

# SCT



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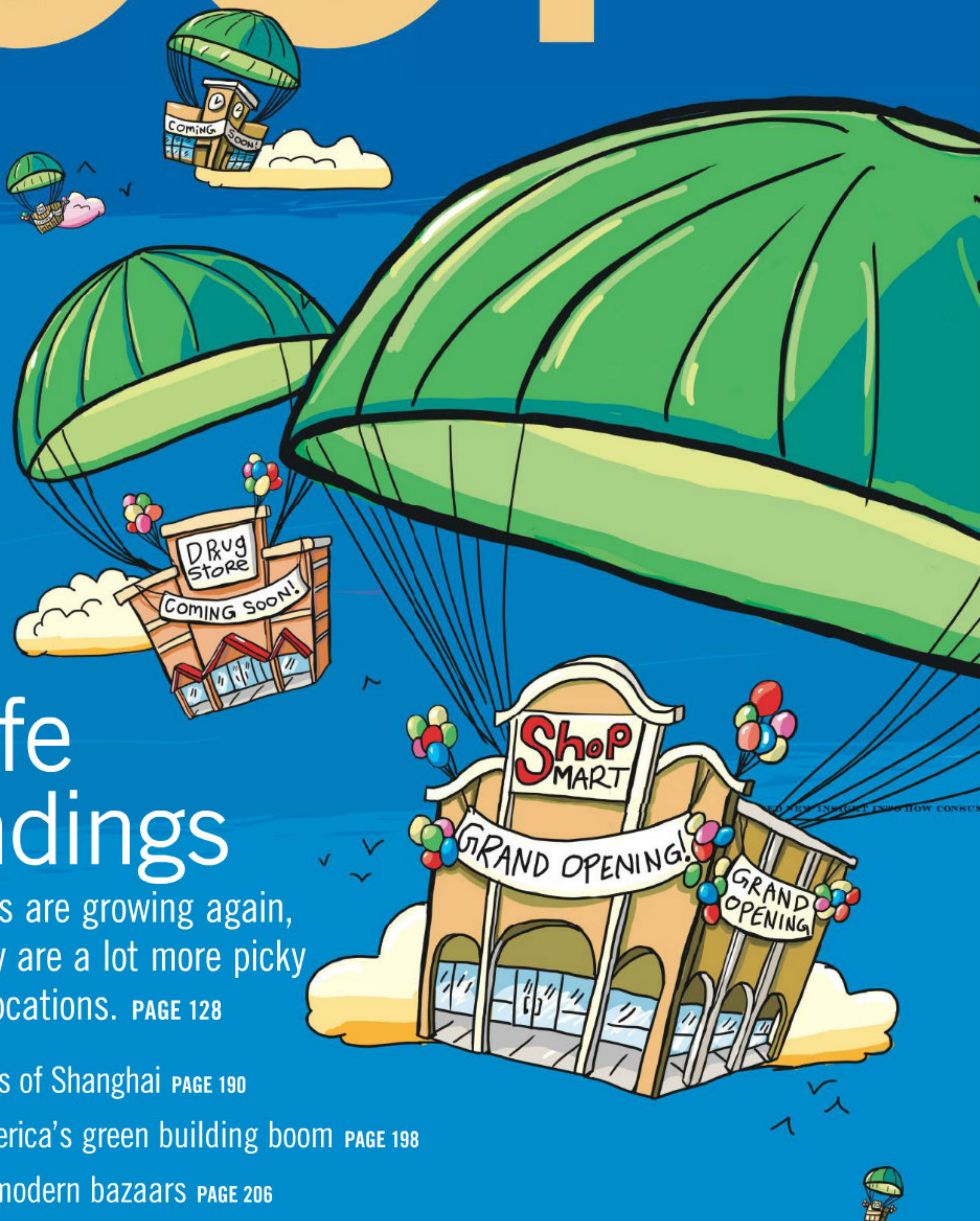
## Safe landings

Retailers are growing again, but they are a lot more picky about locations. PAGE 128

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Turkey's modern bazaars PAGE 206





# No pain

GETTING CHIROPRACTIC CARE AT THE JOINT IS AS EASY AS ENTERING A STORE

By Dees Stribling

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EVER MIND QUESTIONS ABOUT

health insurance and co-pays. Forget about any long waits in a waiting room. And here is no sterile health care setting and this no typical visit to a health care facility, neither for patient nor for provider. Welcome to The Joint — The Chiropractic Place, where health care meets retail.

“The Joint borrows as much as it can from a retail way of doing things, offering a model of care delivery that’s convenient and easy to understand,” said John Leonesio, CEO of The Joint Corp., which franchises these chiropractic clinics. “We aren’t looking to change the way chiropractors perform their service, just the way their service reaches the public.”

Perhaps the Joint is most unlike typical health care providers in the way its patients pay for services. There is a small selection of fixed prices for well-defined chiropractic services, and patients pay for what they receive when they receive it. Insurance is not accepted, thus eliminating a significantly irritating part of the process.

The pricing structure is so straightforward, in fact, that the company posts it on the website.

For the patients, there is no question whether this or that insurance plan is accepted, and none of the hall-of-mir-

rors pricing common with most forms of health insurance. For the chiropractors, there is none of the maddeningly labor-intensive bother or the irrational expense associated with billing an insurance company. “It’s a very simple setup: Each clinic has two or three doctors and a receptionist,” said Leonesio. “There’s less administrative headaches all around.”

Also unlike most health care providers, patients need no appointment. The clinics operate on evenings and weekends, borrowing yet another page from the retail playbook that stresses convenience. And patients who buy a membership can visit any Joint site without any referral or appointment.

The clinics are designed to de-emphasize the “clinical” look, Leonesio says. “It’s almost a spa look, with one common area with several adjustment



MORE LIKE A SPA THAN A CLINIC



tables and an open, very contemporary feeling," he said. "We believe the setting puts the patient in a better frame of mind to receive treatment."

The formula seems to be working. Joint Corp. began selling franchises in early 2010 (not a particularly auspicious time to launch a business), and as of the first quarter of 2012, had

about 150 clinics up and running, with some 40 more in the hands of franchisees still in the process of securing a location.

The Joint was established in Tucson, Ariz., in 1999 as an ordinary chiropractic clinic, though with that distinctive name. Chiropractic, like most health care concerns, is a highly

fragmented business. Roughly 56,300 chiropractic businesses operate in the U.S., employing about 140,000 people, according to industry research specialist IBISWorld. That means lots of small shops. "There are no companies with a dominant market share in this industry," said IBISWorld in a March report.

Texas investment firm Business Venture Capital bought the business after it had been operating for about 10 years and began pushing the franchise model. Leonesio had just sold his massage-parlor company, called Massage Envy, which by then had grown to about 300 franchised units. Leonesio built up Massage Envy in much the same way he is building up the Joint: Massage Envy offers set prices, membership plans and longer hours than most health care providers. The real estate strategy of the two is similar as well. In fact, the Joint has located in some of the same properties as Massage Envy. "Community centers tend to be good locations for the Joint, ideally one already containing a wellness-oriented tenant, such as a gym or Pilates studio or Massage Envy," said Jessica Owen, Joint Corp.'s national director of real estate. "The idea is to make it as easy as possible for people to visit." Joint clinics typically measure roughly 1,500 square feet.

"Most of the locations so far are suburban, but as we grow, we believe there will be more clinics in cities," Owen said. "In any case, we prefer to have at least 75,000 households nearby with at least \$50,000 in annual income per household."

Leonesio says there is a lot of interest in franchises among chiropractors. "The goal in the next 10 years is to have 1,000 clinics," he said. "And we expect there's enough interest in the concept to meet that goal." **SCT**

## THE COLLECTION

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