, and finally re-opened your practice doors...

But nothing is back to normal.

The economic outlook is unpredictable - as is patients' behavior... The environment in which you operate is shifting every day.

So what is the outlook for aesthetic clinics and medspas in the next 12 months?

What deep, structural changes can you expect in the industry, which might impact the way you operate your practice – and affect your clinic's very chances of survival?

We asked 23 top owners of aesthetic clinics and medspas from 3 continents what they expect the aesthetic industry to look like in 2021, and how they're planning to adjust.

Here's what they said.....

1. You'll be able to hire better staff

During the global financial crisis of 2008, a large number of clinics went bankrupt and had to close.

This leads to greater availability of high-caliber staff, says **Deb Farnworth-Wood**, who grew the Australian Skin Clinics franchise to over 60 locations before selling, and now operates the [Ultimate Skin & Body Clinic](#).

She's already seeing the same trend occurring today.

“Over recent years there has been a trend of staff moving from business to business in rapid succession, never really fully learning the job or honing their skills. The shortage of staff nationally has meant it has been easy for them to find jobs, often without references because clinics have been desperate. In the end it's the client that suffers because when staff move around frequently, they neither establish themselves deeply with clients or became really proficient at delivering treatments”

“Reduced competition will ease that for us.”

Similarly, **Dr Joseph Hkeik**, owner of the [All Saints](#) chain of clinics in Sydney, says that he expects the work ethic of therapists and clinicians to become much better.

“In our industry, we deal with lots of people who move on very easily,” he says. “People will become more reliable and more productive. The younger generation has never lived through anything like this.



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“We're going to see more of an old-fashioned approach of people being grateful for having a job.”

2. Your pricing model may change

As the economy suffers, some of your patients may have a lot less money to spend on aesthetic treatments.

Dr Bruce Katz, Medical Director of New York's [JUVA Skin and Laser Center](#) – the world's original medi spa – says that it's going to become more important to offer patients financing schemes.

"We have CareCredit, so patients can pay for a procedure and have a year to pay for it, without interest," he says. "If people think that your treatments are important to them, we need to help people afford it."

Marsha Starcevic, co-owner of [Aesthetics Lab](#) in London's trendy Primrose Hill, says she expects patients will be less willing to pay upfront for long courses of treatments.

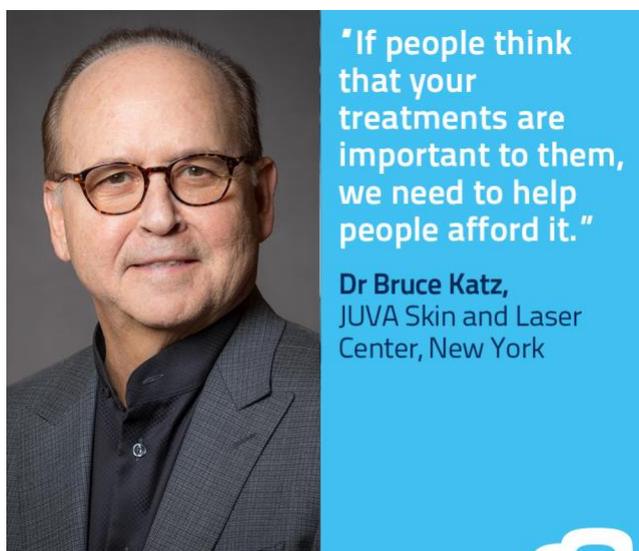
"There will be a move towards a pay-as-you-go model," she predicts. "Some people will still want to save by paying upfront but others will be cautious about this. Unfortunately, this might be a cashflow issue for clinics."

Meanwhile, in Co Mayo, Ireland, **Stephanie Coyne**, owner of [Aesthetic Face Clinic](#), says that clinics will stop putting up with patients who cancel last-minute.

Right now, when a patient doesn't show up, it can be the difference between profit and loss.

"Not only can we fit in less patients than before but we need extra time to allow for cleaning and social distancing, so if they miss their appointment, it costs us even more money."

She has no intention of charging more, but, she says, "We're going to have to start taking deposits. Why do treatments first and get payment later? We're going to flip it, taking 50% upfront and anyone who misses



"If people think that your treatments are important to them, we need to help people afford it."

Dr Bruce Katz,
JUVA Skin and Laser
Center, New York

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their appointment will have to pay 100%.”

Her clinic started implementing a stricter cancellation policy last November, and told patients that when they re-open, there will be further changes to the booking system.

“People understand,” she says. “And it’s important our time is seen as more valuable.”

3. The conference circle will go virtual

Travel is going to be much more difficult for the foreseeable future. And that is just one of the reasons why the aesthetic circuit is going to move largely online, says **Haley Wood**, owner of [The Look Facial Aesthetic](#) in Tennessee.

“These meetings are so expensive, and clinic owners are not going to have as much time as they used to either. I would imagine that conferences will move onto web-based learning.

“In today’s economy, if you have an extra \$5-\$7K to spend, you won’t want to put that into a 3-4 day conference.”

Dr Anna Hemming, owner of [Thames Skin Clinic](#) in South-West London, says she was already involved in a successful virtual conference last year and that her Inbox is full of invitation to training webinars.

She believes this is the way forward, although she worries that this may not fully compare to live meetings.

“For people who need to be trained, this is a negative. They won’t get the same feel or 3D experience.”

4. You'll have more bargaining power with your suppliers

Just like you are going to become more sensitive to your patients' financial situation, your own vendors are going to have to become more sensitive to your finances.

"We were in the midst of purchasing a laser when Coronavirus hit," says **Mina Grasso**, founder of [Allure Image Enhancement](#) in California. "Vendors know everyone's going through tough times, so I expect vendors to make things more affordable – our purchase power will get a little stronger."

"Suppliers have to support their existing client base," agrees **Chantal Ward**, co-owner of [Clarity MedSpa and Laser Centre](#) in Toronto, Canada.

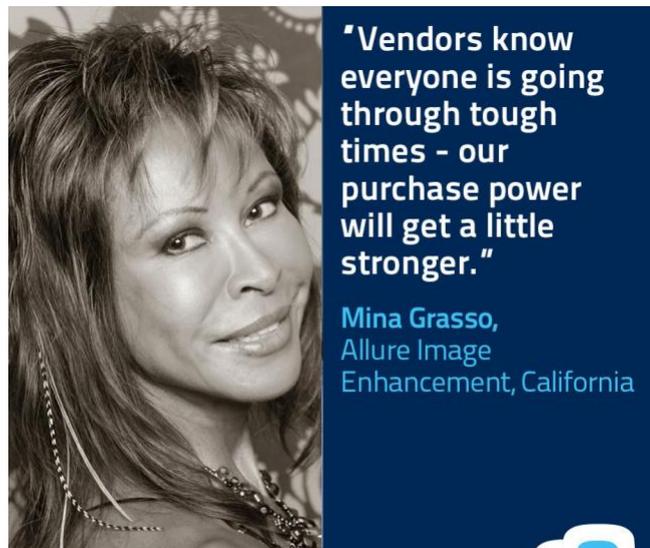
She expects clinics to be able to negotiate different pricing with their suppliers, as well as different delivery mechanisms.

"Most injectable companies want money upfront, and will throw in various incentives – buy 50 syringes and get 50 syringes free. But if there's another shut-down and those 50 expire, I've just paid list price..."

"Clinic owners are going to start going back to their suppliers and negotiating new terms.

"For example, they might not want to take the full supply at once, or they might ask for a guarantee in writing that if there's another pandemic, shipment and payment stops. You'll want to pay for what you use..."

She predicts that there will be very few devices sold until 2021. And **Dr Dev Patel** adds that some manufacturers may have to start pivoting just to stay in business.



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“I’m usually trigger-happy investing in new tech, but I’m going to become a lot more cautious – like many others.

“That means that many suppliers and even manufacturers will be impacted and may have to divert their attention to other avenues, just like car manufacturers in Italy started making ventilators...

“One of my suppliers offered me plasma air purifiers so they’re already thinking about how they’re going to stay in business if they’re not selling enough machines.”

5. Staff will have to do more (for less)

“Given that many practices are going to be operating with a slimmed-down team, job roles are going to have to change in many clinics.

“It’s going to become important for everyone to be able to do everyone else’s job,” says **Haley Wood**. “My nurse practitioner will have to schedule patients in and out and be really hands-on. If she’s not injecting or assisting, she’ll have to work phones. Staff will be tighter so everyone will have to do more.”

“We’re asking people to do more for less,” agrees **Alexis de Smidt**, owner of [The Coliseum MediSpa](#) in Western Vancouver.

“Before, an aesthetician was an aesthetician. Now we no longer have a concierge up front – staff have to do admin duties and process order forms that were previously done by admin staff. They have to broaden their skillset and be more flexible (as do the doctors).”

Her team has been very willing, she says, because everyone is aware that the economy is precarious and that jobs are precious right now.

“We’ve had to come together as a team to ensure the longevity of the business that sustains everyone.”

6. Patient demand will bounce back

Many clinic owners enjoyed an initial surge in bookings immediately after re-opening. But will demand stay high into next year?

Dr Stephen Mulholland, owner of [SpaMedica](#) in Toronto, and one of Canada's best-known and most sought-after plastic surgeons, says that any drop in patient demand is likely to be temporary.

"A lot of physicians are saying that demand will change forever, and that people will stay away from excisional procedures in future," he says. "I've been through 9/11 and SARS and can see that people always go back to beauty! Everything will go back to the way it was before – it's human nature."

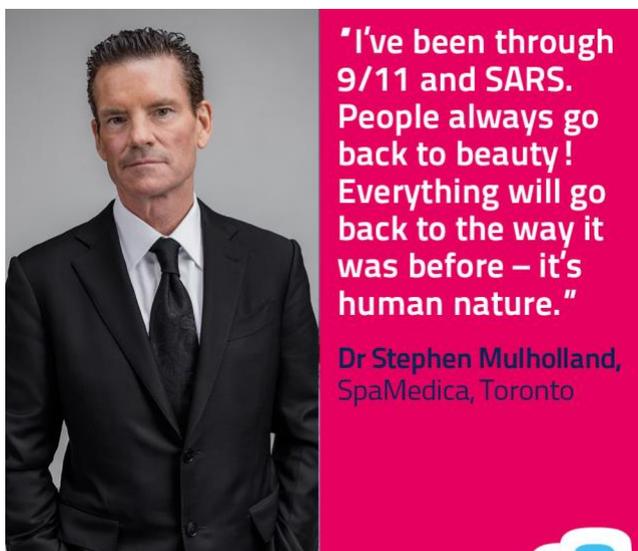
On the contrary, he expects an overall growth in demand, particularly for minimally invasive procedures, and procedures with quick results or a week or less of downtime.

"There is actually a huge upswing of opportunity because people are confined to work from home. They can wear a mask and get nose job! I don't think this will change people's procedural decisions."

Dr Lisa Kellett, owner of [DLK on Avenue](#) – also in Toronto - agrees that "very little will change long-term... People will still want to rejuvenate their skin and their looks."

She cites the "lipstick effect", the theory that even during a downturn, people will find ways to spend on luxuries.

"When things are out of control, people always want to do something to make them feel better. Depending on what kinds of patients you have, people will always find a way to do what they want to do... At least my patients will!"



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7. Clinics will focus on retaining their existing patient base

In the Coronavirus era, building a successful practice will no longer be about generating a large volume of patients, predicts **Chantal Ward**.

“There won’t be that hustle-and-bustle, that Walmart approach to business. Clinicians need to become more focused on quality and sustainability,” she says.

And that means a shift from new lead-generation to nurturing your existing patients.

“If you don’t look after your existing clients, they won’t return,” says Chantal. “It’s not going to be about grabbing all these new people – we need to look after our foundation and base.”

Consolidation is also the key for **Dr Sophie Shotter**, founder of [Illuminate Skin & Wellness Clinics](#) in the UK.

Clinics that have relied heavily on discounts have made themselves vulnerable because their patient base is full of “price-shoppers”, she says.

In this economic climate, “you need a loyal patient base, so see how you can add value and where you can go above-and-beyond.”

This is harder in the age of social distancing, but not impossible – for example, her clinic has held virtual coffee mornings for patients and started sending patients a brand-new digital magazine.

“We’ve always tried to take good care of existing patients, but we’ll become even more focused on that,” she says.

“We need to make sure that every patient who comes through our doors feels valued and that we’re building a real relationship with them so that they’ll want to come back.”

Editor's note: Marketing consistently is key to creating a loyal patient base, and ensuring you are always fully booked – even during difficult times!



Inbox Express is a library of marketing emails you can use to nurture your patients as you re-open your clinic, and get them through your doors again and again.

The emails in **Inbox Express** are designed to make your marketing easy.

They are written for you and require very little customization, so they take just 2-3 minutes to send. But they have a powerful impact on your relationship with your patients, saying all the right things at this sensitive time, and are designed to deliver a stream of consultations and bookings once you re-open – and once the initial surge of patients is over.

To find out more about **Inbox Express**, [just click here now](#).

8. Doctors outside big cities may have an advantage

Dr Adean Kingston, [a Board-certified dermatologist in Dallas, Texas](#), believes that her local colleagues “will do better than the big cities even with a second resurgence of Coronavirus.”

The reason? She’s seeing an upsurge of business from people who have left very crowded cities in the wake of the pandemic.

“A lot of people have moved from New York City to places like Montana and Wyoming – they’re getting out to be safe.”

And they still want their aesthetic treatments...

Dr Chris Park, owner of [Mobile Plastic & Reconstructive Surgery and Dermatology](#) in Alabama, agrees that practices in smaller locations may find it easier to survive this crisis – for a different reason.

“We’re a low-cost place to live, and so I charge less here than I would in

the big city,” he explains. “My tummy tucks are \$10,000 rather than \$20,000 – it’s more affordable, even though the skills and outcomes are the same.”

The upside of this, he says, is that even in economically difficult conditions, his procedures are relatively affordable, and so patients are still going ahead.

“They’re spending a reasonable amount of money for something they view as necessary – no one has asked for a refund yet...”

9. Governments may tighten regulations

Some clinic owners in the UK and the Republic of Ireland are hopeful that the Coronavirus crisis will eventually prompt their governments to tighten legislation around who can provide aesthetic treatments.

At the moment, in both places, individuals without medical training are allowed to inject dermal filler.

“This has an impact on the reputation of our industry,” says

Kerry Hanaphy, owner [of two](#)

[clinics in Dublin](#). “I’m hoping that this situation will make people more aware of safety issues and lead to improved legislation around this.”

“Patients are going to become more aware of whether the clinics they’re walking into are medically geared up,” agrees **Dr Anna Hemming** in London.

“The clinics that are already registered with the Care Quality Commission will have an advantage. But the patient awareness might lead to more regulation...”



“I’m hoping that this situation will make people more aware of safety issues and lead to improved legislation around this.”

Kerry Hanaphy,
Kerry Hanaphy Ltd,
Dublin

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10. Cosmetic surgeons will have to move out of hospitals

Traditionally, many cosmetic surgeons perform their surgeries in hospitals, says **Dr David Shafer** of [Shafer Plastic Surgery](#) in New York City.

But right now, “Patients don’t to go near hospitals – they think they’ll get COVID,” he says. “It will make it tougher to sell the surgeries if they’re using a hospital for their surgeries.”

The alternative, he says, is a set-up like his: “We have a private operating room, and use hotels on the same block with a private nurse overnight, then I see the patient again in the morning.

“It’s ideal, but it’s a big undertaking. If you’ve never had an operating room in your office, you need the square footage and the accreditation process can take a year. You also need the staffing and financing, so this could be very difficult for some.

“I already have doctors who want to lease out my space...”

11. You’ll work longer hours (in shifts)

Right now, clinics can’t accommodate as many patients as they used to, because of social distancing and the need to clean between patient appointments.

“It becomes a lot less profitable – and a lot less attractive,” says **Dr Dev Patel**, founder of [Perfect Skin Solutions](#) in the UK.

His clinic is creating different pathways for patients, so more people can walk around the building at the same time without ever meeting each other.

But others with less space will have to adapt their working hours to fit in as many patients as possible within the new safety guidelines.

“Clinics will need to work in shifts,” he predicts. “It doesn’t make sense to have night shifts but 7am-10pm will have to be covered.

“Staff will have to extend their day – which means less flexibility, and losing the luxury of setting our own time and seeing people when we want to.”

“We’re already coaching our team around this different mindset,” he adds, because this is an additional demand on them.

Haley Wood, in Tennessee, has already extended her clinic’s opening hours. They’re now open six days a week, and are introducing night clinics.

One risk, she says, is that your team burns itself out.



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Dr Dev Patel,
Perfect Skin Solutions,
UK

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“I’m very cognizant of overworking myself... We all went to get back to normal life, which is going to be harder to do when you’re open later.

“It may take a few months for everything to even out, so give yourself some grace,” she advises.

Dr Sheena Kong, owner of [a leading med spa in San Francisco](#), adds that practitioners are going to have to become more organized with their calendars in order to accommodate the maximum number of patients.

“You need to set certain days to do big procedures and other days to do small treatments,” so you can become as efficient as possible with your time, she recommends.

12. Some of your competitors will disappear...

Some clinic owners are already reporting that the aesthetic market has become less crowded since the lockdown or quarantine was lifted.

“I feel like the reason we’re seeing a lot of new clients right now is that some clinics near us decided not to re-open because their owners felt at

risk,” says **Dr Shehlah Ebrahim**, owner of [Afterglow](#), an aesthetic clinic in North Vancouver.

“We’re very established, so their patients are calling us instead.”

And many practice owners, all over the world, expect more aesthetic closures in the coming months – particularly once the economic crisis intensifies.

There is little agreement, though, around who is best positioned to survive the cull...

...And which clinics are most likely to shut.



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Vancouver

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Andrea Young, co-owner of [Beam](#), a boutique laser hair removal spa in New York, foresees that customers will start shunning low-end clinics and under-qualified practitioners.

“Within NYC, there’s a real mix of people who are super qualified and high-end, and others who joined the industry without so much depth of knowledge,” she says diplomatically.

“They were able co-exist in the past, but customers are going to stop going to budget businesses...

“Even before COVID, the discounts they would offer were so big that people would look at them and wonder how they could operate on an ethical level, paying staff and still making a profit.

“COVID has made clients more savvy and they’re going to start worrying about safety standards in those places. There will always be a lower-end of operators in terms of pricing, but this will recalibrate the industry a bit.”

Many assume that big chains will have an advantage in this market, but that is not necessarily the case.

Constantino Cicchelli, co-owner and managing partner at [Barba Skin Clinic](#) in Miami, Florida, says that “Size has nothing to do with it.

“You can have 50 locations but if you’re not healthy financially, you’re going to be in lots of difficulty.”

The clinics with the strongest chance of survival were solvent and profitable before the crisis struck: “They can survive even if they didn’t bill a single dollar for two months.

“It’s survival of the fittest,” he adds, “and at the end of this, the strongest will get stronger, because the weakest will be eliminated – leaving more clients for everyone else.”

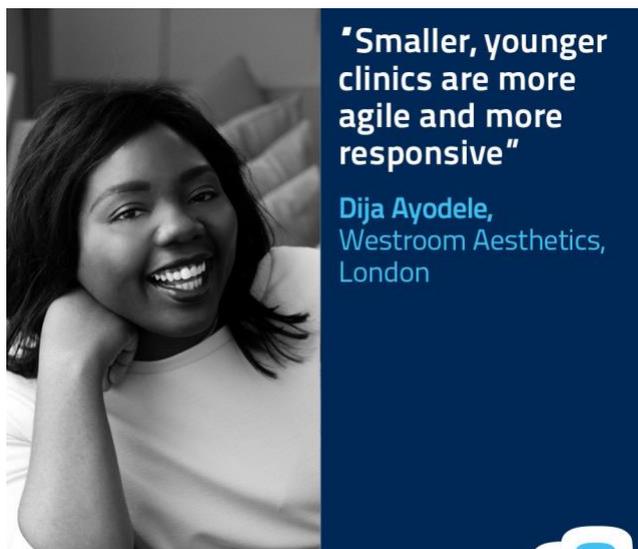
Counter-intuitively, newer, smaller clinics may actually have an advantage, says **Dija Ayodele**, CEO of [Westroom Aesthetics](#) in London and founder of the [Black Skin Directory](#).

“The new, younger clinics coming through don’t have that clinical image, like you’re walking into a hospital... We don’t have massive teams and we’re not necessarily led by doctors.

“We’re more agile and more responsive,” she says. And this very much appeals to a younger, millennial demographic. “Those that are doing well are offering different content online, not just around skincare but around lifestyle as well. The younger clinics are telling people to DM them...

“While they were closed, they were giving out their phone numbers while the most established clinics were telling people they’re deleting emails!

“It gives an advantage to these smaller, newer clinics.”



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13. The ‘natural look’ will dominate

As we emerge from the first phase of the pandemic, patients will re-evaluate the kind of treatments they want, says **Dr Hkeik** in Sydney.

“Outrageous looks will be out,” he predicts.

“People will have seen themselves without massive lips during lockdown and will realise that they look better that way. It will be a wake-up call,” he says.

“Some will re-evaluate whether to do any work, partially because of the financial burden – people will have lost money and jobs. Those that do come in and see you just won’t consume as much as they did in the past...”

***Miriam Shaviv** is creator of [Inbox Express](#), the library of marketing emails for aesthetic clinics and med spas, designed to make your marketing effective and easy as you re-open your clinic. [Find out more here.](#)*

*She is Director of Content at **Brainstorm Digital**, which helps aesthetic clinics and med spas get patients through their doors again and again – without the headache of costly online advertising.*

