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PHARMACEUTICAL MARKET EUROPE

A **PMGROUP** Publication

February 2013 | ISSN 1740-5084

Digital Edition available now at:
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SHINING LIGHT

Orphan diseases represent one of the most exciting
and emotive areas in modern medicine

**Innovation update: Context-
based services are among the
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Masterclass: Channel strategy
is key in the battle to win
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**South Korea: The capabilities
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region should not be ignored**

INTERVIEW

Steve Bates, CEO of the BioIndustry
Association, on UK biotech and the
ecosystem it shares with pharma





Rohit Khanna

A SEGMENT IS ONLY A SEGMENT IF...

Segmentation is far from simple and the list of tasks to undertake and questions to answer is not short. But if you get it right you'll reap the rewards

How many of us in healthcare are truly engaging in ongoing segmentation of our customer base? Strictly speaking, the act of segmenting involves taking a broad group of target customers and breaking or parsing them into smaller groups based on 'common need, desire or application for a set of goods or services'.

Using the consumer packaged goods, automotive or financial services industries as surrogates, we find that segmentation is a far more regular occurrence and, one could argue, a necessity in order to continually find new revenue streams.

Many of today's healthcare marketers do a splendid job of understanding that they are not merely 'marketing to doctors' but that they are marketing to patients, caregivers and other allied healthcare practitioners (ie, nurses, pharmacists, etc.). But are we doing enough?

Let's step back for a moment and look at the critical criteria that are required for a segment actually to be a segment (see box below). These fundamental points are easily recognised but quickly forgotten. If you can't measure your segment, reasonably expect a profit from it or, worse yet, even reach it through your marketing efforts, then it is not a segment according to widely accepted views on marketing theory and any allocation of resources against it would result in marginal returns.

The issue of 'vanishing segments' is an interesting one. Very rarely do we see segments 'vanish' and, of course, this is not meant literally. From a healthcare perspective, assume that today you have a drug that uses intra-muscular injection as a mode of administration and, therefore, caregivers might be a segment that would be highly involved in the marketing efforts of your brand since they would routinely be involved in the 'delivery of care' as many patients require help/assistance with dilution, mixing and injection of these drugs.

Now assume that over the course of the next two to three years, your organisation is coming out with an oral form of this same drug or improving the current delivery system such that a caregiver is no longer required to help administer the drug. This would be an example of a vanishing segment. While it hasn't literally disappeared, as far as you are concerned as a marketer it has and, thus, so should your allocation of effort and resources against this segment.

Rationale for continued segmentation

So, if you can place a 'check' next to each one of these four critical criteria, then there is little argument that you have a segment. But what is the rationale for continual or constant segmentation?

Pragmatically, we segment because the more we are able to parse larger groups of customers into smaller groups based on need and desire, the more likely we are to hone in on relevant messaging that resonates and is 'stickier'. This is not to suggest that your current brand messaging is wrong, more that your current brand messaging may not be as effective as it could be.

You cannot simply take a broad brand message and re-jig it for a physician piece, a patient piece or a nursing piece and

call that a 'segmented' approach. The notion of segmentation is that there are specific and different messages for each one of your customer segments that will drive product adoption.

We know that men and women react differently to messaging in the consumer world, so why wouldn't the same be true in healthcare? We know that first-time buyers react differently from repeat buyers to messages and so we would expect that clinicians who have graduated from medical school within the last three years would react very differently to messaging when compared with those who have been practising for 20+ years.

If your market research, salesforce feedback and direct interaction with customers tells you that, for example, female doctors are more attuned to a safety message and male doctors more responsive to an efficacy message (rudimentary examples simply to illustrate the point), then the argument here is that you should have different collateral material with different messages for each one of these segments.

If your feedback mechanisms suggest to you that younger clinicians respond to an innovation message more than established clinicians who are set in their ways, less likely to change prescribing behaviour or less likely to be early adopters, you may want to consider this segmentation strategy as part of your messaging approach ahead of a launch. It might be pivotal to develop materials that speak specifically to innovation when detailing a younger clinician and anything but innovation when detailing established clinicians who may be more interested in concepts like 'stability' or 'continuity' or 'a natural progression of your current therapy'.

Not simple or quick

The idea of developing different sets of marketing material and messages for each segment may seem daunting – and it is. First, you have to take the time to figure out what percentages of your prescriptions are coming from female doctors versus male doctors and young clinicians versus established clinicians, etc, etc. And then you have to figure out which message resonates with which segment. And then you have to develop the materials and train your salesforce to use the material.

The list of tasks to implement successfully and execute a sophisticated marketing strategy built on robust customer segmentation is not a short one. Once you do this however, you will, without doubt, have a bigger piece of the pie.

A segment is only a segment if...

- It is possible to measure
- It is large enough to earn a profit
- It is stable enough that it does not vanish after some time
- It is possible to reach potential customers via the organisation's promotion and distribution channel

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