

The Medspa

Membership Handbook

A Blueprint for Launching Profitable Membership Programs

Table of Contents

Introduction	2
01 What Are Memberships and Why Should You Consider Them?	4
02 Designing a Successful Membership Program	— 6
Membership Types	
Best Practices for Membership Design	
03 How To Sell Your Memberships	– 13
In-Person Sales of Membership	
Online Marketing of Memberships	
Ongoing Communication for Members	
04 Measuring Your Membership's Success	– 17
Key Performance Indicator	
Other KPI's that should be positively affected by Memberships	
Feedback and Iteration on Membership Offerings	
Conclusion	_ 21
About Moxie	_ 22
Sources	_ 23

Introduction

With the market for med spa services set to hit a staggering \$29.7 billion by 2027, the demand for aesthetic services is here to stay. But how do you ensure your medspa stands out in a competitive landscape and continues to grow year-over-year?

The answer lies in the strategic implementation of membership programs. Membership programs aren't just about flashy perks; they can serve as a powerful tool for customer retention and sustained and predictable business growth. By offering exclusive benefits, personalized experiences, and ongoing value, your medspa can turn one-time visitors into loyal advocates.

In this handbook, we'll cover all the information you need to design, launch, and manage a membership program that keeps your clients hooked and delivers immediate value to your business.

Moxie

— Chapter 01

What Are *Memberships* and Why Should You Consider Them?

The goal of a membership program is to encourage repeat business, build long-term relationships with clients, and create a reliable source of income for your medspa.

It's a win-win situation for both you and your clients. A membership program typically involves offering your clients a package or subscription-based service where they pay a recurring fee in exchange for access to a set of benefits, discounts, or treatments. Around 55% of medspas currently offer memberships that provide their clients with discounts, exclusive access, and tailored experiences, all aimed at building loyalty [3].

Though membership programs have a myriad of benefits, there are three core reasons every medspa should consider offering a membership program.



Aesthetic subscriptions make it easier for patients to commit to their prescribed treatment plan.

Patients achieve optimal treatment outcomes through the ease of predictable monthly subscription payment, leading to higher satisfaction, and the aesthetic practice sees an increase in patient loyalty, which ultimately drives growing practice revenues."[3]



Aubrey Rankin the former CEO of Hint MD (a memberships platform acquired by Revance) By turning one-off visits into ongoing engagement, membership programs can help generate steady revenue and pave the way for strategic growth. [15][11].

Ultimately, a good membership program can help you build a loyal customer base and stand out.

Secure predictable revenue (and more of it)

Medspas that offer a membership model reported 22% higher revenue than their non-membership counterparts. Medspa sales tend to be seasonal, with peak months seeing as much as twice the sales volume as slow months. As a result, your revenue might feel highly unpredictable as it fluctuates.

A membership program can help you navigate seasonality, giving your business more predictable cash flows. On top of that, membership revenue is considered stickier, contributing disproportionately to a medspa's overall valuation in a sale or fundraiser.

Build customer loyalty

A huge part of your medspa's success depends on your ability to turn new clients into recurring ones. Memberships can help drive that loyalty and the cash and free word-ofmouth marketing that comes with it.

Repeat clients spend 33% more on average than single-visit clients and are 110% more likely to refer others to your medspa [5].

Increase upselling opportunities

Because memberships get clients back in your chair more often, you'll also have more opportunities to build trust. And that trust can help you convert clients to additional treatments [4].

Members are 73% more inclined to invest in extra services, making memberships invaluable for upselling and cross-selling clients and increasing revenue[16].

— Chapter 02

Designing a Successful Membership Program

Membership programs can be beneficial for medspas of all stages — whether you're a new business owner, or have multiple years of experience under your belt.

To design a successful program, you need to understand your client's needs and create offerings around them. You'll also want to make sure the program you choose is right for the stage your medspa is in. Let's dive into the most common types of memberships, and best practices for implementing them.



Beauty Bank Memberships

Beauty Bank memberships involve clients depositing a fixed monthly amount. The deposits accumulate and can be used for any service at a discounted price. The most common monthly deposit levels are \$99, \$150, and \$199. These programs typically require a minimum 3-6 month commitment and are set up to auto-renew.

This type of membership is popular for a reason: it's simple to manage, easy to communicate, and works for both small and large service menus. All medspas can benefit from this model, regardless of size or service offerings. However, we recommend all newer and smaller practices start with this type of membership.

Avoid: Overcomplicating the membership. Stick to a clear, concise option that is easy for clients to understand and for the practice to manage.

EXAMPLE OF SUCCESS

Alchemy 43, a medspa franchise with locations across California, Texas, and New York offers a Beauty Bank membership for \$99 per month.

It includes membership perks of: 1 complementary "micro" treatment on the yearly anniversary, a yearly Power Peel, complimentary lip flips with micro treatment, access to member events, and 15% off products and services.[44]

ALCHEMY 43

RECOMMENDED DESIGN

Beauty Bank

\$99/mo

3-month minimum commitment

Includes:

- \$99 deposited into account, funds expire after 12 months
- ✓ 10% discount on Injectables
- 15% discount on Retail
- VIP booking
- Twice-annual exclusive member events
- ✓ This membership can also be sold as a "Tox Membership," and medspas can customize the language to show the member unit price vs. non-member unit price on Neurotoxins to easily sell to clients.
 i.e., \$297 (3 months of funds) = X units banked

Tiered Memberships

Tiered memberships provide the ability to offer different price tiers with different levels of benefits. Pricing tiers typically range from \$99 to \$350. Include desirable services within each tier and allow for accumulating credits up to a certain period, such as three months, to reduce churn. Tiered memberships encourage members to explore new treatments, significantly enhancing their engagement and loyalty to your medspa [36][37].

This membership works best for medspas generating over \$30k monthly with a larger range of services and/or devices that members might want to enjoy monthly, like hydrfacials, injectables, or dermaplaning.

Avoid: Spreading offerings too thin. Focus on core services that represent the practice's strengths and client interests.

EXAMPLE OF SUCCESS

Vitalyc Medspa, a chain of medspas in Texas with 6 locations offers a "Gold" Membership for \$99/mo, and a "Black" Membership for \$180/mo. Their Gold Membership offers a mix of benefits and a sign-up incentive, their Black membership is an enhanced version of the Gold with additional treatments included. They add the value of the services to highlight the savings from joining their Membership [42].

VITALYC MEDSPA

RECOMMENDED DESIGN

Gold Membership \$89/mo

3-month minimum commitment

- ✓ 15% off Skincare services
- Funds are deposited into account; funds expire after 12 months
- Sign-up gift (\$50 off Tox or \$75 off Filler)

Platinum Membership

\$129/mo

3-month minimum commitment

- ✓ 15% off all Injectables
- 20% off Retail
- 20% off Skincare services
- Funds are deposited into account; funds never expire
- Sign-up gift (\$75 off Tox or \$100 off Filler)
- Exclusive Member Events
- Birthday Custom Facial
- 10 units on 1-year anniversary

Treatment-Specific Memberships

Treatment-Specific memberships offer a recurring treatment for a specific price. The most popular treatment-specific membership is a neurotoxin membership, but weight loss memberships have gained a lot of popularity in the last year [36][37]. These memberships can be a hit for clients already familiar with the cost of a treatment and frequency with which they'll need it.

You want to be extra careful with this type of membership to ensure you offer enough variety within the category to retain client interest [36][37]. Because of that, Treatment-Specific Memberships are recommended for medspas that generate \$60K monthly and offer a full range of services.

Treatment Specific Memberships offer discounted pricing per unit of neurotoxin treatments or a set amount of units per \$ spent [36][37]. There are 3 distinct Tox Membership Styles:

Buy In Discount

This membership typically costs around \$20 and gives members "access" to special pricing. For example: for \$20 per month, members get \$13 Botox vs. \$14 for non-members whenever they come in. This membership is low-commitment and easy to sell because clients can easily see the savings.

Per Area

This membership allows patients to pick their membership tier depending on how many "areas" they want to treat. For example, 1 area treatment for \$99/mo, 2 area treatment for \$159/mo, and 3 area treatment for \$219/mo. This removes the per-unit cost of toxins and allows a client to treat the area for the flat membership fee.

Per Unit

In this type of tox membership, you provide a certain amount of units and/or a specific price per unit. For example, a client pays \$99/mo and receives 30 units every quarter (that prices the unit at \$9.90), in addition to other perks in the membership. There is often some overlap between this type of Membership setup and a Beauty Bank membership.



Avoid: Overlapping benefits within different memberships. Ensure each membership offers distinct benefits to prevent decision paralysis among clients and improve membership conversion rates.

Usually, these memberships include a sign-up bonus and additional service discounts to increase their appeal (e.g., 10% off injectables and 15% off retail). Make sure you know the average dosage needed to treat each area and price the tiers appropriately, knowing that some patients will need more and others may need less.



EXAMPLE OF SUCCESS

<u>Evolve Medspa</u>, a medspa franchise in the North East, offers 3 VIP member options focused on different services. Each membership caters to a specific treatment type and includes the opportunity to upsell by providing additional member pricing on other services.

"Lips" for \$19/mo with access to discounted Filler prices, "Line Tamer" for \$99/mo, which includes quarterly tox along with discounts on other treatments, and "Preferred" for \$139/mo, which includes choice of facial treatment, plus discounts on other treatments, such as tox.

RECOMMENDED DESIGN

Tox Based Membership

\$25/mo

3-month minimum commitment

- ✓ 10% off Tox
- B12 Shot at Sign up

Skincare-Based Membership

\$119/mo

3-month minimum commitment

- ✓ Monthly Facial (use it or lose it)

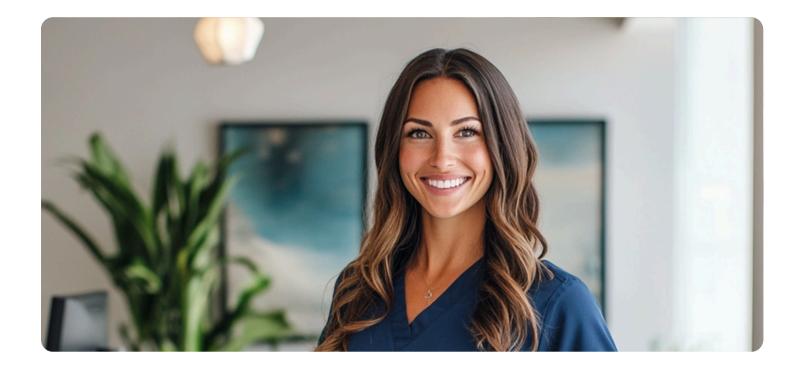
 If you don't use it, funds can be banked for up to 12 months
- ✓ 10% off Injectables
- 20% off IV Treatments
- 30% off Skincare Services
- B12 Shot at Sign up

Weight Loss Based Membership

\$349/mo

\$300 for any additional month, 3-month minimum commitment

- Initial health assessment
- ✓ Weekly Semiglutide shot
- Monthly follow-up appointments
- Monthly B12 Shot
- 15% off Retail



Best Practices for Membership Design

Keep it simple

Simplicity is the key to success for membership programs. You'll want to be able to explain your program in just a few sentences. The more streamlined your approach, the simpler the decision-making process is for your clients, increasing membership sign-ups and fostering loyalty [34].

Clearly communicate the value proposition

Be sure to highlight the discounts and cost savings, practical appeal, and exclusivity of the opportunity. Your clients shouldn't have to question the benefits of becoming a member. Price isn't the only selling point here. Providing exclusive access to events, unique giveaways, or first access to new services can build a sense of belonging and loyalty, making your membership appealing for a variety of reasons. [1][11][12][13][20].

Keep memberships under \$250

The most common pricing in the industry falls into tiers: \$89-\$99 on the low-end, \$129-\$139 for midrange, and \$189-\$199 for high-end options. Keeping your prices in line with industry standards will help you cater to a broad clientele and outperform more expensive alternatives [11]. Setting prices below whole numbers (i.e. \$99) can make prices feel more manageable to clients.

Consider increasing non-member costs

Charging non-members a slight premium on services can encourage them to enroll in a membership. It can also further highlight the cost-saving benefits and foster an exclusive community feel for members [35].

Bill on a monthly basis

Around 88% of successful medspa memberships leverage monthly payments, which help provide accessible and flexible payment structures for clients[11]. Billing monthly also ensures a steady income stream for your business, reducing financial fluctuations and enhancing the predictability of cash flows.

Offer strategic discounts & giveaways

Avoid giving away too many high-priced items and instead focus on strategic discounts, or promoting more low-cost items. For example, hydrafacials and micro-needling services are high-cost services and should likely not be included in a low-tier membership. Instead, opt for a discount on micro-needling, and offer something like B12 shots or laser hair removal where the marginal treatment cost is low, and the primary cost to the business is the cost of labor.[18]

Use competitive analysis and customer feedback to determine pricing

To set up membership pricing effectively, you'll need a solid grasp of market prices and your own treatment costs. Use competitive analysis and seek feedback from current clients, a practice only 11% of businesses implement, to fine-tune pricing so you can meet client expectations while standing out in a crowded market[11].

Offer flexibility

Part of five-star service means looking out for individual needs. Offer flexibility within memberships to accommodate clients' changing circumstances. For example, if a member informs you they'll be out of town for two months and the membership doesn't normally allow pauses, you can choose to make an exception. By demonstrating a commitment to their well-being and interests first and foremost, you can strengthen member loyalty and satisfaction. An empathetic approach can help you transform memberships from basic services into trusted partnerships[5].

— Chapter 03

How to Sell Your Memberships

The best way to increase engagement and participation in memberships is to showcase the unique benefits and personalized experiences early on, and at every touch-point.

You should aim to introduce new clients to your membership during their initial appointment and throughout key moments of the customer lifecycle. While it might feel pushy, 84% of clients actually prefer businesses with loyalty programs[13] — so this is something they'll want to hear about right away.

Sharing about your membership opportunity after a positive experience with a repeat client can also be a key point to sell. Repeat customers spend 33% more than new ones[5]. As clients grow to love their memberships, they naturally become brand ambassadors. Organic word-of-mouth or authentic reviews act as a powerful force to draw new clients in.



Three important ways to communicate about and sell your memberships



In-Person Sales of Membership

In-person sales are key for your membership program's success — 90% of memberships are sold face-to-face[28]. Ensuring every part of a patient's visit promotes membership sign-up is vital.

Make sure to use all possible channels to share your membership like at the end of their appointment, in brochures, and in-office materials so that patients are immediately aware of their options[21]. You'll also want to train all staff on how to effectively communicate the membership options so they can convey them confidently to patients[27]. The aim is for your patients to see membership as an effortless choice, a "no-brainer."

Online Marketing of Memberships

You'll also want to promote your memberships on all available online marketing channels. Here are a few key areas to highlight them:

Website

Dedicate a space on your website to share about memberships. Feature the program prominently on your website's homepage and create a dedicated landing page for the membership with additional information [21]. You want the information to be easy to find. You can also offer a sign-up option online. Up to 10% of memberships are sold online[28]. It's important to provide a straightforward sign-up process with instant confirmation that clearly outlines membership benefits. Clarity is key to preventing confusion since customers lack direct assistance.

Social platforms

Post about memberships on the platforms most businesses are—70% on Instagram and 82% on Facebook. You can highlight membership benefits, exclusive events, and special offers, ensuring a cohesive promotional strategy[11].

Paid Advertising

Leverage Facebook for paid advertising to share more about membership benefits and opportunities. Advertising has been proven effective in expanding reach and increasing sign-ups, with 88.5% of businesses offering Memberships focusing on Facebook [11].

Email Marketing

Utilize email marketing to promote membership benefits. Email can help increase awareness and expand your reach — 85% of businesses use email marketing to offer memberships[11].



Ongoing Communication for Members

Communicating effectively with existing clients is key to maintaining satisfaction and loyalty. Make sure once people sign up, you are clearly explaining membership benefits and terms. Provide opportunities for them to ask questions so you can address any concerns to prevent misunderstandings that could impact retention.

Because 94% of loyalty program members value regular, personalized communication, you'll want to use a mix of email, text, social media, and face-to-face interactions to continue communicating about their membership and all it entails.

Ideas for Membership Communication:

Digital Welcome Kit

Develop a comprehensive digital welcome kit that will automatically be emailed to new members upon sign-up. This kit should detail all aspects of the membership, including a welcome letter, a breakdown of benefits, and FAOs.

Monthly Newsletters

Curate newsletters highlighting member-exclusive offers, introducing new services, and providing health and wellness tips. This keeps members informed and reinforces the value of their membership on an ongoing basis.

Dedicated Webpage

Establish a dedicated section on your medspa's website for membership information. This page should be easily navigable and include detailed descriptions of each membership tier, benefits, testimonials, and a clear call-to-action for clients.

Personalized Consultations

Offer personalized consultations to prospective and existing members to discuss their specific needs, explain how the membership can meet them, and address any questions they may have.

— Chapter 04

Measuring Your Membership's Success

To gauge how successful your membership program is you need to set clear goals and key performance indicators (KPIs) to monitor against.

Despite the importance of metrics, over 42% of businesses launch a membership program without visibility into key KPIs [11]. Concrete goals enable you to monitor progress and quickly identify opportunities for improvement through data. You'll also want to measure against industry benchmarks to gain better insight and find areas for enhancement.



Key Performance Indicators to Monitor

Membership Conversion Rate

Target a membership conversion rate of 40% or more, signaling robust brand loyalty and the program's value[27]. Notably, after their third visit, 76% of patients see themselves as lifelong clients, indicating a prime opportunity for membership conversion[38].

INDUSTRY BENCHMARK

40% +

best in class 75%

Membership Churn Rate

Keeping churn under 5% is vital for maintaining a stable revenue stream from the membership base [5]. A low churn rate signifies member satisfaction and loyalty, whereas a high churn rate may indicate underlying issues with membership offerings or client experience[11][28].

MONTHLY

<5%

best in class <2%

Average Member vs. Non-Member Visits

Members should visit more frequently than non-members[26]. "Non-member patients visit an average of 1.8 times, vs. member patients visit an average of 3.1 times" [16].

INDUSTRY BENCHMARK

15%+

Members

Average Member vs. Non-Member AOV

Members' average order value (AOV) should be higher than that of non-members, with a benchmark increase of 15-35%[20]. Members often spend 25-50% more over their lifetime compared to non-members[28]. Additional research shows that returning clients typically spend 60-70% more than new clients[14]. The Industry AOV is \$536 [33].

INDUSTRY BENCHMARK

~35%

Members more per visit

Other KPIs that should be positively affected by Memberships

Net Profit

An upward trend in net revenue suggests that the pricing strategy is balanced and provides value to the business's bottom line. 72% of companies noted that memberships increased their revenue[11]. Monitoring this metric is crucial to ensure the membership program remains profitable.

SHOULD CLIMB WITH TOTAL REVENUE

Membership Revenue %:

Achieving or exceeding the 62% benchmark indicates the membership model's success in generating revenue. Medspas that reported memberships contributing to 10% or more of their overall revenue earned more than Medspas without memberships. [28]

INDUSTRY BENCHMARK

-50%+

Average Member vs. Non-Member Visits:

Members are 25% more likely to purchase additional services and products, showcasing the effectiveness of membership programs in boosting sales [28].

INDUSTRY BENCHMARK

25%

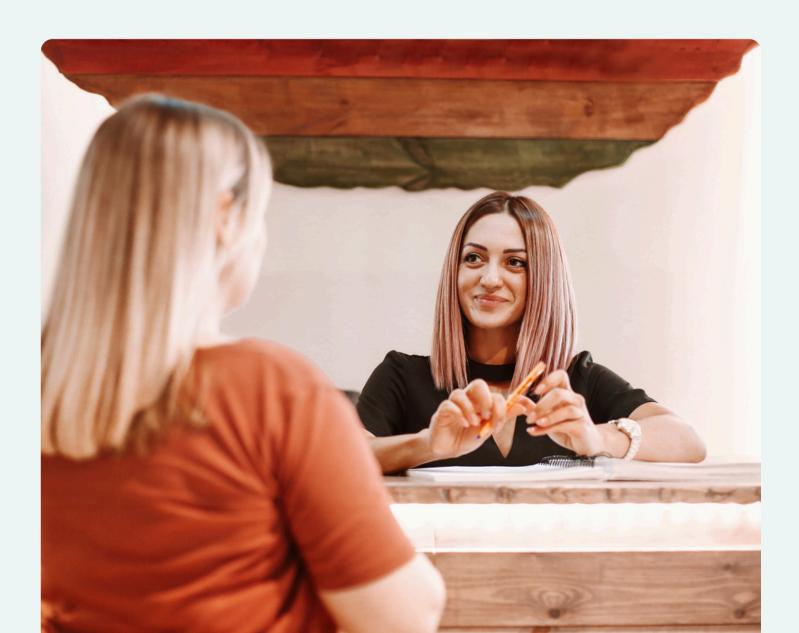
More likely to have more cross-sells



Feedback and Iteration on Membership Offerings

Your membership should be built around services that align with your client's needs and promote growth for your business.

To experience true success with your memberships, aim to continuously update your membership model with member feedback. Prioritizing what your members value will help you win them over and drive growth. In fact, using member feedback to adjust membership models has been linked to a 43.4% increase in the average lifetime value of members, and contributes up to 62% of some businesses' revenue[11][28].



Conclusion

Launching a membership program is a significant endeavor, but it's a worthwhile investment of time and energy.

Your dedication to implementing and running a first-class membership program will help you win client's loyalty and securing predictable revenue can prepare you to weather any financial storms.

If you'd like further guidance, insight, or resources, reach out to the Moxie team to learn more about the ways we can help make implementing and running a membership program a breeze.

Maxie



About Moxie

Join Moxie

Moxie empowers entrepreneurs to launch, run, and grow their own aesthetic businesses.

Moxie empowers entrepreneurs to launch, run, and grow their own aesthetic businesses. Trusted by hundreds of medspas across the U.S., we give independent medspas the partner, the platform, and the pricing power they need to compete (and win) against even the biggest chains. We help them be in business for themselves, but not by themselves.



No. 1

Choice of Medspa Entrepreneurs



250+

Medspas Launched & Coached



50%

More Affordable to Launch + 3x Faster



2x

Faster Growth Than the National Average

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