



Profit with Products

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Product sales are a great diversification method and profits from them can defray overhead expenses. It is hazardous—physically, emotionally and financially—to rely on your hands-on work as the sole source of your livelihood, particularly if your work requires intensity. Additionally, product sales offers clients a valuable service because you have access to many products that aren't easily available to the general public.

For instance, there are wonderful topical treatments and self-care tools that your average clients can't find at their local health emporium. Many of these products aren't even directly available to the retail consumer—they must be purchased by a practitioner and then sold to the client.

“Selling products is a nice extension of the standard of care and healing already associated with massage therapy,” explains Scott Matolka, director of marketing topicals at Performance Health, which manufactures Biofreeze pain relieving gel and spray. “Clients will appreciate the service provided by accessing products for retail sale from the therapist, **and** clients will trust the therapist's recommendations and endorsements of products, especially those products used in the therapy itself.”

“Retail sales not only help boost the bottom line, they can help build a bond between you and your clients between visits,” says Jean Shea, president and founder of BIOTONE, a manufacturer of massage and spa products. “Providing your clients with products for home use, serves as constant reminder of their relationship with you and their trust in your professional services.”

Massage therapist Robert Flammia of Berkeley, California, sells a variety of gels, balms, books and massage tools. He enjoys selling products and most of them come out of his “win/win/win” philosophy. For example, he bought an inventory of *Hurricane On the Bayou* CDs. The Audobon Society and New Orleans residents win because of money generated from the inventory purchase. Flammia wins by feeling good for helping them (and the revenues help pay his rent). The clients who purchase the CDs win because they get to enjoy good music and know their purchase is also helping the people of New Orleans.

Flammia also sees product sales as a way to increase his massage practice: “Selling touch is perhaps one of the hardest things to sell because of being so invasive on the psyche and body of the unknowing recipient. Selling items, whether physically or psychologically related to touch, is much easier an icebreaker.”

Products Ideas

As local statutes permit, it's entirely appropriate for practitioners to sell healthcare products designed to assist in the relief of pain and promote well-being.

Over the past thirteen years, massage therapist Cathryn Wright, of Taylorville, Illinois, has sold many products in her practice—from pain relievers to therapeutic tools to vitamins to music to natural cleaning products for the home. She chose these products because she tried them and liked them. Unfortunately, not everything sold well. She states, “My practice is in a small town and people are reluctant to try new things,” she says. “Plus it is also a financially depressed area so many times people don't see the need for spending money on them. The things that are successful are ones that seem to help them with their pain issues, such as pain relieving gels, ice packs, rice bags and therapeutic tools.”

Massage therapist Bob McAtee of Colorado Springs, Colorado, sells several products in his practice, and is always on the lookout for something unique, useful, and not readily available in retail stores. “I sell products mostly for the convenience of my clients, McAtee says. “I use these products in my sessions, and clients like to use them for self-care at home.”

A Twist on Traditional Sales

Traditional sales involve a practitioner buying products at wholesale and reselling to clients. This involves an investment of time and money. Another option is to have a display item and clients place orders with the practitioner (and the item is either delivered directly to the client or the practitioner). This involves some time and paperwork, but little risk.

Items to Sell

Some of the more common items are:

- Hot and cold packs
- Ice pillows
- Relaxation tools
- Support pillows
- Ergonomic devices
- Self-massage tools
- Essential oils
- Sports creams, gels and balms
- Self-health books and DVDs
- Gift baskets with self-care items
- Bath salts, scrubs, body butters and lotions
- Music



I recently discovered a company that has added another twist. Smart Step Health Care Mat makes a premium anti-fatiguing flooring mat. They previously sold only to large companies but have recently begun working with wellness practitioners. They have created what they call the unique “Premier Sell Through Program.” How it works is that the practitioner places a wellness mat around the treatment table, thus the client must step on the mat before and after their session. Most clients will experience the instant comfort of the mat and ask the practitioner about it.

Clients may purchase the product in a variety of sizes and colors. With no commitments, inventory or investments, the program simply forwards interested clients to a consumer website or customer service department through an attractive tri-fold brochure. Smart Step Health Care Mat invoices the client directly, drop ships the mat directly to the client, and through the assigned clinic code number, sends commission checks to the office monthly. They also offer posters and other sales materials at no cost. According to Dan Bouzide, this type of program offers four important points: 1) Takes care of the practitioner’s health and well-being; 2) Sets a good example for clients; 3) Earns revenues with no financial commitment; 4) Shows a genuine concern for the client’s health and well-being outside of that office visit.

Healthy Sales

Ethical product sales involve providing clients with easy access to high-quality products that enrich their well-being. Ideally, you would only sell products you know are reliable, suitable for use by your clients, within your scope of practice and a natural extension of your business.

Clients depend on you to provide them with sound information and guidance in the realm of product sales. Thus, it’s essential to know your products well and convey the proper use, benefits and possible side-effects or contraindications of each product. Matolka suggests that therapists only use the products according to manufacturer’s recommendations and convey that to clients. “Do not overuse products and do not make product claims that the manufacturer does not make or would not support,” he explains.

At times, unethical practices such as aggressive sales techniques or misinformation can characterize product sales. Fortunately, this is the exception rather than the rule. Nevertheless, you must be cautious when selling products. As a wellness practitioner, a power differential exists between you and your clients. Clients assume that you are the authority, and they may feel influenced to purchase products out of a need to please you or because they think you know best. Even if you take great care not to exploit this power differential, it still exists. You must not manipulate or coerce your clients.

Reduce the possible abuse of the power differential by restricting your conversation about products to before or after sessions. The post-session interview is a good time to reference products. It is natural to recommend products that are appropriate to the client’s goals when you are reviewing the treatment plan and any “homework” you might have for a client. This is also the time to ask for feedback on any of the products you used during the session.

If product sales are not handled well, they can negatively impact your practice. Make certain that the products you sell are congruent with the image you wish to portray.

Massage therapist, Rodyon Jones of Tucson, Arizona, has sporadically sold products in his practice. He has concerns about the ethics involved in selling products. He wants to keep his focus on his one-on-one work with client. “I have a friend who has been a massage therapist for more than 20 years. Over this time, he has accumulated a broad line of massage tools, equipment and accessories. And all of it’s also for sale. Sometimes it feels a bit overwhelming to walk into that space. I want my massage space to be peaceful and healing”

Recently, Jones met someone who sells a product line of wildcrafted tinctures, balms and teas. He likes the products and has an affinity for the owner whose heart, soul, and knowledge permeates the products. Jones is

considering selling these products, particularly since he would be one of very few sources for people to obtain the products. Therefore, his thought is to market it to the general public and have it displayed and readily available to clients, but without actively selling it to his clients. “If one of my clients has a condition that would be helped with one of the products, then I would mention it to the client, he explains. “Otherwise, my hands and my support are what I have to offer, along with the belief that we already possess everything we need to heal ourselves.”

Buy Wholesale

Financial success in product sales requires that you purchase products at wholesale prices and mark up those prices appropriately. Most retail sales use the keystone method, which means that you mark up merchandise to an amount that is double the wholesale price. Thus, if you buy a product for \$5 then you sell it for \$10. You will find that some products offer an even better markup than that and others less. In most instances, you also have to pay shipping and that can add up if the item is heavy.

Tip: *Most wholesalers require a minimum order. If you are just starting out and can't afford the minimum, consider joining forces with others and make cooperative purchases.*

The cost of selling products is not limited to purchase price and shipping. You must consider the time involved in placing orders, displaying the product, and marketing. There's also the paperwork involved in collecting sales tax and submitting tax reports. And then what do you do with inventory that doesn't sell?

Massage therapist, Hans Albert Quistorff of Wauna, Wisconsin, obtained a healthcare provider account with two companies that allowed him to get products at up to

50-percent discount. He says, “This netted a small profit but it would not have been worth it if his accounting and inventory software program did not handle the transactions efficiently.”

Sales Tax

Contact your state department of revenue to apply for a transaction privilege tax license. Some cities require a separate transaction privilege tax license. How often you must submit reports and the collected sales tax vary. Usually you are required to fill out a form on a monthly basis for the first year. If the volume is low, the state might reduce it to quarterly or even annually. Note that while it is called state sales tax, the percentages usually vary by the type of taxable activity and the city.

Discuss tax collection requirements with the state, as well as with the company from which you buy products for resale (e.g., certain food-based products are not taxed). Also, if you purchase products to resell, you don't need to pay sales tax to the company that sells you the product. The companies from which you purchase products often ask for your resale number (which is on the Transaction Privilege Tax License).

Increase Retail Sales

Selling products is not about hype or “hard-sell” tactics. The income you receive from the items your clients purchase is not going to make you rich, but it can be a decent source of supplemental income. The point is providing your clients with easy access to high-quality products that enrich their well-being.

“Retailing can be a lot of fun and a real challenge,” Shea says. “Sometimes therapists are reluctant to sell retail since they regard themselves as healers and not as sales people. If they take the consultative approach, then it will be much easier.”

Special Note on Spas

Many spas and massage centers require their practitioners to sell products. The common expectation is that somatic practitioners (such as massage therapists) generate between five to 20 percent of their total sales in home-care products or supplies. As a side note, most estheticians are required to generate upwards of 50 percent. Salaries, bonuses and seniority are often based on the amount of products sold. Before taking a job at one of these establishments, clarify their product sales requirements, and make sure that you feel comfortable and confident in their product lines.



An attractive retail area will welcome people to it. Shea says, “Encourage clients to arrive a few minutes before your session, and while they are waiting, they will probably go over and look at the retail area. If the products smell good, look good, and are priced competitively, they may just sell themselves.”

Yet, just carrying a product doesn't guarantee it will sell. Because people are more inclined to buy something they've experienced, incorporate your products into your practice and take the time to educate your clients. Always keep in mind that the major focus of product sales is to enhance your clients' health and well-being.

Ultimately, selling products is like “selling” your services—simply share your enthusiasm about them. If you make your products visible, accessible, attractive and affordable, your clients will buy them when it's appropriate.

Selling Products in a Group Practice

When selling products in a group practice, the three biggest problems are choosing the product lines, determining who is responsible for overseeing sales, and calculating who gets what profit—particularly when a client sees more than one practitioner in the group. If your business is a partnership, the funds can be commingled. Here are two ways to manage profits.

Option 1, Individual Profit Centers

- Designate a weekly or monthly order date. Combine practitioners' product order lists and place one order. Each practitioner pays for her portion of the order.
- Each practitioner receives requested product quantities and sells products separately.
- Each practitioner collects payment for product sales and retains the profit.

Option 2, Distributed Profits

- The group assigns one practitioner to manage product sales. Tasks include tracking inventory, stocking products, placing orders, and handling payment through the manager's individual account (this assumes an office assistant handles payment-processing tasks).
- The product manager is compensated for her time in managing product sales. Remaining profit is applied to shared overhead expenses (e.g., rent, linen service, telephone and marketing).

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- *Sell only products you trust and that fit into the type of work you do.*
- *Focus on a few product lines.*
- *Display your products and promotional literature in your waiting area.*
- *Bundle items. For instance, if one of your target markets is frequent travelers, you could assemble a travel kit consisting of an eye pillow, essential oil and a small self-massage tool.*
- *Put price stickers on your products.*
- *If you carry self-health DVDs, play them before and after sessions.*
- *Utilize products during the treatment: play a CD; apply a hot or cold pack; use specialized gels, creams or linaments; or include aromatherapy applications.*
- *Encourage questions about products used during sessions.*
- *Ask clients for their reaction to and opinions on the products being used.*
- *Print fliers that describe all the products you carry. Give these to your clients and mail them for special promotions.*
- *Offer specials on products and promote them in your waiting area, newsletters and on your website.*
- *In the post-interview, recommend any reference materials, relaxation tools, support devices, books and other items that are appropriate to the client's goals. Be certain to demonstrate any products and explain all procedures.*