

Zeltiq's CoolSculpting Adoption Expected to Be Widespread

Companies: CUTR, CYNO, ELOS, LMNS, VRX, ZLTQ

April 17, 2014

Research Question:

Will Zeltiq's CoolSculpting system become widely adopted by patients and physicians?

Summary of Findings

- Zeltiq Aesthetics Inc.'s (ZLTQ) [CoolSculpting](#) device is expected to become widely adopted, thanks to growing interest and demand in noninvasive fat reduction procedures. Medical practices want to capture the market segment of patients who are reluctant to undergo invasive procedures.
- Fifteen of 21 sources think CoolSculpting will continue to be adopted by physicians and patients.
- Medical practice sources said their CoolSculpting treatment cycles are steady; they provide between 12 and 100 treatments, for an average of 38 per month. Practices are preparing for a seasonal spike in demand with the onset of swimsuit season. One practice is considering purchasing a second machine to meet increasing demand. Those practices whose treatments have plateaued have turned to social media and event marketing with Zeltiq's help.
- CoolSculpting cycle/treatment [pricing](#) has been firm for all but one medical practice. Limited promotions are used to build a patient base, and discounts are offered on multiple treatments. Still, discounting levels are not excessive. The average patient requires at least two treatments.
- Physician and patient satisfaction with CoolSculpting results is strong. Patient selection and education are critical to success.
- Zeltiq's challenges include possible market saturation of CoolSculpting devices and the prospect of being replaced by the latest technology.
- Competition is plentiful, but Solta Medical's (Valeant Pharmaceuticals International Inc./VRX) [Liposonix](#) was mentioned most frequently. One source said BTL Industries Inc.'s [Vanquish](#) also is getting a lot of online attention.

Silo Summaries

1) Medical Professionals

Seven of eight sources who use or plan to use CoolSculpting expect the device to become widely adopted. One said demand for the device has plateaued but that room for procedure growth still exists. Still, sources said demand for noninvasive fat reduction treatments is increasing. CoolSculpting procedures performed per month ranged from 12 to 100, and averaged 38. Procedure counts are steady and are subject to seasonal increases, particularly prior to summer. Pricing was stable for all but one source, whose pricing has declined steadily since installing the system four years ago. CoolSculpting's competitors include Cynosure's Smartlipo, Solta's VaserShape and Liposonix, BTL's Vanquish, Syneron's UltraShape, Cutera's TruSculpt and even knockoff CoolSculpting equipment. The CoolSculpting sales and field team were praised for their responsiveness and attentiveness. Zeltiq's CoolSmooth flat applicator and thigh treatment was just approved by the FDA and is expected to expand the patient population for CoolSculpting.

2) Competitors' Medical Device Salespeople

These five sources, representing competing noninvasive fat reduction device companies, were mixed regarding adoption of Zeltiq's CoolSculpting. Two sources expect adoption for the device to widen this year, two were negative on the device's chances, and one questioned whether adoption would be widespread. All five said demand for noninvasive fat reduction has increased, thanks to greater acceptance among physicians and patients. CoolSculpting treatment pricing has plateaued, but is firm and is expected to remain so.

3) Industry Specialists

All six sources expect Zeltiq to see continued sales growth and CoolSculpting to achieve widespread adoption. Demand for noninvasive fat reduction treatments in general will not peak for some time. Zeltiq's strengths include strong sales and promotions efforts, its industry leadership position, a high level of patient satisfaction, and its passive procedure that does not require a physician or technician to be with the patient during treatment. CoolSculpting pricing is firm. Zeltiq is strongly committed to growth, which may lead to the perception that its sales team is aggressive. Competitors include Chromogenex Technologies Ltd.'s i-Lipo, Cellulaze, Vaser, Smartlipo, BTL's Exilis and Vanquish, and Venus Concept's Venus Freeze.

	Adoption of CoolSculpting	NonInvasive Fat Reduction Procedures
Medical Pros	↑	↑
Competitors' Device Salespeople	→	↑
Industry Specialists	↑	↑

Zeltiq Aesthetics Inc.'s CoolSculpting

Background

Zeltiq's [fourth-quarter earnings call](#) showed the company's footprint growing at a healthy pace, with 93% revenue growth for the fourth quarter and 47% for the full year. The company's patented CoolSculpting system is designed to destroy fat cells through a natural type of programmed cell death, known as [apoptosis](#), and uses cold temperatures without anesthesia or incisions. Currently 2,200 CoolSculpting systems are in operation, which have collectively activated 1 million treatment cycles.

CoolSculpting is both easy to operate and painless, allowing care providers to initiate a treatment cycle while simultaneously performing other cosmetic procedures. The system is well positioned to benefit from demand for fat removal, specifically from [men](#), and from demand for cosmetic procedures in general, which [increased 3%](#) from 2012 to 2013. CoolSculpting got a [70% approval rating](#) from more than 800 reviewers on RealSelf.com. Another selling point is price: At an average of \$1,600, CoolSculpting is cheaper than competitors' treatment prices, including Valeant/Solta's [Vaser](#) at [\\$5,225](#); Cynosure Inc.'s (CYNO) [Smartlipo](#) at [\\$4,975](#); and Valeant/Solta's Liposonix at [\\$2,525](#).

The market for cosmetic treatments remains highly competitive, and has since been joined by Syneron Medical Ltd.'s (ELOS) [UltraShape device](#). Although CoolSculpting is billed as a painless and noninvasive alternative to liposuction, some patients have complained about side effects including numbness while others have opted for Erchonia Corp.'s [Zerona as an alternative](#).

Current Research

Blueshift Research assessed whether Zeltiq's CoolSculpting device will be widely adopted by patients and physicians. We employed our pattern mining approach to establish four independent silos, comprising 21 primary sources and six relevant secondary sources focused on the plastic surgery, aesthetics and fat reduction industries:

- 1) Medical professionals (10)
- 2) Competitors' medical device salespeople (5)
- 3) Industry specialists (6)
- 4) Secondary sources (6)

Next Steps

Blueshift Research will monitor CoolSculpting's adoption rate, including the device count and cycle count, as well as the launch of Zeltiq's CoolSmooth adaptor. We also will gauge device saturation in urban areas and the related effects on medical practices offering CoolSculpting. Finally, we will follow competitors' launches of new or improved technology and market share gains and losses within this industry.

Silos

1) Medical Professionals Using CoolSculpting

Seven of eight sources who use or plan to use CoolSculpting expect the device to become widely adopted. One said demand for the device has plateaued but that room for procedure growth still exists. Of the two sources not using CoolSculpting, one had evaluated the device but opted for Cutera Inc.'s (CUTR) [TruSculpt](#) because of its shorter treatment time and strong company reputation. The other source does not offer a noninvasive fat reduction system because of the technique's infancy, cost and questionable efficacy. Still, sources said demand for noninvasive fat reduction treatments is increasing. CoolSculpting procedures performed per month ranged from 12 to 100, and averaged 38. Procedure counts are steady and are subject to seasonal increases, particularly prior to summer. Pricing was stable for all but one source, whose pricing has declined steadily since installing the system four years ago. CoolSculpting's competitors include Cynosure's Smartlipo, Solta's [VaserShape](#) and Liposonix, BTL's Vanquish, Syneron's UltraShape, Cutera's TruSculpt and even knockoff CoolSculpting

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equipment. Two sources said patients are inclined to pursue the latest treatment and that CoolSculpting itself might be a fad—both factors that could hurt the device's growth. The CoolSculpting sales and field team were praised for their responsiveness and attentiveness. Zeltiq's [CoolSmooth](#) flat applicator and thigh treatment was just approved by the FDA and is expected to expand the patient population for CoolSculpting.

KEY SILO FINDINGS

Physician and Patient Adoption of CoolSculpting

- 8 of 10 sources use CoolSculpting.
- 7 of 8 CoolSculpting users expect increased demand and growth for the device.
- 1 CoolSculpting user thinks demand may have peaked for the device but still should increase for procedures.

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- Demand for noninvasive fat reduction treatments is increasing.
- 1 said patients chase the latest treatment. 1 said CoolSculpting may be a fad.

CoolSculpting Pricing, and Physician and Patient Satisfaction

- 7 have experienced firm CoolSculpting pricing.
- 1 said pricing has steadily declined during the four years the practice has offered CoolSculpting.

Competitive Landscape

- Smartlipo, VaserShape, Vanquish, Liposonix, UltraShape and even knockoff CoolSculpting equipment were all discussed as competitors.

1. Dermatologist/owner of a skin care practice

CoolSculpting and other noninvasive techniques will continue to grow in popularity. CoolSculpting treatment volume has been steady during the last year, primarily restrained by room restrictions and the center's other treatments, but awareness of the device is slowly adding to the procedure count. Pricing has decreased during the four years that the device has been offered at this practice.

Physician and Patient Adoption of CoolSculpting

- "I got CoolSculpting about four years ago. It was new and different, and I liked what I had heard about its potential use."
- "CoolSculpting and this market will continue to improve and get more popular over time. ... CoolSculpting has a hand piece [CoolSmooth] coming out, which will be a nice option. The main thing people have to understand is that this is a treatment, not the be-all and end-all. Once they understand that, patients do well."
- "I do about 15 to 20 treatments a month, which has been steady over the last year. I don't care to do much more than that. It takes a minimum of one hour per time, which really means one-and-a-half to two hours with prep. That's a lot of time to take in a room, even though I have lots of rooms. I want the volume to go up, but I offer a lot of options. We are promoting it a little more, and that's worked OK."

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- "Fat reduction and skin tightening is the second largest noninvasive field behind injectables. I saw a CoolSculpting commercial on TV the other day. It's growing. Everybody is doing it."

CoolSculpting Pricing, and Physician and Patient Satisfaction

- "The patients going through it are happy. It's meeting my expectations. You have to remember it's a 20% reduction per treatment area, and you need to have more than one cycle in an area. That's not the exception; it's the norm. At the beginning they didn't tell people that. You also need to treat the area above or to the side or it can look funny."
- "[Most] patients do two cycles per area up to three or four. Cycles per area are [slowly] increasing."
- "We charge \$2,400 per area for two cycles on each area, so for, say, love handles, that's \$600 per cycle. When it first came out they were telling us to charge \$1,500 to \$2,000 per cycle, but that was too high when you have

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*Dermatologist/Owner
Skin Care Practice*

Zeltiq Aesthetics Inc.'s CoolSculpting

a 20% [fat] reduction. We can't charge as much in [our state] as in New York. Prices have come down over the years."

Competitive Landscape

- "There's no other competitor in this area. The only other direct competitors are the fake ones that are CoolSculpting knockoffs. They're international but are making their way into the states."
- "We offer Smartlipo and VaserShape. We haven't done as much VaserShape because it takes one-and-half hours per area of treatment. We offer Syneron and will be doing their UltraShape. We'll see how it does although the studies done have been very impressive."
- "We've had only one patient who had prolonged pain, and have had no ulcerations."
- "There was management before the current management that was not very ethical. I had a lot of issues from a corporate standpoint. Now their management is as top-notch as can be in the business. They understand the business, they understand doctors and they understand the ethics."

2. Nurse/CoolSculpting director with a Southern California plastic surgery office

This source foresees national growth for CoolSculpting. Procedures and cycles have been steady year to year, but now are picking up with swimsuit season approaching. Most patients receive one cycle per treatment area. Zeltiq's sales force is excellent and very responsive.

Physician and Patient Adoption of CoolSculpting

- "We only offer the CoolSculpting. We received this technology the end of 2012. I wasn't the one making the decision, but it's one treatment for most so patients don't have to do many treatments. It provides a 30% reduction though some may need a retreatment after two months if it's a larger area."
- "We use it every day and do two to six per day for an average of four, so 15 per week [60 monthly]. Because it's spring we're going up and pool time is behind it. ... [As for yearly increases] at the beginning we were doing more."
- "They should maintain [their sales momentum]."

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- "Patients are calling and requesting it. We have commercials and advertising."
- "There's one other center that offers it. The competition is good. ... Definitely it's a growing trend versus going under general anesthesia."

CoolSculpting Pricing, and Physician and Patient Satisfaction

- "Some of our larger patients will need several treatments, but the majority don't retreat. That hasn't changed. Some are happy with some reduction. ... I would say about three-fourths are happy with the results."
- "We have two different treatments, \$750 for smaller and \$1,200 for larger. That's remained steady since we first offered it."
- "We're very satisfied with Zeltiq [sales and service staff]. They're wonderful."
- "[The CoolSculpting sales force] is very on top of things. They're definitely there when you need them and are very helpful. For example, if there's a new hand piece, they're calling you a lot to check on it."

Competitive Landscape

- "A lot of competitive treatments are heat-based, and I'm not that familiar with them. We have had patients who have tried these and then come to us because they said the treatments didn't work."
- "CoolSculpting's weakness would be that the fat is not 100% eliminated. Most people get confused; even after you tell them, it doesn't register in their brains. ... The 30% reduction is what the reps told us. They used to tell us 50% to 60% reduction, which was not the case it all."

Patients are calling and requesting it. We have commercials and advertising.

*Nurse/CoolSculpting Director
Southern California Plastic Surgery
Office*

3. Cosmetic surgeon in Southern California

This surgeon has evaluated a number of noninvasive fat reduction techniques and is close to deciding to purchase CoolSculpting because it is less variable, is easy to use and should show results with two to three treatments. He reports

Zeltiq Aesthetics Inc.'s CoolSculpting

high satisfaction among colleagues using CoolSculpting, and believes Zeltiq can maintain its sales momentum. Smartlipo also continues to be a popular treatment.

Physician and Patient Adoption of CoolSculpting

- “Growth is the tough part. I don’t have many people asking for CoolSculpting, maybe one or two phone calls every week or two. It depends on if it’s in the media or on some doctor show. We don’t get patients coming in for evaluations who ask for CoolSculpting.”
- “It will depend on how well it’s marketed. We’re going to use Zeltiq’s business model, and their CEO says we should do quite well with it.”
- “The whole idea is to sell a package of three. One is not enough. You really need two or three on average to give the benefit. It costs as much as surgery, so it had better work.”
- “I’ve evaluated several over the years and haven’t found many that make the difference. I did a trial of 10 patients with VaserShape, and about one-third saw a difference, one-third were equivocal and one-third saw nothing. Using their protocol I decided it wasn’t worth it to get one-third patients happy. I want to get the one that offers the most. CoolSculpting allows for less variation than the others, and is less dependent on other factors. With CoolSculpting it’s getting the applicator on with good placement. ... We do a lot of Smartlipo, but that’s not really noninvasive.”

I don’t see why they won’t [maintain their sales momentum]. Every colleague I’ve talked to who has CoolSculpting loves it.

Cosmetic Surgeon, Southern California

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “We do the invasive procedures and felt there’s a market for noninvasive, but I’ve wondered if there is a good enough treatment to justify the cost. I’m familiar with Zeltiq’s research with the [pig model](#). I haven’t bought it yet because patients want to see a difference and I wanted to make sure they would with CoolSculpting. The protocols have improved, and expectations are better aligned now. It makes sense to have it as a treatment option for those who don’t want surgery. Why not capture that part of the market?”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “For pricing I like to be on the middle to upper end. ... I’m not sure yet but probably \$750 to \$1,000 per application.”
- “I don’t think anyone can give a reduction percentage. For me, it’s can I tell with a before-and-after picture. I think it takes 30% to 50% improvement to see a change in a picture.”
- “I expect patients will be excited. I expect about 10 to 15 per month.”
- “I find [Zeltiq’s sales force] to be quite pleasant. They have been talking to me for two years, and I never feel harassed.”
- “I don’t see why they won’t [maintain their sales momentum]. Every colleague I’ve talked to who has CoolSculpting loves it.”

Competitive Landscape

- “Strengths are it’s very user-independent; it doesn’t require a physician or RN to administer. That’s its biggest strength. No. 2, they have good science. The drawback is cost. As always, it’s the high initial cost. I always wonder why they need to charge so much for both the initial cost and for usage, but they have to do their R&D.”

4. Dermatologist and director of a private Midwest clinic

CoolSculpting treatments have remained at 12 per month for the past six months, and the source hopes to increase this to 30 treatments per month. She said the flat procedure count was due to patient misconception. The clinic is starting a direct marketing campaign to increase patient awareness about the procedure and the number of cycles it takes. Pricing has been stable. Zeltiq wants its customers to succeed, but it needs to better educate staff and patients on the technique.

Physician and Patient Adoption of CoolSculpting

- “The company has some great room to grow, especially with educating the staff on how to get the best results and educating patients that it is a multistep process.”
- “We have been doing CoolSculpting for two, two-and-a-half years. I know the physicians who designed it.”
- “Six other clinics offer CoolSculpting in our large city, and I don’t think that is too many.”

Zeltiq Aesthetics Inc.'s CoolSculpting

- “Most patients need two cycles to really see results, as their eye isn’t that trained. But some patients have done great with just one treatment. Now we tell everyone they will need two cycles.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- N/A

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “We have been steadily doing only 12 treatments per month for the past six months. I’m not sure why. We are hoping to get up to 30 per month. To do this, we will be explaining more about treatment to transformation to the patients, so they understand how they will get the best results. We are training our staff to explain multiple treatments, and we are doing a public [event].”
- “I don’t think this market is saturated, but Zeltiq needs more direct marketing to the consumer.”
- “Our prices are the same since we started. We charge \$600 for [CoolFit](#), [CoolCurve](#) or the original, and \$1,200 for the large one [[CoolMax](#)]. A package of two small and one large treatment or four small costs \$2,000.”
- “We have not had any issues with uneven fat reduction. They would need more treatments if that happened.”

The company has some great room to grow, especially with educating the staff on how to get the best results and educating patients that it is a multistep process.

*Dermatologist & Director
Private Midwest Clinic*

Competitive Landscape

- “Other competitors are Vanquish, which does radiofrequency; Liposonix, ultrasound; and UltraShape, which is a different ultrasound that is not available in the United States yet.”
- “The Zeltiq sales reps are really nice and helpful and want your business to succeed. We tried the microsite [web-based customer service site for participating clinics] for free, but the prospective patients who left phone numbers did not answer the phone when we called them back.”
- “CoolSculpting is slow, and you need a lot of treatments. The other treatments might be faster, but Liposonix hurts more. We have to do local anesthesia to the areas so the patients tolerate the procedure.”

5. Administrator of a private clinic in Florida

Zeltiq should push the use of CoolSculpting for other areas of the body to keep momentum going. Cycles at this clinic have been stable, roughly 40 to 45 per month, because of local saturation. The source hopes to increase numbers by using social media and sponsoring public events. Prices, which are based in part on cycle costs to Zeltiq, remain stable. CoolSculpting is meeting expectations, and patients have been pleased.

Physician and Patient Adoption of CoolSculpting

- “We purchased a machine in March 2012 and have done well with it. We chose the device because our physicians knew people who used it and a nurse practitioner investigated it. We wanted to add to our services. At our aesthetic center, we do injections, facial treatments, lasers.”
- “Zeltiq has changed their business model somewhat, and it has cut into our business. They originally promised that they were not going to try to populate the areas with many machines, as the laser vendors had, and that their business model relied more on cycles used, not machines sold. Within six months, there was another physician with a CoolSculpting machine less than five miles from us. Three more have been added within 10 miles of us, and now there are five machines in a 25-mile radius. Needless to say, it has dropped our income. Our local market is a little saturated, but I would never say it isn’t worth it.”
- “Our number of cycles has been and will continue to be stable. A patient usually has two to three cycles, and we have done somewhere around 120 to 140 cycles this year, in three months.”
- “We would like to be busier and are looking at different ways to market the treatment, from social media to hosting events. When the treatment was first introduced, Zeltiq had a local billboard, but now they aren’t involved in recruiting patients.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “Fat reduction is meeting our expectations, and patients are extremely pleased. It is working out very well.”
- “People who have an aversion to surgery want noninvasive. There is no real downtime. There are few if any side effects, a little redness, some tingling. With liposuction, you have an embolism risk.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

Zeltiq Aesthetics Inc.'s CoolSculpting

- “CoolSculpting is reliable, it works, and we have had satisfied clients. Our patients are happy.”
- “I’m not sure of the cost, but our prices have stayed the same. We buy cycles from Zeltiq, who tries to regulate the pricing to some extent. The cost of the cycles impedes the overall cost of the treatment. You need to get above that to be profitable. The machine is paid for now, so we just pay for cycles. This is unlike hair removal, where you own the equipment and don’t pay for cycles.”

Competitive Landscape

- “I’m not sure there is anything else like CoolSculpting. We compete with other physician offices, even obstetrics and gynecology offices.”
- “The machine is easy to learn how to use.”
- “Right now Zeltiq has momentum, but I’m not sure how they will do in the future. The machine could be more widely adopted if they developed CoolSculpting for different areas of the body, such as the arms and legs.”
- “With a laser, you don’t have to keep repeating cycles. CoolSculpting is a permanent reduction; you lose 15% to 20% each time.”
- “Zeltiq has done a very good job in teaching us how to use the equipment. They have before-and-after pictures, with a template for each view. The pictures that they show are not touched up.”
- “The biggest downside with CoolSculpting is that you need to stay three hours. We have a comfy chair and TV, Wi-Fi. We even get the patients lunch.”

Right now Zeltiq has momentum, but I’m not sure how they will do in the future. The machine could be more widely adopted if they developed CoolSculpting for different areas of the body, such as the arms and legs.

*Administrator, Private Clinic
Florida*

6. Trained CoolSculpting aesthetician in Florida

This source recently completed a CoolSculpting training program. A key business advantage of the procedure is that the staffer administering the treatment does not have to be a doctor or a nurse. Treatments range from \$1,200 to \$4,000 for two to four procedures, depending on the body area. Ultrasound therapy may be a future option, but for now her clinic offers only CoolSculpting as a nonsurgical option for fat reduction. This [medical spa](#), or med spa, is somewhat isolated from the competition in more urban areas and is located between two beach resorts.

Physician and Patient Adoption of CoolSculpting

- “We’ve had CoolSculpting for about a year.”
- “I don’t know of any other med spa that has CoolSculpting in our area.”
- “We usually provide two to four treatments. It depends on the body area.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- N/A

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “We do about 25 treatments a month. I’d like for that to go up to at least one a day. Some of it is seasonal. We’re seeing it pick up now that people are starting to think about the beach and looking good in their swimsuits.”
- “Patients are happy with the CoolSculpting treatment. It’s not the right treatment for everyone, but for suitable candidates it works well.”
- “We always meet with a patient and do an evaluation before we can quote a price. It runs from \$1,200 to about \$4,000 for two to four treatments. The price depends on the number of treatment cycles and the body location being treated.”
- “We’ve seen really good results with CoolSculpting. I haven’t had any complaints, and I do most of the procedures at our spa.”
- “One big advantage of CoolSculpting is you do not have to be a physician or even a nurse to do the treatments.”
- “Zeltiq has good support. I just completed an advanced CoolSculpting training program.”
- “CoolSculpting is competitively priced compared to other nonsurgical options to reduce fat. There’s minimal discomfort, and patients can walk out the door when they are done.”

Competitive Landscape

CoolSculpting is one of the ‘hot’ treatment options right now. For the right candidates, it can be a great treatment to remove bulges quickly.

*Trained CoolSculpting Aesthetician
Florida*

Zeltiq Aesthetics Inc.'s CoolSculpting

- “There are a lot of options out there. Vaser and Liposonix are hot right now, but CoolSculpting isn’t painful like some other procedures.”
- “CoolSculpting is one of the ‘hot’ treatment options right now. For the right candidates, it can be a great treatment to remove bulges quickly.”
- “We are somewhat isolated from the competition you see in a lot of areas. We are in between two beach resorts so our target customers are close by, but there aren’t any other med spas in this area that have CoolSculpting. Most of them are using fillers and injectables.”

7. Aesthetician at a Florida med spa focused on CoolSculpting

This med spa is part of a Florida chain focused on CoolSculpting for the last five years. Average monthly procedures appear to have peaked at 30 to 35, with prices starting at \$600 for one treatment cycle. A CoolSculpting machine averages close to \$100,000. The med spa can always perform more CoolSculpting treatments, but the source wonders whether Zeltiq can sell more equipment in a market in which patients pursue the latest treatment options. Demand for CoolSculpting does not appear to have peaked, but demand for the equipment may be hitting a plateau.

Physician and Patient Adoption of CoolSculpting

- “We’ve been offering CoolSculpting since I’ve been here, so at least five years.”
- “Treatment cycles really depend on the patient. Two is average, but three or four might be needed on larger body areas.”
- “We only offer CoolSculpting as a noninvasive procedure.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- N/A

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “Our spa is one of several we operate in the state. At our location I think we do about 30, maybe 35 procedures a month. We’ll probably see an increase as we get closer to summer.”
- “Our patients seem pretty happy with their CoolSculpting treatments. Some patients might require three to four cycles depending on the area, but it’s still less expensive than fat reduction surgery like lipo.”
- “We require a patient consultation before we can get into a treatment plan that’s best for that person. CoolSculpting treatments can run anywhere from \$600 for one cycle, to \$2,000 or more for multiple treatments.”
- “The CoolSculpting system costs close to \$100,000.”
- “CoolSculpting doesn’t require a lot of staff time, like some of the procedures we do. Once the patient is comfortable and set up for the procedure, we can leave the room to work with other patients. Another thing is I’ve never had anyone complain about pain during the procedure. Sometimes there’s a little minor discomfort from the skin pulling, but that’s it.”
- “CoolSculpting doesn’t cost as much as some treatment options and it works well for most people. I think the other main advantage is it’s pretty much painless and patients can go right back to their regular activities.”

Competitive Landscape

- “We do the CoolSculpting procedure, but I am aware of all the other options available out there. I think there’s a life cycle to a lot of cosmetic procedures. People want to try whatever’s hot at the moment, and then things kind of peak.”
- “The Zeltiq people are very helpful. They want to grow their business the same as everyone. I think at this point they may be reaching the limit on demand for equipment. We can always provide more treatments. I don’t know how many more facilities would need more equipment—maybe if [Zeltiq] came out with something new or better. Somebody usually does, and then that becomes the next, hot thing—as long as it’s effective.”
- “I don’t know a lot about other regions of the country, but I think CoolSculpting has the best chance of growing in underserved areas.”

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*Aesthetician, Med Spa
Florida*

Zeltiq Aesthetics Inc.'s CoolSculpting

- “Our spas are all in very competitive locations. Because we focus on CoolSculpting and it’s still very popular, we are probably capturing most of that business. People sometimes compare noninvasive procedures to each other, but I think you really have to compete against all the procedures a patient can choose from. For some people, a procedure like lipo is probably the better choice.”

8. Dr. Julie Russak, MD, FAAD, founder of [Russak Dermatology](#) in New York City

Despite an increasing number of noninvasive fat machines in the area, this Manhattan practice’s CoolSculpting business has been thriving since it bought the machine about a year ago. So far patients have been satisfied with the results. No patient has had the same area retreated, although some do receive treatments for additional areas. The new CoolSmooth applicator, which the practice hopes to have by the end of April, will allow practitioners to treat patients who previously were not appropriate for CoolSculpting, such as those with nonpinchable abdominal fat.

Physician and Patient Adoption of CoolSculpting

- “We started offering CoolSculpting about a year ago. At first it was mostly us speaking to patients about CoolSculpting, but we see right now a lot of demand actually coming from patients, and patients calling us about CoolSculpting.”
- “We do about four to six [treatment cycles] a day. I would say that we started probably with about two to three a day, and now we are definitely growing. We are expecting to actually need and acquire a second machine, so we are expecting to double the numbers [in the next three to six months.]”
- “We have a tightening device, which sometimes we actually use in conjunction with [CoolSculpting] for certain areas, but we don’t have any other fat reduction machine.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “There is definitely an increase in the number of noninvasive machines in the area because of the high demand. Interestingly enough, a lot of plastic surgeons are starting to carry it and use it in conjunction with liposuction or sometimes to correct some of the liposuction problems.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “There was an area that really had a demand that CoolSculpting wasn’t meeting, and that was the area of nonpinchable fat. Right now with a new applicator coming out called CoolSmooth, [Zeltiq is] definitely meeting that demand.
- “There is also some demand for [being able to use CoolSculpting on] smaller areas for really more of the sculpting, and new applicators [for doing that] are supposed to be coming on the market within the next year or two.”
- “We haven’t had anyone yet [who wasn’t satisfied with the results]. If it’s done correctly with the right consultation for the right patients, everyone sees results.”
- “Initially there were more worries about [uneven fat reduction], but with the right consultation and exam—you have to be the right patient for [CoolSculpting]—we haven’t seen anything like that. I think it’s [more likely to occur] in someone who is overweight and somewhere where you don’t have an easily pinchable fat.”
- “I have someone who assists me during the treatment, but all the patients are consulted and the initial application is done by me.”
- “[The Zeltiq sales/service field staff] are very responsive. We have their cell phone numbers and emails, and they basically respond within half an hour if we have any concerns. They are very supportive with any of our events and with any new application or any new indications coming out. ... They do great training for all the staff involved—not just for the people actually doing the CoolSculpting but for everybody—and that is very helpful in the practice.”
- “[Our] pricing starts at \$750 for one application, and then it’s discounted by up to 20% depending on the number of cycles. There is one bigger applicator called CoolMax that covers and basically gives you the results of almost two hours, and that one is \$1,500.”
- “Our pricing has remained the same. There is actually the cost of each cycle that is determined by [Zeltiq], which hasn’t changed, so we are keeping the same prices also.”

We do about four to six [treatment cycles] a day. I would say that we started probably with about two to three a day, and now we are definitely growing. We are expecting to actually need and acquire a second machine, so we are expecting to double the numbers [in the next three to six months].

*Founder, Russak Dermatology
New York City*

Zeltiq Aesthetics Inc.'s CoolSculpting

Competitive Landscape

- “The [Zeltiq sales force is] mildly aggressive. They are not overly aggressive, but they definitely help their company with their growth and definitely help the offices that have CoolSculpting with their growth.”
- “They are very supportive and help us organize events in terms of education for the patients and encouraging new patients to come to the practice. They are great in creating microsites. That’s one of the leading things that they have been helping us with to have more of a presence online. They have been very good with social media applications.”
- “[Sales momentum during the next six to 12 months] is going to actually increase with introduction of the CoolSmooth applicator. It’s not on the market. We actually purchased the applicator several months ago and haven’t seen it yet. Right now the CoolSculpting staff is going through the training for that and then after that, hopefully by the end of April, we will have it in our office and will undergo the training.
- “[CoolSmooth] has been FDA-approved for the abdomen. It hasn’t been FDA approved for all the other areas where potentially you will have a great application. ... We have several patients who are eagerly awaiting [it].”
- “[CoolSmooth] is supposed to be [able to treat] a bigger area, and we are very excited about using it on certain areas that weren’t usable for sculpting with a regular vacuum applicator, like saddlebags. Also, there are a lot of men who have this frontal kind of very thick abdominal fat that is definitely not pinchable, so they weren’t acceptable patients for CoolSculpting. Even if [the CoolSmooth] is a two-hour treatment, they can really decrease the girth of their abdomen.”
- “CoolSculpting is very easy to use. It’s very easy to apply. Patients are comfortable during their treatment, which is a big plus. In reality [we are finding that] it’s one treatment per one area. ... We are doing more areas on the patient, but we are not retreating the same areas.”
- “Probably the only weakness that I see with CoolSculpting ... is if you’ve started the cycle ... and the patient moves or reaches somewhere and the applicator got unattached or unhooked, you can’t restart [were you were in the cycle]. You have to start from the very beginning [at minute zero] because the cooling must be applied to the intended treatment area for one hour continuously, uninterrupted to warrant the best results and maximum fat cell death.”

[Sales momentum during the next six to 12 months] is going to actually increase with introduction of the CoolSmooth applicator.

*Founder, Russak Dermatology
New York City*

9. Nurse practitioner at an aesthetics center

This center is not offering noninvasive fat reduction because of efficacy and cost considerations. Also, the center’s surgeons continue to prefer traditional liposuction. CoolSculpting is available in the area, and the practice has received several unsolicited phone calls from Zeltiq. Perhaps 10% of patients have ask about noninvasive fat reduction within the past six months.

Physician and Patient Adoption of CoolSculpting

- “We are not [considering purchasing a noninvasive fat reduction system in the next six months]—I think probably [because of] concerns about efficacy, concerns about cost for the equipment. And I think the surgeons still prefer traditional liposuction.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “The surgeons here do liposuction. Some patients [are asking about noninvasive fat reduction]—probably 10% ... in the last six months.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- N/A

Competitive Landscape

- “[Zeltiq has] called us unsolicited several times. That seems fairly aggressive to me, but I don’t know.”
- “Everyone is looking for noninvasive fat reduction. Do I know that CoolSculpting will be the one [that they adopt]? I’m not sure. The impression I’ve gotten is that we have only kind of just begun as far as these types of technologies.”

Everyone is looking for noninvasive fat reduction. Do I know that CoolSculpting will be the one [that they adopt]? I’m not sure. The impression I’ve gotten is that we have only kind of just begun as far as these types of technologies.

Nurse Practitioner, Aesthetics Center

Zeltiq Aesthetics Inc.'s CoolSculpting

10. CEO of a multilocation med spa

This source decided to purchase Cutera's TruSculpt in lieu of CoolSculpting. The patient price is \$800 for treating a large area, \$700 for a midsize area, and \$600 for a small one. Once Zeltiq's "marketing hype" subsides, CoolSculpting sales growth will decline because people are finding that the treatment is painful and not meeting expectations.

Physician and Patient Adoption of CoolSculpting

- "I don't think [CoolSculpting will maintain its sales momentum over the next six to 12 months]. I think people are talking about it and are realizing it's a painful treatment and that the results aren't what they thought it was. They had a big marketing hype for so long with billboards everywhere. ... As that starts to wane, I don't think it's just going to grow by people talking about how fantastic the machine is."
- "So much of this can be a fad. I am afraid CoolSculpting might just be a fad that's just going to fade pretty quickly."

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- "I definitely see [demand for noninvasive fat reduction] increasing. Obviously so much of it has to do with just the American diet, the processed foods and fatty foods. We definitely don't have our weight under control, and there are those people who don't want surgery or feel like they can't afford it who are going to go for this noninvasive type."
- "I definitely don't think [demand] has reached saturation."

CoolSculpting Pricing, and Physician and Patient Satisfaction

- "Instead of CoolSculpting, we ended up buying TruSculpt by Cutera, another noninvasive fat reduction treatment. We have that priced at \$600 for a small area, \$700 for a medium and \$800 for a large. You normally need three treatments."
- "TruSculpt uses radiofrequency. That's kind of the opposite of CoolSculpting, which freezes fat. TruSculpt heats fat, melts it basically."
- "The treatment time is faster [than CoolSculpting] so it's more efficient for the patient and practice. TruSculpt treatments take anywhere from about 20 minutes to 45 minutes."
- "We have Cutera in at one location and are considering whether that's going to go in [several of our] other locations. We'll see how all that unfolds and how satisfied our patients are. So far, so good."
- "My regular customers go crazy for a new technology. No matter what it costs, they are right there for it. But what happens is over time, if you continue to sell it, more practices start bringing in the technology. It starts to get more competitive, and prices start to go down."
- "People who come to my clinics are on a beauty journey, and most want to start with something noninvasive. They don't know much about it, but as they get more and more familiar with it, they are much less willing to buy noninvasive things and much more willing to go invasive."
- "Probably 65% are satisfied [with the results of noninvasive fat reduction], and the ones who are not probably aren't good candidates."

Competitive Landscape

- "[The Zeltiq sales force has been] really aggressive. They started out with those huge marketing campaigns. They were offering marketing dollars to help you get your practice going. I don't think they are doing that anymore. I think it was for a limited time."
- "It's very competitive in that fat reduction area. I think there are a lot of companies that are all going to come out with their own version of that."
- "One of the reasons that I like using TruSculpt by Cutera [is] that the company has been around and [is] a leader in the laser business. And [noninvasive fat reduction] could be a fad, but it's not going to be something that they drop. It's going to be something they will continue to support ... next generations will come out and things like that. To be fair to CoolSculpting, I don't know what the company's plans are."

So much of this can be a fad. I am afraid CoolSculpting might just be a fad that's just going to fade pretty quickly.

CEO, Multilocation Med Spa

2) Competitors' Medical Device Salespeople

These five sources, representing competing noninvasive fat reduction device companies, were mixed regarding adoption of

Zeltiq Aesthetics Inc.'s CoolSculpting

Zeltiq's CoolSculpting. Two sources expect adoption for the device to widen this year, two were negative on the device's chances, and one questioned whether adoption would be widespread. All five said demand for noninvasive fat reduction has increased, thanks to greater acceptance among physicians and patients. CoolSculpting treatment pricing has plateaued, but is firm and is expected to remain so. CoolSculpting benefits from strong public relations, an aggressive sales force, support from top physicians and scientific data, and ease of use. Shortcomings include the treatment time (one hour per session), the delay in seeing results (up to four weeks), the need for repeat treatments, the pain or numbness following the treatments, the minimal fat loss and the possibility of uneven results. Three sources said Liposonix is CoolSculpting's main competitor. One source hinted at a new competing technology that should be released soon.

KEY SILO FINDINGS

Physician and Patient Adoption of CoolSculpting

- 2 think CoolSculpting will achieved wide adoption, including 1 who expects Zeltiq's growth to be 30% in 2014.
- 2 do not expect wide adoption.
- 1 was not sure.

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- 5 expect adoption of noninvasive fat reduction to continue to grow.

CoolSculpting Pricing, and Physician and Patient Satisfaction

- Pricing for procedures has plateaued and is expected to remain firm.
- Limited discounting and promotions are taking place.

Competitive Landscape

- Liposonix is key competitor.
- Erchonia's Zerona, Cynosure's [Cellulaze](#), [Alma Lasers Ltd.](#), [Syneron-Candela](#), Solta Medical and Cutera were all mentioned as competitors.

1. Clinical manager of a competitive noninvasive fat reduction treatment device company

CoolSculpting is a top treatment, but its sales momentum will be challenged unless it can be used to treat smaller areas. High acceptability and a lower-risk perception are driving the growth in noninvasive treatment numbers, but patients do want immediate results. Pricing should remain stable since plateauing in the recession.

Physician and Patient Adoption of CoolSculpting

- "[Whether Zeltiq can maintain sales momentum] depends on if they can release smaller hand pieces. ... [CoolSculpting patients currently] can just do the one area because it takes one to one-and-one-half hours, and they may [use our device] for the love handles. We're seeing a blend of treatments. If what [Zeltiq] comes out with is smaller for arms or flanks, that's possible; if not, it will be hard to grow."
- "I haven't heard of any big push by Zeltiq. Most of my sales team will call and say what they're up against, but I haven't heard people mentioning them."

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- "The trend is to noninvasive because invasive comes with a lot of risk. It's not that there weren't any risks before, but the media is covering surgical risk more. With invasive there's anesthetic risk and post-op treatment; there's inconsistency in results, and potential problems with complications. All those are mitigated with noninvasive."
- "Acceptability has a huge influence. Ten years ago I wouldn't be sitting with girlfriends and saying, 'Have you seen the latest fat reducer?' Now it's socially acceptable, and there's almost a prestige to it. A lot of our customers say, 'I go to XYZ.' They want to be seen in his waiting room, which is no longer behind frosted glass. Now it's in storefronts."
- "We're just at the beginning of the nonsurgical side. People are racing to solutions. It won't eliminate the skilled surgeon but will alleviate the fear

[Whether Zeltiq can maintain sales momentum] depends on if they can release smaller hand pieces. ... [CoolSculpting patients currently] can just do the one area because it takes one to one-and-one-half hours, and they may [use our device] for the love handles. We're seeing a blend of treatments. If what [Zeltiq] comes out with is smaller for arms or flanks, that's possible; if not, it will be hard to grow.

Clinical Manager, Noninvasive Fat Reduction Treatment Device Company

Zeltiq Aesthetics Inc.'s CoolSculpting

that people have. The more sophisticated the equipment is getting, the pain level decreases and efficacy goes up. There's a trend toward decreasing pain [but] there's still the perception that if it doesn't hurt it's not working. Patients need to see the results almost immediately."

CoolSculpting Pricing, and Physician and Patient Satisfaction

- "[Treatment numbers among physicians are] increasing exponentially. In some economically challenged areas there's a decline in growth, but that's in the entire market. I would agree with the Aesthetics Buyers Guide [figures](#) [Slide No. 5] in 2011 that projected a continual growth of 33% in body shaping annually and a 23% increase in revenues."
- "Patients are satisfied if they see results immediately; when it doesn't show something dramatically, they get frustrated. There's the growing trend of Groupon offerings, which we hope will end soon. The company [in the deal] may not be the best option or not deliver the best service because they're using it as a way to get customers. And some companies cut corners. We tell our clients not to do Groupon or similar deals."
- "Pricing has plateaued; it's stayed the same. It hasn't gone up 5% per year as it did from 2001 to 2008. But since then it hasn't gone down. Volumes also didn't go down because people had to decide whether to spend \$2,500 for nonsurgical or pay \$10,000 to get liposuction, and they chose the nonsurgical. While the price stabilized, demand has increased."
- "We suggest \$2,500 for a package, which can go up or down depending on the economic status of the community. But we suggest they not go down a lot from that."
- "We haven't heard of any uneven fat reduction with our system. We have homogenous heating; it heats the area evenly. They see the tissue tightening, and that's where we see patient satisfaction. The disadvantage is with nonresponders. Ours is low, 5% to 10%. There's no way to know if a patient will be a nonresponder to a treatment."

Competitive Landscape

- "Other than ours, Zeltiq's CoolSculpting and Zerona's ultrasound are main competitors. Pain-wise Zerona is still between a 3 and 4, but it's worth it. Zerona is really dropping off. It was so inexpensive, but the business model is quite flawed. Cynosure's Cellulaze is still invasive since you have to enter the skin, but you don't need full anesthesia."
- "I wouldn't really say [Zeltiq] is more aggressive in pursuing growth. Our team's model is different because they pay every month and reps get commissions every month. There's a saying that if you want to get rid of your laser salesperson, buy a laser."
- "Besides being time-consuming, CoolSculpting has some complications post-treatment, but they're quite open about those. There can be a loss of sensitivity and pain in the area. That doesn't mean it's a terrible system. There's always some drawback. But disadvantages are the limited size of the treatment area, the duration of the treatment and lack of ability to do more than one treatment area. Also, the disposables are expensive."

2. Vice president of sales and marketing for a competitor

Improved competition (pain-free with reduced side effects) is expected in the coming year, which will affect CoolSculpting's chances of maintaining its growth. Many top physicians helped bring CoolSculpting to market, and the device initially captured a lot of attention. However, patients have been unhappy with their results because the technique requires multiple applications, does little to reduce fat, and often has uneven results. Demand for the noninvasive fat reduction procedures in general will continue to grow, and patients will gravitate toward the most effective treatments.

Physician and Patient Adoption of CoolSculpting

- "Zeltiq will not maintain its sales momentum in the next year due to improved competition. Other technologies are coming to the market that can rival CoolSculpting results without the pain and potential for side effects."
- "CoolSculpting gives immediate results that are comparable to liposuction and theoretically with less downtime. CoolSculpting enjoys the support of many of the top physicians in the industry who invested and helped bring the technology to market. [Cryolipolysis](#) [CoolSculpting] is a destructive

Zeltiq will not maintain its sales momentum in the next year due to improved competition. Other technologies are coming to the market that can rival CoolSculpting results without the pain and potential for side effects.

VP of Sales & Marketing, Competitor

Zeltiq Aesthetics Inc.'s CoolSculpting

technology, meaning fat cells are destroyed to deliver body shaping results. Whenever fat cells are destroyed, the procedure is painful and risky. Additionally, fat displacement is a common side effect of any fat destroying approach to body contouring, including liposuction. Post-treatment weight gain by the patient often results in fat displacement [protruding pockets of fat developing on the arms, legs, neck and torso].”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “An increased number of people are recognizing the advances of the noninvasive approach to fat reduction versus surgery or liposuction, especially when you compare the risks versus benefits. The demand is definitely increasing.”
- “There is an inherent demand for help with fat reduction. The fitness industry is well established and has created this need. People are reading information and understanding the alternatives. People talk to their friends, find out what has worked for them. And social media has helped move the market too.”
- “There won’t be a peak.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “It would be hard to say the average number of treatments that are done per month. It all depends on who is delivering, what type of clinic, what type of treatments. These treatments are given by plastic surgeons, dermatologists, primary care physicians, and trained medical personnel in a variety of settings, including physician offices, hospitals and medical spas.”
- “Some patients seem to want this enough to pay the prices, so I would say pricing is not too high.”
- “Some patients have said the CoolSculpting experience was worth it, although some are dissatisfied either with the results or the pain and complications. Results are not guaranteed.”
- “Cryolipolysis entered the market with great fanfare, a lot of promises, and with top aesthetic doctors’ support. As usual, the hype of pain-free fat reduction without risk or complications did not materialize exactly. Treatments are limited to certain areas of the body and by the amount of fat that can actually be removed. Treatments are often very painful, recuperation time is long and difficult—sometimes with extended nerve damage—and uneven fat reduction is common.”
- “Fat displacement is a common side effect for any destructive fat reduction treatment. The body wants to hang onto the fat for survival, and it may store fat cells in unusual areas of the body if the fat cells in the ‘normal’ areas of deposition [waist, buttocks and thighs] are destroyed. This is reportedly corrected with a change to treatment protocols.”
- “Some treatments are more unsatisfactory than others. Zerona is a classic failure. The energy delivered off of the body had results that just don’t compare to other systems, and companies that followed have had a hard time overcoming Zerona’s failure.”

Competitive Landscape

- “Every company is in this field: Alma Lasers, Syneron-Candela, Solta, Cynosure. There are many more. Their techniques all vary and have advantages and disadvantages.”
- “There are multiple techniques to treat fat. There is a variety of energy, light, heat, cold, radiofrequency, ultrasound. All have some advantages and some disadvantages. You need to look at each one closely: invasive versus noninvasive, destructive versus nondestructive, and immediacies of results. Most approaches do deliver results.”
- “CoolSculpting first captured a lot of attention because Zeltiq reportedly changed treatment procedures to address [uneven fat reduction]. But reports have been mixed as to the consistency of results.”
- “The Zeltiq sales force is very aggressive.”
- “All of the techniques can work to some extent, but there is an inherent problem. Long-term results are dependent on patient behavior. If you take in a lot of calories, you will regain the weight. You can spot-reduce and show improvement, but there is no miracle here. Excess calories have to be stored somewhere.”

3. Sales specialist for a competitor

Zeltiq has been growing 30% to 40% each year for the past few years, and should grow by 30% in 2014. The company has excelled at marketing and PR. However, not all patients are satisfied with CoolSculpting because of the possible uneven and limited fat reduction, chafed skin and demarcation lines, and occasional resultant muscle cramping. CoolSculpting will keep growing for another two years and then will peak, unless Zeltiq becomes more innovative. Consumers are always looking for the newest procedure, which may be ultrasound and radiofrequency.

Physician and Patient Adoption of CoolSculpting

Zeltiq Aesthetics Inc.'s CoolSculpting

- “Zeltiq has been growing 30% to 40% each year for the past few years. They will probably increase at least 30% this year.”
- “Zeltiq has done both an amazing and annoying job at marketing and public relations. Patients are now calling the office asking for the procedure.”
- “The demand for this procedure is now influenced by other people, who recommend it to their friends.”
- “The Zeltiq procedure has a few more years left in it, maybe two more years before it peaks. This all depends on how innovative they remain. The space will become crowded with radiofrequency and ultrasound competitors. Everyone is always looking for the newest and best thing.”
- “CoolSculpting is an easy procedure to do, and anyone in a physician’s office can do it—a nurse, a trained technician. They only spend a few minutes with you, then leave you for an hour and come back.”
- “Zeltiq provides the [CoolSculpting University](#), where anyone can go and be trained in this technique. It is very good.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “Demand for noninvasive fat reduction treatments will keep increasing as patients become more aware of their options. There is no downtime for many procedures, and patients are much more likely to choose a noninvasive procedure than an invasive one.”
- “Business in this market is good. Physicians are super busy.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “If a practice does one CoolSculpting patient per day, I’d say they are doing very well. Each cycle takes an hour, and patients are doing more than one cycle per spot treatment. Most patients have three to five cycles, and are at the office three to five hours. Patients may come in for two to three treatments, meaning they come into the office two to three times.”
- “A lot of physicians have two systems, so they can do two patients a day. If they have a small applicator, they can’t do an entire abdomen at once.”
- “The small applicator, used for the upper abdomen [ab], costs \$599 per cycle. The larger ... applicator, for the lower ab, costs \$1,200 per cycle. The prices stay steady across the board.”
- “Zeltiq’s list price for a CoolSculpting machine is \$90,000. Companies buy cycle treatment cards from Zeltiq. One small cycle costs them \$125, and a large cycle costs \$250. In turn, the physicians need to charge extra in order to make money. For other companies, the physicians pay royalties for consumables.”
- “CoolSculpting works well for a thin person, someone who really wants spot treatment. It is not a substitute for exercising or liposuction.”
- “I have done CoolSculpting three times. I did not notice that big of a change; maybe 20% of the fat was lost. I give it a 5 out of a 1–10 satisfaction scale. The treatment was uncomfortable at first, not painful, and during the treatment it was fine. At the end they massage the area for a while, and it feels sensitive. I had bad cramping for four weeks afterwards, because they sucked my muscle up in addition to the fat. But this eventually went away.”
- “If the machine is not lined up appropriately, you can have uneven fat reduction. This is corrected with another cycle over the area.”
- “Men and women respond differently. I think females have a better response.”
- “The science behind the procedure is good.”

Competitive Landscape

- “The three big companies in this field are Zeltiq, Liposonix and Cutera.”
- “Liposonix uses ultrasound with a very big transducer that covers a large area over the course of one to two hours. Ultrasound is not regulated like laser treatments, and the house aesthetician can use this machine. But most use registered nurses for treatments because they want someone with a bigger title. At first Liposonix had a lot of unhappy people who did not get the results they wanted. But the company figured out the problem, and now I think most people are satisfied. Patients receive Valium and Vicodin before the treatment because of the heat; when it hits a nerve on the flank, it shoots down the leg. It is very painful.”
- “I had one Liposonix treatment, and I was not impressed with the results. I was supposed to do more than one, but I never went back.”
- “Cutera uses TruSculpt or radiofrequency. TruSculpt is the most comfortable and easiest procedure to do. Cutera has also done a very good job at marketing and public relations. Patients call physicians’ offices asking for this technique.”

Zeltiq has been growing 30% to 40% each year for the past few years. They will probably increase at least 30% this year. ... Zeltiq has done both an amazing and annoying job at marketing and public relations. Patients are now calling the office asking for the procedure.

Sales Specialist, Competitor

Zeltiq Aesthetics Inc.'s CoolSculpting

- “I’ve heard that [Syneron’s] [VelaShape](#) provides uneven tucks because of slippage. VelaShape was the first to treat cellulite. I think they started in 2005.”
- “Zeltiq actually has a split sales force of two groups, and they are known as being aggressive. The first makes the initial capital sale at the office, and the second does the marketing support. Their commission is based on the number of cycles per office, and they sell by procedures.”
- “Sometimes the CoolSculpting applicators chafe areas of the skin. You may notice different lines of demarcation, and these lines need to be worked out. You can treat large areas in one hour, but you have to have multiple treatments.”

4. Marketing representative at a leading medical device company

The number of noninvasive fat reduction treatments likely has increased 10% to 15% year to year in the United States. Treatment adoption will escalate once prices drop enough to be accessible for other income brackets, probably in five to seven years. **Zeltiq is investing heavily in its sales effort.**

Physician and Patient Adoption of CoolSculpting

- “From a sales perspective, they have a lot of boots on the ground. At their booth at a trade show this week, they had like 30-some salespeople at their booth. That’s unheard of, especially for a single product company.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “Demand is increasing. ... It definitely has not reached saturation. I expect it to peak when it becomes much more accessible, available and when awareness is at its highest. Right now we have just really scratched the surface of awareness.”
- “When they become much more affordable than they are today, that will also open up the market because you are talking about an about a \$3,000 procedure today. When that cost comes down to where the masses can afford it, that will be a game changer. I’d say that’s going to happen probably within five to seven years.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “[Pricing over the last six months] has stayed about the same. There hasn’t been a lot of downward pricing pressure. It’s all driven by what physicians can get out of it.”
- “[The number of treatments is] going up. These aren’t the things that you just kind of flip a switch overnight and all of sudden the market explodes. I’d say it’s probably going up double-digit percent—probably 10% to 15% a year [in the United States].”
- “Physicians probably are [satisfied with basic treatment pricing]. They are making a good \$1,000-plus an hour of treatment, so that’s a good return. But patients, I’d say, are not [satisfied]. To pay \$3,000 for a noninvasive treatment to just lose an inch around the waist is probably a bit too much, especially when you can get a full liposuction procedure for between \$5,000 and \$8,000 and lose multiple inches.”
- “Patients tend to forget what they used to look like. ... It typically [takes] four to 12 weeks for that fat to actually be destroyed and go into that state where it gets reabsorbed by the body. That’s a long period of time in a very instantaneous society.”
- “What CoolSculpting says is very misleading, which is that scientific studies show that [20%](#) of your fat will actually be taken away. The reality is that it’s 20% in the region that was treated and you are only treating a very small region, so it’s not like you are losing 20% of your mass. It’s a very marketing-savvy way of putting things that is out of context.”

Competitive Landscape

- “There are two competitors: Liposonix and CoolSculpting. There’s one other one that’s not yet approved in the U.S. by the FDA: It’s Syneron’s UltraShape system that’s radio frequency and ultrasound combined. I think they expect approval on their latest device this year.” (Since this interview, the Syneron UltraShape device has been [approved](#).)
- “One of the strengths to the CoolSculpting system is definitely that you can hook up the patient and walk away. ... You don’t have to have a nurse present the entire time. The patient just wears a pager where they can page the nurses if they need to get hold of them.”

Demand is increasing. ... It definitely has not reached saturation. I expect it to peak when it becomes much more accessible, available and when awareness is at its highest. Right now we have just really scratched the surface of awareness.

*Marketing Representative
Leading Medical Device Company*

Zeltiq Aesthetics Inc.'s CoolSculpting

- “Another good benefit is that if I’m a patient out there, I associate ‘cool’ as fairly nonthreatening, like ‘oh, they are going to ‘cool’ my fat away.’ ... It’s easy to market that.”
- “The downside though is that it’s a very long treatment compared to other treatments. If you want to treat two sections of the abdomen as well as the flanks, it would be a four-hour treatment.”
- “Strengths of the competition are that they are a much more customizable treatment. Some of them may be less painful. Zerona is definitely less painful because it’s just a laser light shining on your skin.”

5. Executive at an aesthetic body contouring company

The source does not expect CoolSculpting to maintain its sales momentum because it produces only minimal results. However, demand for noninvasive fat reduction treatment overall is climbing. Physicians and patients are satisfied with pricing, which has remained unchanged for the last six months and will not decline much moving forward.

Physician and Patient Adoption of CoolSculpting

- “It’s hard for us to believe that Zeltiq [can maintain its sales momentum during the next six to 12 months] because they are dealing with millimeter loss.”
- “Zeltiq has done a pretty good job early on in getting their name and product out there. But the more and more machines that you start to see showing up on [eBay](#) also can [make you to think that] maybe the doctors are getting flack because the patients aren’t seeing results. It’s hard to fathom that it will be too long term because ... that 25% of [fat reduction loss] that they claim is off a fat pad; that is really not a lot when it comes to circumference reduction that is going to be noticeable to a consumer.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “We definitely see [demand] increasing. There has been some negative publicity around liposuction with the obvious dangers there. And [there’s] the downtime with surgical procedures. I think noninvasive has become a lot more well accepted.”
- “I don’t think [demand] has reached saturation. As much growth as there’s been, there is still a great percent of the population that’s not all that yet aware of it.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “I would expect the numbers of treatment per month should still go up.”
- “Pricing has probably remained the same [over the past six months]. I think when things were initially launched ... those prices came out on the high end. I’d say they probably hit their point of settlement nine to 12 months ago. There’s some promotional pricing, but on the average I don’t think [prices] are doing to go down much from here.”

Competitive Landscape

- “[The Zeltiq sales force] seems to be very aggressive. By everything we can tell, they have been out there every place that we would see them and active in all the traditional channels that the machine would have an audience for.”

Zeltiq has done a pretty good job early on in getting their name and product out there. But the more and more machines that you start to see showing up on eBay also can [make you to think that] maybe the doctors are getting flack because the patients aren’t seeing results.

Executive, Aesthetic Body Contouring Company

3) Industry Specialists

All six sources expect Zeltiq to see continued sales growth and CoolSculpting to achieve widespread adoption. Demand for noninvasive fat reduction treatments in general will not peak for some time. Zeltiq’s strengths include strong sales and promotions efforts, its industry leadership position, a high level of patient satisfaction, and its passive procedure that does not require a physician or technician to be with the patient during treatment. CoolSculpting pricing is firm. Zeltiq is strongly committed to growth, which may lead to the perception that its sales team is aggressive. Competitors include Chromogenex Technologies Ltd.’s [i-Lipo](#), Cellulaze, Vaser, Smartlipo, BTL’s [Exilis](#) and Vanquish, and Venus Concept’s [Venus Freeze](#).

Zeltiq Aesthetics Inc.'s CoolSculpting

KEY SILO FINDINGS

Physician and Patient Adoption of CoolSculpting

- All 6 expect Zeltiq's CoolSculpting to become widely adopted.

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- All 6 acknowledge rapid growth and demand for noninvasive fat reduction treatments.

CoolSculpting Pricing, and Physician and Patient Satisfaction

- 2 commented that pricing for noninvasive treatments is firm.
- A wide range of pricing exists for noninvasive procedures from all the competitors (\$1,150-\$5,775).
- Based on data from RealSelf.com, patient satisfaction for CoolSculpting is in the middle of the competitive pack, at 70% (from 802 reviews). Vaser liposuction (84% with 393 reviews), Venus Freeze (84% with 35 reviews) and Smartlipo (79% with 1287 reviews) were in the lead, followed by Cellulaze (81% with 170) and Exilis (71% with 70). Liposonix at 62% (with 94 reviews), UltraShape at 50% (23 reviews) and VelaShape at 38% (104 reviews) received lower "Worth It" ratings.

Competitive Landscape

- Zeltiq's CoolSculpting and Chromogenex's i-Lipo are considered leading brands.
- 1 said Zeltiq will continue its growth unless a new technology is introduced, but no disruptive devices were on this source's "screen."

1. George Kakaris, CEO of lipoadvisor.com

Within the past two years, CoolSculpting has become the No. 1 noninvasive fat reduction treatment. The system will continue to be adopted, and will not peak for a long time. Physicians frequently receive requests for CoolSculpting because it is less painful and less expensive than invasive treatments. Most patients are satisfied with their CoolSculpting treatments, although some expect too much, too soon from a nonsurgical procedure.

Physician and Patient Adoption of CoolSculpting

- "It's amazing how effective CoolSculpting is promoted. Every day we learn about a new clinic that includes CoolSculpting in their services. In a matter of 24 months it has become the No. 1 procedure in terms of noninvasive fat reduction."
- "I believe they will achieve [sales growth for the next year]. No competitor seems to be equally effective, while the promotion of the brand works perfectly."

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- "There is an increase on the demand for noninvasive options, and the reason is quite simple: People want to avoid pain. A less important reason lies in the fact that usually these options are less expensive."
- "Cosmetic surgery involves so much pain, and everyone wants to avoid that. This need gave birth to a rapidly evolving market, and when there is so much demand in a field, companies focus on that."
- "I feel that there is a long way before this market reaches its peak."

CoolSculpting Pricing, and Physician and Patient Satisfaction

- "We read stories on a daily basis of physicians reporting huge increases in the demand of nonsurgical options. The number is definitely increasing, and the annual statistics of the organizations related to cosmetic treatments show the same."
- "Noninvasive is the best option in terms of value for the money, so I would guess that both sides are satisfied. I haven't noticed any important change in the pricing in the last few months."
- "The results of such procedures are encouraging, and most of the time patients are satisfied. The reason for some complaints lies in the fact that patients overestimate the potential of a nonsurgical procedure. Uneven fat reduction can be fixed by means of other procedures like fat transfer."

Competitive Landscape

- "It's quite clear that Chromogenex's i-Lipo and Zeltiq's CoolSculpting are the leading brands."

I believe they will achieve [sales growth for the next year]. No competitor seems to be equally effective, while the promotion of the brand works perfectly.

CEO, Lipoadvisor.com

Zeltiq Aesthetics Inc.'s CoolSculpting

- “CoolSculpting has many advantages. It’s quite an efficient option, and its results are almost permanent when combined with a balanced diet. On the other hand, it involves some pain, bruises and/or soreness, which disappear pretty soon.”

2. Spokesperson for RealSelf.com

Consumers increasingly are seeking online information, ratings and before-and-after photos as they evaluate cosmetic surgery techniques. The website’s data shows increasing interest in CoolSculpting, with its “Worth It” ratings falling in the middle of reader reviews. BTL’s Vanquish also is receiving considerable buzz.

Physician and Patient Adoption of CoolSculpting

- “Our daily page views for CoolSculpting rose from under 4,000 in January 2012 to over 10,000 in March 2014.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “We have millions of consumers flocking to RealSelf each month in an effort to make confident decisions about elective cosmetic treatments. Consumers view before-and-after pictures, read about others’ experiences, see how much pain/downtime to expect, see what others paid, and see what the ‘Worth It’ rating is.”
- “We do see a spike in traffic in the spring months in noninvasive body procedures—everything from CoolSculpting ... to laser hair removal, even body wraps. We also get a spike in January, timed to New Year’s resolutions.”
- “Our stats show the following noninvasive and less-invasive fat reduction techniques were highest in consumer ratings: Vaser liposuction, 84% with 393 reviews; Venus Freeze, 84% with 35 reviews; and Smartlipo, 79% with 1,287 reviews. Cellulaze, 81% with 170; CoolSculpting, 70% with 800; and Exilis, 71% with 70, came next. Lower were Liposonix at 62%, with 94 reviews; UltraShape at 50%, 23 reviews; and VelaShape at 38%, 104 reviews.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “As new technology comes to market that boasts lower cost, increased safety, lower prices and less downtime, the consumer interest and spending on [noninvasive and less-invasive] products continues to rise. [BTL’s] Vanquish is one that is currently getting a lot of [buzz](#) as well [with a 80% ‘Worth It’ rating and an average price of \$2,500].”
- “Pricing varies. For the above-mentioned techniques, pricing came to the following [from highest to lowest]: Cellulaze \$5,775, Vaser \$5,225, Smartlipo \$4,975, CoolSculpting \$1,600, Exilis \$1,425, and Venus Freeze \$1,150.”

Competitive Landscape

- “As time goes on more consumers provide ratings on treatments. Our stats show an increase in CoolSculpting ‘Worth It’ votes over the last 24 months, from 67% to 70% today.”

Our stats show the following noninvasive and less-invasive fat reduction techniques were highest in consumer ratings: Vaser liposuction, 84% with 393 reviews; Venus Freeze, 84% with 35 reviews; and Smartlipo, 79% with 1,287 reviews. Cellulaze, 81% with 170; CoolSculpting, 70% with 800; and Exilis, 71% with 70, came next. Lower were Liposonix at 62%, with 94 reviews; UltraShape at 50%, 23 reviews; and VelaShape at 38%, 104 reviews.

Spokesperson, RealSelf.com

3. Plastic surgeon, researcher and speaker

CoolSculpting and other noninvasive fat reduction techniques will benefit from providing effective results with enough treatments and from an improving economy. Year-to-year growth of 10% is a reasonable expectation. CoolSculpting’s advantage is the lower dependence on the operator. The source reported some patient dissatisfaction with CoolSculpting and other noninvasive treatments, but questioned how much was due to miscommunication from the doctor’s office or to patients having unrealistic expectations or not following through with enough treatments.

Physician and Patient Adoption of CoolSculpting

Zeltiq Aesthetics Inc.'s CoolSculpting

- “I would be making money in Vegas if I knew which device would be turnkey, but I’m optimistic [for CoolSculpting] because of the improving economy and the common goal of device companies, doctors and their patients to improve upon body contour.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “A lot [of the plateauing demand] had to do with the economy. You can’t discount Obamacare and the jobless rate. But it’s coming back, and people are spending more money on discretionary items.”
- “That’s what people want: noninvasive and less invasive treatments ... so they don’t miss any time from work.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “Noninvasive is increasing. We do get good results. ... I would say 10% a year growth is reasonable.”
- “It is a little technology-sensitive; that’s problem No. 1. Whether it’s overselling by the physician’s office or a misperception, there’s no recording of the conversation. I hear patients’ disappointment. Either it’s out of line or it’s the doctor’s office; if so, shame on them. Or the patient doesn’t want to pay for additional treatments for optimal results. Peer review publications provide clinicians the opportunity to read additional information and then decide if they want to provide any technology.”
- “I approach patients with ‘this is six treatments with [Cynosure’s] [SmoothShapes](#),’ for example. It’s a wow before-and-after but not after one session. I may lose a few patients [at the consultation], but I want potential patients to see success based on what it took to get this end result.”
- “The [American Society for Aesthetic Plastic Surgery](#) is having companies provide clear and transparent wording in their marketing pieces. It’s all about the evolution of technology but making sure the end users—doctors and their patients—are not being misled.

Competitive Landscape

- “With ultrasound added to the tip of probes, then the evolution of lasers treating cellulite and the topical application of [phosphatidylcholine](#), the reduction of fat/treating skin contour, got very exciting. Initially beyond the results provided by [Endermologie](#), the Shaper was developed, which became [Syneron’s] [VelaSmooth](#). It works but is operator-dependent; it’s not turnkey. In the same mode, there’s SmoothShapes, which uses light energy and mechanical force to improve cellulite. Parallel to that, you can chill the fat down, and that’s where Zeltiq comes into play. It may need multiple treatments but is effective, noninvasive and has pretty good studies. Now it’s BTL [Vanquish] where you lay down energy to an area. There are no published studies, but it looks promising.”
- “It’s hard to pinpoint one that’s better because of the lack of comparative studies. ... Technologies and topical therapies that have not provided consistent, peer-reviewed data include Zerona and topical phosphatidylcholine. ... I think, as of now, CoolSculpting is less treater-dependent.”
- “I get to see [all the sales representatives] of the promising technologies. All are fairly assertive and educated in purporting the advantages of their technology. One is not more aggressive than another. They may have a bigger budget or the company can focus on one versus multiple products. A company like Cynosure has many devices to provide educational information on, whereas Zeltiq only has one, which can put a lot of pressure on them. But they can focus on just one product.”

Noninvasive is increasing. We do get good results. ... I would say 10% a year growth is reasonable.

Plastic Surgeon, Researcher & Speaker

4. Industry practice management consultant

This source said many physicians she has spoken with are waiting to buy a noninvasive fat reduction system until they see additional and more impressive treatment outcomes. They also do not want to end up with a quickly outmoded system. Tying up an exam room with two-hour CoolSculpting treatments can be a problem for practices.

Physician and Patient Adoption of CoolSculpting

- “Unless a highly competitive technology is launched, I don’t see why Zeltiq would lose momentum [during the next six to 12 months].”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “Anything noninvasive in the aesthetic market is on the increase.”

Zeltiq Aesthetics Inc.'s CoolSculpting

- “We have an aging population, so people are looking for some improvement. I think that drives part of [the demand for noninvasive fat reduction systems]. An improving economy drives part of it—and media coverage. The press coverage helps create more awareness.”
- “I honestly don’t believe [demand] has reached saturation. The technology is not inexpensive, so I think a lot of doctors whom I have spoken with are on the sidelines and really want to see more results, more dramatic results and want to be sure they aren’t buying a machine that in six months becomes in some way obsolete.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “I have heard some grumbling that people say for what they spent and the result that they got that they should have just gone ahead and had lipo.”

Competitive Landscape

- “[The leading competitors are] Cellulaze, Zeltiq and Smartlipo.”
- “Zeltiq has been the most aggressive in terms of having physician speakers. [Dr.] Grant Stevens is a thought leader in aesthetics, and he has given presentations on the whole marketing aspect of this. It’s a very good and convincing talk.”
- “Unless you have two [CoolSculpting] machines, it’s time-inefficient for the patient. If you need both of your upper arms done, that’s an hour on each side. If there was a technology that could do it in half the time, that would be good.”
- “The space required for the technology is another concern. The patient is going to be sitting in the exam room for two hours and you aren’t going to be able to use that room.”

I honestly don’t believe [demand] has reached saturation. The technology is not inexpensive, so I think a lot of doctors whom I have spoken with are on the sidelines and really want to see more results, more dramatic results and want to be sure they aren’t buying a machine that in six months becomes in some way obsolete.

*Industry Practice Management
Consultant*

5. Consultant to medical practices and a former Zeltiq employee

Zeltiq will continue to post sales growth because CoolSculpting is well researched, painless and noninvasive. Demand is driven by word of mouth. Saturation could become a possibility because CoolSculpting is expanding into med spas. Zeltiq keeps a tight control on consumables.

Physician and Patient Adoption of CoolSculpting

- “Zeltiq is out to sell machines. They know what they have to do.”
- “The company will continue to maintain sales momentum. It is an amazing technology, and the company spent \$80 million in research to make it right.”
- “CoolSculpting is painless, unlike some other techniques. It is a well-researched treatment.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “The demand for noninvasive treatments like this is very high.”
- “This grows by word of mouth. People see a friend who looks great, and it goes from there.”
- “Certainly saturation could be a possibility. Zeltiq needs to sell machines and make money. Now they are expanding into medi spas.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “Some people get by with one cycle, while others need two. I don’t know if these numbers are changing.”
- “Zeltiq tries to keep a tight hold on consumables, and physicians buy cycles from the company.”
- “This is a fantastic procedure. I’ve had it done. It is not painful. There should be no issues with uneven fat reduction if the procedure is done correctly. The technique doesn’t disperse fat that way.”

Competitive Landscape

- N/A

The company will continue to maintain sales momentum. It is an amazing technology, and the company spent \$80 million in research to make it right.

*Medical Practices Consultant &
Former Zeltiq Employee*

Zeltiq Aesthetics Inc.'s CoolSculpting

6. Medical specialist in the aesthetics field

Noninvasive fat reduction technology is “super young,” but in a few years people should have a better grasp on how demand is panning out. CoolSculpting has the best odds of being widely adopted. The source has heard of some patients getting dents from CoolSculpting, but he does not see how that kind of uneven fat loss could occur with that treatment or Liposonix, if used appropriately.

Physician and Patient Adoption of CoolSculpting

- “CoolSculpting probably will [maintain their sales momentum]. They have kind of shown that they have been trying to increase the applications of their devices. ... The more they grow that portfolio, the more likely people are to buy devices they feel like they can [use to] treat different areas on the same person.”

Physician and Patient Adoption of Noninvasive Fat Reduction Treatments

- “As more and more of these body contouring devices start entering the market and actually work, I think they will be more widely adopted. There will be a whole new subset of patients who will want to do these procedures who would never consider doing liposuction.”
- “Demand definitely hasn’t reached saturation. Right now the devices out there are still relatively new; they are not optimized yet and not applicable to all different body parts, and they offer a modest reduction in fat loss. Once the technology is optimized, you will see more and more people trying to do these procedures, and that’s more likely when you will see the peak.”
- “The technology is still super young. ... I’d say that as the technology gets better, we will probably have a lot better idea in a couple of years about how the demand will continue to grow.”

CoolSculpting Pricing, and Physician and Patient Satisfaction

- “The patients are satisfied with the [basic treatment pricing] because while the changes are modest, they are definitely reproducible. ... It’s noticeable to the patient’s physician.”
- “Physicians are definitely satisfied. It does have some effect that works. It’s not like liposuction, but there’s nowhere near the risk involved and it’s a much easier procedure to do.”
- “Pricing has remained the same [during the last six months]. It definitely has not gone down.”

Competitive Landscape

- “The [device] that has the longest track record is the CoolSculpting by Zeltiq. They have been around the longest. Then probably the one that has the next best track record nationally and internationally is Liposonix ... which is a high-intensity focused ultrasound.”
- “Zeltiq offers all sorts of different promotions. I don’t really know that much about the marketing end of things, but I know that for providers they have been offering to launch mini-websites on behalf of the provider to advertise for the provider. And they are not only selling devices but [also treatment] cycles, so they get a profit share on every procedure performed. I think they are pretty aggressive [in pursuing growth].”
- “I have heard some things about people saying they were getting dents from CoolSculpting. The thing about the technology is that it works but it doesn’t work that well. A 20% decrease [in fat] is noticeable but modest; it’d be awfully hard to see a dent with something that incremental. I haven’t seen any of that kind of uneven fat loss. ... If [CoolSculpting and Liposonix] are used appropriately with appropriate settings, you aren’t going to see that.”
- “The strengths [to CoolSculpting] are that it’s largely a passive procedure. In most practices, the physician isn’t even the one doing it. ... [I]t’s an on-off device essentially; you apply the applicator onto the [patient’s] body and leave the room. ... CoolSculpting allows whoever is doing this procedure to generate passive income while they are off doing other things in different rooms. The other devices involve someone being in the room, whether it be a physician or a nurse or some other extender applying continuously some sort of energy-based treatment.”
- “The weakness [to CoolSculpting] is that they have ... just recently started developing a larger algorithm to treat larger areas.”
- “Of all the technologies that are out there, CoolSculpting has been proven to be the most successful thus far. I don’t really know what’s happening in other places and if there’s going to be some other form of noninvasive body

They have kind of shown that they have been trying to increase the applications of their devices. ... The more they grow that portfolio, the more likely people are to buy devices they feel like they can [use to] treat different areas on the same person.

Medical Specialist, Aesthetics Field

Zeltiq Aesthetics Inc.'s CoolSculpting

contouring using some kind of different technology that is going to outcompete it. But right now I think if anyone has a chance [to be widely adopted], it's going to be [CoolSculpting] because they are definitely the market leader.”

Secondary Sources

The following six secondary sources discussed Zeltiq's new product, CoolSculpting being approved for thighs and becoming available in Singapore, the rising number of cosmetic surgeries in general, Pennsylvania's Lehigh Valley seeing greater demand for CoolSculpting, and customer reviews of CoolSculpting.

Zeltiq and CoolSculpting

The following five articles highlighted Zeltiq's newest addition to its product line, the company's entire suite of applicators being approved by the FDA for use on thighs, CoolSculpting becoming available in Singapore, Lehigh Valley residents' growing demand for the device, and patient reviews.

March 21 [article](#) from *The Wall Street Journal*

Zeltiq has launched CoolSmooth, an applicator that allows the reduction of nonpinchable fat bulges.

- “ZELTIQ Aesthetics, a medical technology company focused on developing and commercializing products utilizing its proprietary controlled-cooling technology, today announced the global introduction of the CoolSmooth applicator, the latest addition to the applicator platform for the CoolSculpting system, at the American Academy of Dermatology (AAD), annual meeting in Denver, Colo. The CoolSmooth applicator features non-vacuum based cooling that easily treats non-pinchable fat bulges, and the comfortable design adjusts to fit each individual patient.”
- “‘As a long-time user of the CoolSculpting system, I have personally seen the reproducible, consistent results and high patient satisfaction it can deliver. With the CoolSmooth applicator, I can now confidently treat non-pinchable fat bulges knowing that it can reliably deliver the same results and satisfaction associated with the CoolSculpting procedure,’ said Suzanne L. Kilmer, MD, director of the Laser and Skin Surgery Center of Northern California in Sacramento, Calif.”
- “In the United States, the CoolSculpting procedure is cleared for non-invasive fat reduction in the abdomen and flank. In other international markets, it is cleared for general non-invasive fat reduction.”

April 14 [Broadway World article](#)

The FDA has cleared Zeltiq's entire suite of applicators for the treatment of thigh fat. A study found that 7.2 million people are interested in being treated with CoolSculpting for this body region.

- “ZELTIQ Aesthetics, a medical technology company focused on developing and commercializing products utilizing its proprietary controlled-cooling technology, today announced that the CoolSculpting procedure has received U.S. Food and Drug Administration (FDA) clearance to treat the thighs with its entire suite of applicators. The CoolSculpting procedure is clinically proven to non-surgically reduce unwanted fat, and is already FDA cleared to treat the abdomen and flanks.”
- “The newest applicator utilizes non-vacuum based cooling, easily and specifically treats the outer thighs and other non-pinchable fat bulges, and features a comfortable design that adjusts to fit each individual patient. In combination with an applicator launched last year and designed to treat longer fat bulges and hard-to-reach areas such as the inner thigh, the CoolSculpting procedure can now treat the complete thigh area.”
- “‘I have seen a growing number of patients who, despite leading a healthy lifestyle through diet and exercise, cannot eliminate stubborn fat on certain parts of their bodies, and the thigh ranks high on the list of target spots they wish to treat,’ said Grant Stevens, MD, medical director of Marina Plastic Surgery in Marina del Rey, Calif. ‘Being able to perform this procedure on three of the most challenging parts of the body the abdomen, flank and now thighs presents additional opportunities for my patients who want to improve the contour of their bodies without surgery.’”
- “A recent market research study in the United States revealed that 7.2 million people expressed an interest in the CoolSculpting procedure as a solution for inner or outer thigh fat¹. This is in addition to the 13.2 million and 7.4 million interested in undergoing the procedure for the abdomen and flank¹, respectively.”
- “Through the use of different applicators, the CoolSculpting procedure can be customized to treat different body types and several areas of the body. In clinical studies, 86% percent of patients reported a visible reduction in outer

Zeltiq Aesthetics Inc.'s CoolSculpting

thigh fat 16 weeks following treatment and were satisfied with results. Of note, 89% of patients would recommend the CoolSculpting procedure to a friend.”

April 14 Menafn.com [article](#)

Zeltiq now is available in Singapore through Dr. Tyng Tan's Aesthetics and Hair Clinic.

- “Aesthetics and Hair Clinic is expanding its non-surgical cosmetic treatments with the addition of CoolSculpting by ZELTIQ, a popular non-invasive treatment to get rid of unwanted fat without surgery or liposuction.”
- “Singapore—CoolSculpting by ZELTIQ is the newest body contouring procedure to be offered at Dr Tyng Tan Aesthetics and Hair Clinic to assist patients in achieving a slimmer physique and a smaller waistline.”
- “CoolSculpting eliminates fat without surgery in areas around the hips, thighs, arms, and love handles by freezing stubborn fat cells that live beneath the dermal layer of the skin.”

March 30 [article](#) from *The Morning Call*

Citizens in Pennsylvania's Lehigh Valley are taking to CoolSculpting. One-hundred people have received treatments so far at Young Medical Spa in Upper Saucon Township. Each treatment runs \$650 to \$750, while the machine itself costs \$120,000.

- “Melissa Haydt has a weighty tale that rings true for many American adults. The Walnutport woman for some time has been fighting her own battle of the bulge. She's tried diets and exercising over the years but could not lose those pounds that added a few extra numbers to her six pack. The 59-year-old mother of two also is fighting the hormonal weight-gain battle that many middle-aged women have to confront.”
- “So Haydt found herself receptive to an advertising pitch she heard on the radio for Coolsculpting, the newest procedure in the Lehigh Valley to help reshape the body.”
- “An ideal candidate for Coolsculpting is someone looking to firm up a bulging area, not someone looking to cut tens of pounds or more, said Dr. Samina Wahhab, whose Salisbury Township office is one of three in the Lehigh Valley to offer the service.”
- “Each application of the device takes an hour, so a person wanting to slim love handles would require two hours.”
- “There's also essentially no weight loss. Researchers call it the ‘Popsicle’ effect. They found that kids who kept a Popsicle in their cheek had fat cells die off from the cooling. Since fat cells generate in children, they were able to grow them back. That doesn't happen with adults.”
- “Patients' reactions often are along the lines of, ‘it's too easy,’ said Leeann Burton, a lab technician at Young Medical Spa in Upper Saucon Township. She said more than 100 people have gotten Coolsculpting treatments there so far.”
- “The amount of change ‘depends on the individual's specific body type and shape,’ she said.”
- “Burton also said Young's spa will do Coolsculpting ‘off-label,’ on sites not approved yet by the FDA, such as the thigh or the upper torso. The company is working with the FDA to get approval to treat the thigh in the near future.”
- “It's not for everybody, however. Wahhab said plastic surgery should not be a first consideration for obese people looking to lose weight. In addition, people with abdominal hernias or cold hypersensitivity should not try it.”
- “That still leaves plenty of potential customers inclined toward minimally invasive techniques, which include procedures such as Botox injections, laser hair removal and chemical peels. They made up the vast majority of the 15.1 million domestic cosmetic plastic surgeries in 2013, according to the American Society of Plastic Surgeons. The number of cosmetic procedures requiring invasive surgery, such as implants, liposuction or face-lifts, actually has declined from 1.9 million in 2000 to less than 1.7 million in 2013, it said.”
- “According to the company's 2013 annual report, Zeltiq received 1,392 clinical complaints about Coolsculpting out of 972,612 individual uses or ‘cycles.’ The most common clinical complaints related to ongoing pain, redness and swelling, it said.”
- “There's also the issue of lifestyle after the procedure. If patients do not watch what they eat and avoid exercise, their treatment will be for naught.”
- “Cost is another issue. The procedure is cosmetic, so it's not covered by health insurance. Patients pay \$650-\$750 per treatment site, with prices often discounted after more than two sites are treated.”
- “‘I would recommend it to anybody who wants to see a difference in how they look,’ said Haydt, who had four sites treated. ‘I would do it again.’”
- “Doctors want to hear that because Coolsculpting doesn't come cheaply to them either. The device costs around \$120,000, said Wahhab, who has treated about 15 patients so far.”

Zeltiq Aesthetics Inc.'s CoolSculpting

RealSelf [blog entry](#) on CoolSculpting

Of the 802 reviews on CoolSculpting, 70% believed the device was “Worth It.” Still, some patients have experienced pain in the month following the procedure.

- Hollyx86: “So I have come to find out that I am part of the 7% of people to experience severe [nerve] pain due to this procedure. Day 1-3 I experienced no pain just a little soreness like a sunburn. Day 4 my stomach started becoming more sensitive. I had to unbutton and roll down the waist band on my pants so nothing was rubbing against the treated area. Day 8 I finally started using an ice pack and what a relief! It turns out that increase heat, like the sauna and the heating pad only agitated the process causing this terrible pain to increase. The ice pack works! Please, if you are going through the same experience as I have been, try an ice pack, they relieve the pain instantly. Day 7 I started taking Tylenol which did not alleviate the pain what so ever. I then applied a heating pad to my stomach before I went to bed, HUGE MISTAKE! The pain was so bad in the middle of the night that could not sit still. I was so miserable, I was up for 4 hours with the shooting pain.”
- Carolinaestela: “The procedure itself was not very painful. The massage post procedure was absolutely 100% excruciating. I was visibly bruised and swollen. It wasn't till day 7 that the pain has become almost unbearable. I can actually see my stomach twitching. It feels as if I am being stabbed repeatedly—some pains are so intense that I can't help but moan and cry. I have tried Ice, heat, Naproxen, and Spanx.”

Cosmetic Surgery

The following article centered on the rise in overall cosmetic surgery and nonsurgical procedures.

March 18 *Standard-Examiner* [article](#)

The number of cosmetic surgery procedures has increased by 50% since 1997, while nonsurgical procedures have risen 231%. In 2009, U.S. consumers spent \$10.5 billion on cosmetic procedures.

- “Americans are taking more trips to the plastic surgeon to help with those problem areas. In 2009 alone, we spent \$10.5 billion on cosmetic procedures and since 1997 there has been a 50 percent increase in cosmetic surgical procedures. During this same period, non-surgical procedures increased by 231 percent.”
- “Leading the way for cosmetic surgical procedures was liposuction. However, liposuction may be more than you need and there is a safe and effective alternative.”
- “For those who just need help with those difficult ‘love handles,’ a non-invasive procedure called CoolSculpting by Zeltiq may be the answer.”
- “On average, each CoolSculpting procedure results in a 20 percent reduction of fat in the treated area. Patients often see results in as little as three weeks following treatment, with more dramatic results seen over a two- to four-month period.”
- “The great thing about the CoolSculpting procedure is that patients are awake, alert, comfortable while they read, sleep, or even surf the net during the process. A patient can stop by during lunch, have a procedure and walk out with no down time—just a little less fat to showcase.”

Additional research by Steve Evans, Renee Euchner, Linda Richards and Karen Lusky

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