

# Customer-Centric Segmentation



Marketers are zeroing in on physician and patient targets with new media, new segmentation techniques, and new analytics.

**S**egmentation has gone micro these days, and the ability to target a very specific audience is easier than ever. However, the life-sciences industry has yet to wholly align its marketing strategies with new technologies and their capabilities. Whether reaching out to the patient or the physician, new ways to identify the most relevant members of the audience will soon be changing the way pharmaceutical companies think about marketing. Experts on all sides — those who collect data, those who use data, those who analyze data, and those who create access to data — discuss the benefits, the challenges, and the best practices of using today's segmentation tools and techniques.

## Segmentation Trends

Several new trends are creating a new world of segmentation. In summary:

1. Segmentation better aligns messages with consumers
2. Segmentation creates the ability to treat consumers as people, not transactions

3. Mobile is the new vehicle for delivering targeted messaging

**DEREK KEALEY.** INFOMEDICS. Pharmaceutical marketing is changing across the board — across both physician and patient segments — and the one-size-fits-all messaging won't work anymore. With the decrease in the salesforce's ability to penetrate physicians' offices and maintain relationships, the industry needed a new outlet, so it has turned its attention to marketing that is focused on customers. Brand teams are diving deeper into the more granular individual needs of these customers — patients, physicians, and payers. This customer-centric focus creates a greater need for tools and techniques that can support the delivery of a very targeted message to the right client at the right time with the right content. Some leading pharmaceutical companies are taking on practices from other industries and treating consumers as people and not as transactions. This requires that they truly understand the customer by conducting ongoing market research that engages in a real-time, dynamic way, not just at one static point in time. Phar-

maceutical companies need to develop tools and techniques that touch patients and physicians as they move along the disease journey together. New technologies can be put in place within an infrastructure that can live and breathe in and across the marketing mix, thereby eliminating siloed approaches. This type of platform facilitates patients getting more customized support when they need it, while at the same time enabling the drug manufacturer to understand and provide a much more robust, serviceable, and holistic CRM platform. This means taking a holistic look across the entire marketing plan and developing a patient experience that enables both new and existing patients to better understand and engage in their treatment, improve the dialogue with their physician, and feel more confident managing their condition.

**PAMELA ALEXA.** PFIZER. Segmentation techniques — new or old — need to assess both attitudes and behaviors of the customer. By identifying the attitudes and behaviors that are to be encouraged, the marketing messages can address customers in the style and format that resonate with them. For example, if the opportunity for growth in a segment is around adherence, it's important to gauge the segment's attitudes and behaviors around compliance. However, if the opportunity is around acquisition, the research should be specific to the segment, such as assessing the HCP's commitment to changing protocol. Perhaps the HCP is committed and willing to make changes to office protocol based on the action prompted by the communication. On the other hand, the HCP may be engaged but not necessarily committed to changing protocols. This attitude may lend itself to developing more tools for patient education that support the HCP's decision, yet allows for a dialogue with the patient.

**DR. JOSEPH KVEDAR.** CENTER FOR CONNECTED HEALTH. We are quite passionate about programs that allow patients to work as closely with their healthcare providers as possible and we want to be able to give them the tools to do

“Patient information from connected devices, websites, and mobile apps form a treasure trove of real-time data.”

DR. BETSY BARBEAU / Healthrgeous



“Companies recognize the value of one-to-one messaging and are investing in pilot programs to test and learn what works and what doesn't.”

WENDY BLACKBURN / Intouch Solutions



as much self-care as they can, and segmentation is an important part of this interaction. We are interested in the patients who are ready to change their behavior and who have an interest in their health. We also segment by more traditional factors, including patient tendencies toward visual or audio, compliance or defiance, and other basic traits. Once the technology is available, we will be able to determine someone's emotional state as well. This technology, which will be available soon, will help us get a sense of a patient's mood or emotional state, which will help us align the appropriate resources to the appropriate patient in terms of who is ready to take charge of his or her health.

**DR. SUSAN DORFMAN.** COMMUNICATIONS MEDIA. Segmentation must now include the promotional makeup of every target physician. This helps sales and marketing teams better determine their multichannel engagement strategies by understanding what nonpersonal promotion channels targeted prescribers can be accessed through. This level of nonpersonal access data should not be self-identified by a panel and projected to the universe, but rather must represent every prescriber's actual promotional access information based on where the physicians are. Another new advantage is the focus on subsegments of physicians. Physicians can be segmented not only by prescribing behaviors or even experience in a class of drugs or specialty but by other factors as well, including date of graduation. The promotional access points and workstreams of existing prescribers and newly evolving prescribers can be compared, particularly as they build out their practices or their affiliations with other doctors and hospitals. It's important to be able to look at multiple factors and segment according to those factors and then make the data actionable.

**WENDY BLACKBURN.** INTOUCH SOLUTIONS. It's a new world, and customer-centric is the buzzword of the day. This trend is definitely hot, evidenced by the fact entire pharmaceutical conferences are being specifically designed around the topic. Social media and mobile technologies

## EXPERTS



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**ELIZABETH (BETSY) BARBEAU, SC.D., MPH.** Chief Science Officer, Healthrgeous, which supports consumers' efforts to shed unhealthy habits, embrace healthy lifestyles, and achieve health and wellness goals by providing personalized guidance, expert coaching, and inspirational support. For more information, visit [healthrgeous.com](http://healthrgeous.com).



**WENDY BLACKBURN.** Executive VP, Intouch Solutions Inc., a digital marketing agency servicing the pharmaceutical industry. For more information, visit [intouchsol.com](http://intouchsol.com).



**SUSAN DORFMAN, PH.D.** Senior VP, ByDoctor and Customer Insights, Communications Media Inc., a promotion planning and buying organization concentrating on the pharmaceutical industry. For more information, visit [cmimedi.com](http://cmimedi.com).



**DEREK KEALEY.** VP, Business Development, InfoMedics Inc., which designs and delivers interactive patient

communication platforms for pharma companies. For more information, visit [infomedics.com](http://infomedics.com).



**JOSEPH KVEDAR, M.D.** Director, Center for Connected Health, which develops new strategies to move healthcare from the hospital and doctor's office into the day-to-day lives of patients. For more information, visit [connected-health.org](http://connected-health.org).



**BILL MULDERY.** President, Bulletin Healthcare, a provider of daily news and information for HCPs with access to more than 550,000 healthcare professionals. For more information, visit [bulletinhealthcare.com](http://bulletinhealthcare.com).



**SCOTT NESBITT.** Executive VP, Analytics and Information, Healthy Advice Networks, a provider of patient and physician engagement programs at point-of-care. For more information, visit [healthyadvicenetworks.com](http://healthyadvicenetworks.com).



**MEREDITH RESSI.** President, Manhattan Research, a healthcare market research company. For more information, visit [manhattanresearch.com](http://manhattanresearch.com) or email [mressi@manhattanresearch.com](mailto:mressi@manhattanresearch.com).



**DAVID WILLIAMS III.** Chief Marketing Officer, Head of Business Development, PatientsLikeMe, a privately funded company dedicated to making a difference in the lives of patients diagnosed with life-changing diseases. For more information, visit [patientslikeme.com](http://patientslikeme.com).

### Industry segmentation experts share their thoughts on some of the biggest challenges in target messaging today.



**JEFF BURKEL** is Chief Operating Officer at MicroMass Communications, a full-service agency that leverages behavioral science to marketing challenges. For more information, visit [micromass.com](http://micromass.com) or email [jeff.burkel@micromass.com](mailto:jeff.burkel@micromass.com).

“One of the biggest challenges is learning to talk to the individual as a person. To get messages through most effectively, marketers must recognize that each person has unique behavioral drivers and motivators. Marketers need to go beyond demographic and psychographic segmentations and leverage patients’ behavioral styles in ways that reach each individual. For example, insights into breast cancer patients reveal that adherence has little to do with age or stage of the disease and everything to do with how a person copes with the condition. Understanding a patient at this very human level helps marketers craft their communications and offer support that makes a difference in the patient’s life and treatment.”



**LARS JORGENSEN** is Managing Sales Director at e-Healthcare Solutions, an advertising network specializing in the digital pharmaceutical and healthcare vertical. For more information, visit [e-healthcaresolutions.com](http://e-healthcaresolutions.com).

“Creating targeted messages via personally identifiable information is a big issue for the pharmaceutical industry today. Advertisers have two predominant concerns. One concern is authenticating the physician audience, which essentially means list-matching to physician targets or knowing the identities of the physicians being reached; and the second is avoiding violating consumer privacy, which is closely linked to behavioral targeting and revealing the identities of consumers seeing advertising messages. Recently, the pressure of delivering measurable ROI has made physician authentication more desirable, though not always effective, while increased attention has heated up concerns over personal privacy.”

**SUSAN SCHWARTZ MCDONALD** is President and CEO of National Analysts Worldwide, a hybrid consultancy that integrates market research methods with specialized



industry expertise to guide important business decisions. For more information, visit [nationalanalysts.com](http://nationalanalysts.com).

“Predicting which particular message will resonate with customer segment groups who hang out in certain marketing channels has always been difficult. Disease communities make it easier to target relevant patients but marketers should not consider community members as fish in a barrel. Brand-centric Web communities created by pharmaceutical companies may foster greater engagement assuming the ethics and etiquette of that dialogue are clarified to everyone’s satisfaction, but patient-governed social media sites will be tougher for brand marketers to navigate since rules of the road will constrain the movement of outsiders. Even in data-rich Web environments, predictive modeling will never deliver the pinpoint accuracy of a GPS.”



**DAVID ORMESHER** is CEO of closerlook inc., a digital marketing agency that helps pharmaceutical brands build and maintain relationships with healthcare professionals. For more information, visit [closerlook.com](http://closerlook.com) or email [dormesher@closerlook.com](mailto:dormesher@closerlook.com).

“Warning: targeted messaging is never as targeted as we hope. Netflix offered \$1 million to anyone who could improve its movie recommendation targeting by 10%. It took three years, 100 million customer records, and people from 184 countries before a team claimed the prize. Most agencies don’t have those resources. Good physician targeting is possible, but it demands rigor in collecting data across multiple touch points, curiosity to look for nonapparent patterns, and a modicum of humility about the results.”

**MIKE RUTSTEIN** is President of StrikeForce Communications, which specializes in healthcare



marketing in the nutraceutical, OTC, pharma, biotech, and medical-device spaces. For more information, visit [strikeforcenyc.com](http://strikeforcenyc.com) or email [mrutstein@strikeforcenyc.com](mailto:mrutstein@strikeforcenyc.com).

“The move toward specialty products has fundamentally changed the way marketers reach and influence key customer segments. Historically, marketers delivered a shotgun approach to targeting and messaging with the aim of driving behavior through critical mass, while recognizing that there was a certain degree of waste. Today’s specialty products leave little margin for error and require hypervigilance across the board from target selection and media choice to ROI analysis. They require a deeper understanding of what specialists are looking for and how they consume and internalize media and messaging, given physicians’ time constraints and the rapidly evolving forums where HCPs and patients can access information.”



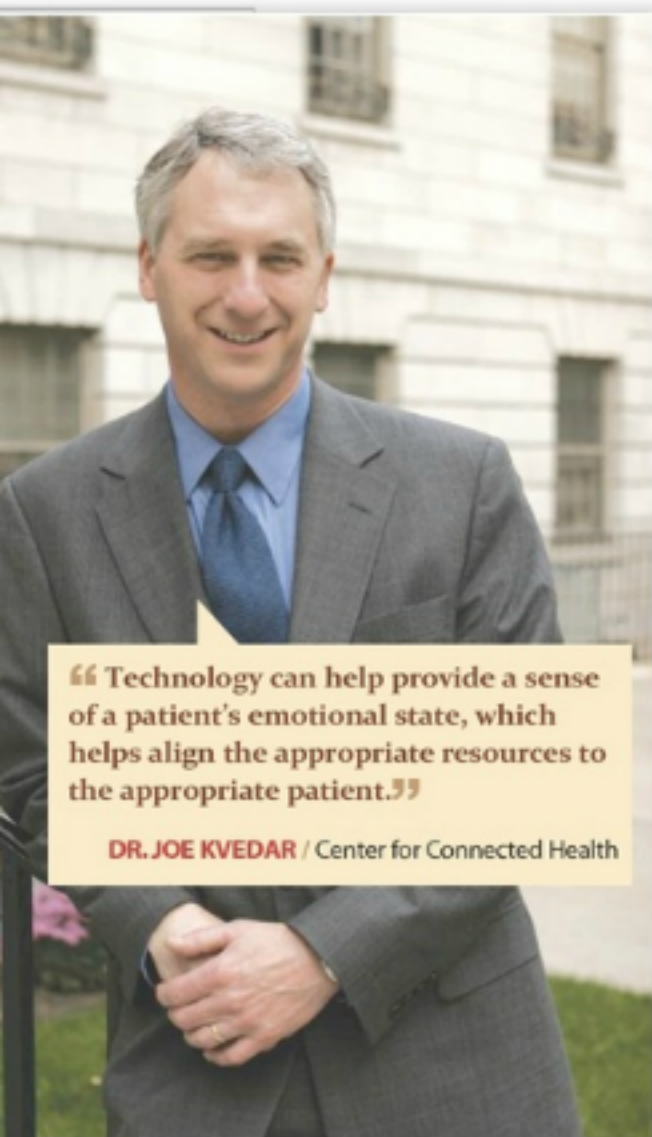
**WENDY WHITE** is Founder and President of Siren Interactive, a relationship marketing agency focused on the behaviors of patients, caregivers, and physicians dealing with chronic rare diseases. For more information, visit [sireninteractive.com](http://sireninteractive.com) or email [wwhite@sireninteractive.com](mailto:wwhite@sireninteractive.com).

“Patients are being forced to take control of their own health, and physicians, particularly in the area of rare disorders, often can’t keep up with the rate of scientific advancement. The Internet allows people to obtain and share information in ways not possible in the past. The key to successful messaging isn’t so much about finding target customers; it’s about using search marketing to make it easy for them to find you and ideally start a relationship. This requires listening to what patients really need and then giving it to them. Providing information and resources creates value that establishes trust. This is the foundation for all effective relationships.”

can be elements of customer-centric communications. We are witnessing a lot of activity in these channels, because there can be a two-way dialogue with customers. When a brand interacts with customers in a social space, a lot of other people are able to view the message, even though they may not be engaging in the conversation themselves, and this extends reach. Many companies think that one-on-one interactions are too expensive, or they don’t see how en-

gaging one on one can significantly impact sales, but the ripple effect of social media can help make the case for one-on-one exchanges with customers in certain situations. Some companies are starting to recognize the value of these exchanges and are investing in small pilot programs. A successful pilot can help open the doors to new opportunities. This is how some product managers are getting the buy-in they need from other stakeholders in the company.

**MEREDITH RESSI.** MANHATTAN RESEARCH. Over the last two years we’ve observed that clients no longer find classic segmentation strategies sufficient to account for the many variables at play in today’s marketplace. For instance, many companies are employing segmentation strategies surrounding the digital behaviors and preferences of their various customer groups. In the case of physicians, there is a group of digital “superusers” emerging,



“Technology can help provide a sense of a patient’s emotional state, which helps align the appropriate resources to the appropriate patient.”

**DR. JOE KVEDAR** / Center for Connected Health



“The pharmaceutical industry needs to focus on approaches that put value on the customer first, because the shift toward personalized messaging is not going to go away.”

**DEREK KEALEY** / InfoMedics



“Companies have to base their segmentation strategies on formulary coverage.”

**MEREDITH RESSI** / Manhattan Research

### Practitioner Use of Mobile Devices

Research from Bulletin Healthcare found a wide range in use of mobile devices to access e-mail between specialty practitioners, emergency physicians, and physician assistants. Following are specifics per specialty:

Physician Assistants	41%
Emergency Room Physicians	40%
Cardiologists	33%
Nephrologists	31%
Urologists	31%
Dermatologists	30%
Gastroenterologists	30%
Optometrists	28%
Psychiatrists	28%
Radiologists	24%
Rheumatologists	22%
Endocrinologists	21%
Oncologists	20%
Clinical Pathologists	16%

Source: Bulletin Healthcare. For more information, visit [bulletinhealthcare.com](http://bulletinhealthcare.com).

who, in many cases, are not as accessible through traditional channels. Additionally, these physicians have different expectations for on-demand content; rather than a lean-back approach to learning, they are accustomed to pulling the information they need, when they need it. Influencing this subgroup of physicians necessitates a messaging approach that is vastly different from the traditional model.

**DR. BETSY BARBEAU.** HEALTHRAGEOUS. Two new techniques are emerging that enable more precise targeting and better patient outcomes. One technique provides patients with consumer-friendly, connected medical devices tied to Web/mobile applications that empower patients to self-manage their health and illnesses and to be more effective partners with their physicians. The second is the use of real-time Web/mobile consumer data, coupled with machine learning techniques, that allow analytically based micro-segments to be developed for targeting patients.

**BILL MULDER.** BULLETIN HEALTHCARE. There are two trends within segmentation. One is the use of closed-loop marketing; pharmaceutical companies have changed their sales model to have fewer reps in the field. As a result, reps have better tools to make them more efficient. The other growing trend is the focus on mobile marketing. Closed-loop marketing is a big part of this effort as well in the sense

that mobile devices are being used to gather and convey data.

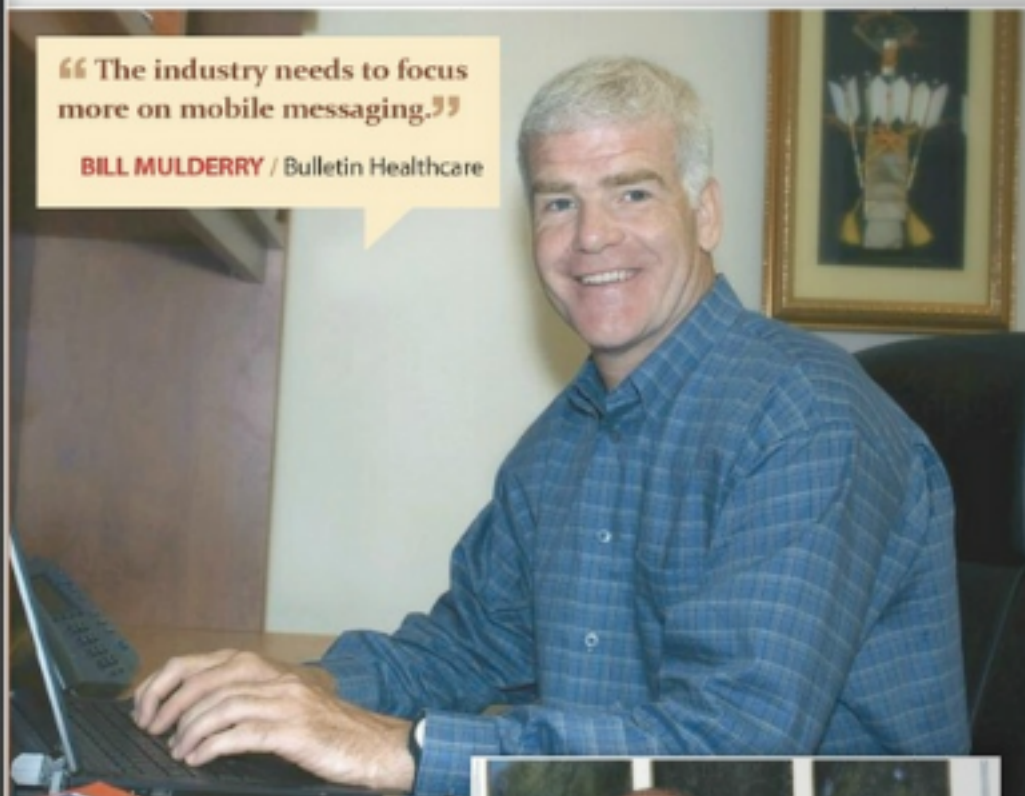
**DAVID WILLIAMS.** PATIENTSLIKEME. At PatientsLikeMe, we don't advertise to patients. However, we do help pharmaceutical companies segment the patient population based on patients' real-world experiences, such as the benefit received from a medication or peer influence on treatment decisions. This is the type of information that we share with pharmaceutical companies and what they use to better inform their marketing strategies.

**SCOTT NESBITT.** HEALTHY ADVICE NETWORKS. Location segmentation is replacing physician targeting in the in-office marketing arena. In-office promotion and media are, by their very nature, place-based, not physician-based. Programs for waiting rooms, back offices, and the few that are in exam rooms, affect all of the physicians and patients at a location, not just the targeted physician. For example, samples that are 'given' to a specific physician are not



“With promotional access becoming more of a challenge, today’s segmentation models must go beyond understanding prescribing behaviors or even market dynamics.”

**DR. SUSAN DORFMAN** / Communications Media



“The industry needs to focus more on mobile messaging.”

**BILL MULDERRY** / Bulletin Healthcare

- 2. Segmentation data need to be used for pinpointing aftermarket services
- 3. New segmentation strategies must include formulary coverage

**PAMELA ALEXA**, PFIZER. The marketing process needs to become more collaborative. Marketing teams need to develop messages that are truly tailored according to customer segment, which will have greater meaning than a generic message. Sales



“The pharmaceutical industry needs to consider patients as customers, not just as consumers.”

**DAVID WILLIAMS III** / PatientsLikeMe

just for his or her use; once in the sample closet, all of the physicians in the practice use them. So when segmenting and targeting physicians and patients for in-office programs, the entire location needs to be segmented, not just an individual physician or group of patients.

### Creating Alignment with New Segmentation Data

If the industry is going to take advantage of the ability to micro-segment, it will have to change its outmoded ways of conducting market research, marketing, sales, and business as a whole. Everything in healthcare is changing, but most of all, declining physician access and a change in who is paying is forcing a new look at targeting strategies. In summary:

- 1. Siloed efforts must change to become collaborative among internal organizations

teams play an active role in understanding the strategies behind segmentation and help in querying their customers based on a few simple, iterative questions. Follow-up measurement needs to occur to determine effective execution. Customers’ behavior can change over time; therefore, it’s important to review the segmentation group over time and update customer profiles as needed.

**DR. JOSEPH KVEDAR**, CENTER FOR CONNECTED HEALTHCARE. As a practitioner, I no longer am able to meet pharmaceutical reps in my office, and my institution encourages me to prescribe only generics. So if a company develops the next new drug that provides a 10% improvement over an existing drug, but is going to charge more than the price of a generic, that is not going to change my behavior anymore. The industry’s business

model has to morph from being about a pill to being about information and services around the pill. And in that context, segmentation becomes really important because that enables companies to effectively target aftermarket

services to target populations. Pharmaceutical companies will need to start developing various adherence programs to build loyalty. For example, a patient signs up to receive text-message reminders to take his or her pills or opts in to a social network of folks who are on the same medicine to compare experiences and side effects. Brand managers will need to embrace these types of strategies to set themselves apart from the competition, because the pill is no longer a source of profit. Rather, information and services that result from the patient taking the medication will be key for success.

**DEREK KEALEY.** INFOMEDICS. The big change will be moving beyond the siloed view and looking across all channels and understanding how every outlet can work together holistically. Some may be hoping that the status quo will play out, but that is not going to happen. Sales reps are not getting the same level of physician penetration or relationships they have enjoyed in the past. The industry needs to focus on segmentation, targeting, and marketing approaches that value the customer first, and understand that product sales will follow after supporting the customer in the most effective way he or she needs. This change in view is going to make the pharmaceutical industry more successful, and may help the industry regain some of the public trust it has lost.

**MEREDITH RESSI.** MANHATTAN RESEARCH. Everything about healthcare has changed in the last decade, and in some cases, in just the last few years. Technology has opened up new channels for communicating with patients and physicians, but that's not the only change. Companies now have to adopt their segmentation strategies based on formulary coverage for their products within different health systems; accountable care organizations; practices that are closing their doors to reps; the rise of the empowered consumer; and all the other access and affordability issues that affect consumer and physician treatment decisions. All of these shifts in the marketplace point to a need for a complete overhaul of the traditional commercialization model for pharmaceutical products. And many companies find that the outcomes

of these analyses point to a need to change the fundamentals of sales and marketing strategy, as opposed to straightforward tweaks to the way things have always been done.


**DR. SUSAN DORFMAN.** COMMUNICATIONS MEDIA. A critical-thinking mindset within the pharmaceutical industry, first and foremost, needs to be further developed for companies to embrace this level of segmentation. The idea of extreme targeting is a good thing, but the results need to be actionable and purposeful for both sales and marketing execution. There needs to be a set of actionable goals and a purpose behind the segmentation exercises that is more than just understanding the customer or market dynamics. Segmentation needs to be objective-based and once it is put to use, it needs to be measured and managed to deliver to goals.

**WENDY BLACKBURN.** INTOUCH SOLUTIONS. There are fundamental shifts happening in the way organizations communicate, creating a blending of the internal worlds of PR, marketing, and CRS. All of these different work structures within pharmaceutical organizations have to come together and redefine who is responsible for what. This has been a tough task for the industry, and many companies are putting a lot of effort into this redefinition and integration of job functions. Another necessary change for pharma is to embrace the concept of the user experience, which most industries have been doing for years. However, the pharmaceutical industry is just now catching on and understanding what this means, which in a nutshell is focusing on what consumers need and serving it up to them, rather than thinking only of how to drive traffic to a site, for example. This mindset involves thinking about who is online, where they search, what they are searching for, and how the brand can be there when they are searching. Segmentation helps tremendously since it is no longer a build-it-and-they-will-come environment.

**BILL MULDERY.** BULLETIN HEALTHCARE. The industry needs to focus more on mobile solutions. Almost 80% of physicians use smartphones so

the industry needs to change its thinking around how to market to physicians and make sure information is accessible on smaller handheld devices. While most e-detailing programs are developed for a tablet, they need to have the flexibility to be used effectively on handheld mobile phones, as well as on desktops. Within the agency world, there are some forward-thinking executives who are making sure marketers are prepared for and in-line with doctors' preferences. Most agencies have digital arms that are educating pharmaceutical marketers on how to make sure programs are in line with these evolving HCP preferences.

**DAVID WILLIAMS.** PATIENTSLIKEME. The pharmaceutical industry needs to consider patients as customers, not just consumers. This is the biggest change that needs to happen. It's time for companies to make an investment in understanding the real-world patient experience with their medications, as well as identifying the best patients to be on those medications.

**SCOTT NESBITT.** HEALTHY ADVICE NETWORKS. There needs to be a paradigm shift in two areas when looking at in-office programs. One, programs need to be strategically approached and evaluated based on locations, not individual physicians. If a program touches either a physician or his or her patients, then both of these stakeholders should be part of the overall plan. And two, historically media has been purchased based first on demographics and then by physical condition. For example, a brand will target women ages 35 to 54 who have high cholesterol but, in reality, a more effective approach would be to reverse the targeting. In the physician's office, reaching patients who have the condition should be the first priority, with a non-exclusionary creative emphasis on the demographic. If, for example, a brand focuses exclusively on age-specific high cholesterol users, it will fail to reach more than half of all of those who suffer from the condition. 



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