

Deal or No Deal?

by David Evans, PhD, MBA



Do you use Groupon? Do your competitors? What's the big deal about these "daily deal" companies and the discounts they promote? Can you—should you—get involved?

Some of the deals seem too good to be true, and the truth is they can be for plastic surgeons, medical spas, or cosmetic surgery practices. However, that is not to say they can't add value to your marketing plan.

These deep group discounts can generate immediate visibility and potentially help grow a practice—as long as you manage your expectations and tread carefully when it comes to new patient accrual.

Follow these daily deal do's and don'ts, which can help you deal with daily deals:

DO

Understand the art of the daily deal

First, a disclaimer. Offering surgical treatments using Groupon, or other daily deals programs, could be viewed as "fee splitting" for medical care, which is illegal in many states.

The law in this area is still very obscure and best to be safe and stay away from any procedures that could be considered medical in nature.

As a general rule, the merchant (in this case the plastic surgeon, medspa, or cosmetic surgery practice) partners with a daily deal company. The merchant, in this case your practice, typically offers 50% off the regular price of the service(s) or good(s). He or she then decides how many deals must sell for the deal to be "on."

The daily deal company does all the marketing, including Internet ads and e-mails to its subscriber lists; and also takes a percentage (typically, 50%) if and when the tipping point is reached. The merchant receives what is left. The daily deal company provides each buyer with a coupon or online code to receive the discounted services or goods.

DON'T

Expect to turn a profit with your first daily deal

"Groupons" and other daily deals are not about generating a profit,

at least not initially. Instead, the lure for your practice is the opportunity to generate exposure for the practice and bring in new customers who will return when services are not offered at deep discounts.

DON'T

Offer deep discounts on surgical procedures

A successful Groupon campaign should revolve around services that have excess capacity and no cost per use. Injectables have a cost per use that eats away at any potential profit. Instead, promote deals on laser skin rejuvenation or hair-removal treatments, which can be used multiple times without a cost per use. Other procedures such as facials, noninvasive body-contouring procedures, and spa services may also be options.

DO

Have follow-up systems in place to handle new customers

Groupon and the other deal companies only promote the deal.

They do not provide any information about the buyers. Get as much information about each new patient as possible when they redeem their services or goods.

DON'T

Cast too wide of a net

Target only those customers that are likely to be up-sold services. Many of the customers who respond to group deals are current customers wanting to take advantage of a great deal from a trusted merchant.

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Others will venture from outside your typical service area because of the deal, and may not be as willing to travel if they have to pay full price.

DO

Offer free consultations and promote special financing packages for patients who fit your demographic

It can also be helpful to hand out brochures about upcoming seminars on new technology and techniques, and articles written about your practice from top beauty and trade magazines and reputable Web sites.

DO

Prepare for an onslaught of "Groupon groupies"

The merchant has no control over when buyers decide to cash in. If all of the buyers call at once, it can overwhelm your practice and push out the regular clientele.

Block out time for your regular customers and make sure you have extra staff on hand. Groupon groupies are a vociferous bunch and are more likely to post reviews online. This can be a boon if you provide impeccable service, but a disaster if new customers receive subpar care due to overcrowding.

DON'T

Overdo it

Offering too many daily deals over a short period of time won't allow you the time to assess the results.

Recent research out of Rice University in Houston showed that 42% of the merchants would not run another Groupon campaign ad—mainly due to the type of customers these deals attract.

It isn't a "buyer beware" situation with these daily deals as much as it is seller-be-savvy. Following these do's and don'ts can help ensure that daily deals are a good deal for both the buyer and the seller.

David Evans, PhD, MBA, is the CEO of Ceatus Media Group, based in San Diego. A recognized authority on Internet medical marketing strategies, Evans has spoken at meetings of the American Society for Aesthetic Plastic Surgery, European Society of Cataract and Refractive Surgery, and the American Society of Plastic Surgeons, among others. He can be reached at devans@ceatus.com or (858) 454-5505.