

O11 ADVERTISING IN PLASTIC SURGERY?

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BACKGROUND: The traditional model for practice development relied upon word of mouth advertising. As an individual surgeon's practice matured, the distribution of elective cosmetic procedures typically increased. However, many plastic surgeons now believe that direct advertising is essential in developing an aesthetic practice. While direct advertising may assist in this endeavour, the added expense may not be fully recognized. Furthermore, the economic benefits of advertising achieved through hospital involvement and performing complex reconstructive procedures may be under appreciated by plastic surgeons.

OBJECTIVES: This study was designed to assess economic trends in a broad-based plastic surgery practice over a four year period.

METHODS: A retrospective review of economic trends in a plastic surgery practice was conducted between 1/1/05-12/31/08. The practice performs both cosmetic as well as reconstructive procedures. The practice has no advertising budget, offers no spa services, and does not have an office-based surgical suite.

Gross revenue increased steadily during the study period. Between years 1-2, 2-3, and 3-4, revenue increased by 13%, 22%, and 6% respectively. While the percentage of revenue attributable to aesthetic procedures remained relatively constant during the study period (24% year 1, 31% year 2, 27% year 3, and 29% year 4), the actual revenue in dollars increased. This indicates that a substantial increase in practice revenue was attributable to reconstructive procedures.

CONCLUSIONS: Despite a worsening economic climate, practice revenue and profitability increased over a four year period. All patient referrals were attributed to word of mouth sources; either physicians, allied health care providers, or other patients. This data suggests that the traditional method of practice development may remain valid and cost-effective. While advertising may increase gross revenues, it may not increase a practice's profitability.

