

Five Steps to Better Targeting Health

THERE'S NOT A DOUBT IN OUR MINDS that most pharmaceutical marketers would very much like to use the results of their market segmentation exercises to pick a good target. Especially now. When marketers have to “economize” their budgets, the ability to focus marketing, sales, and advertising strategy and execution on the group (or groups) most likely to drive sales and profits for a brand is a true business asset. Unfortunately, for a couple of reasons, many pharmaceutical marketers don't use their market segmentations for this purpose.

What's holding them back? For one, most frequently used market segmentation approaches—needs/attitudes, lifestyles, media databases—are heavy on the segmentation, but light on the targeting. While each has their unique pros and cons, they all have a serious deficiency when it comes to identifying the key group (or groups) of patients or doctors that are of greatest potential value to a pharmaceutical brand. Add to this a scarcity of direct “links” between the market segments identified and the databases that communications planners (for the patients) and the sales force (for the doctors) use to find segments with real-world marketing and sales activities and you can see why many pharmaceutical brands suffer from poor targeting health.

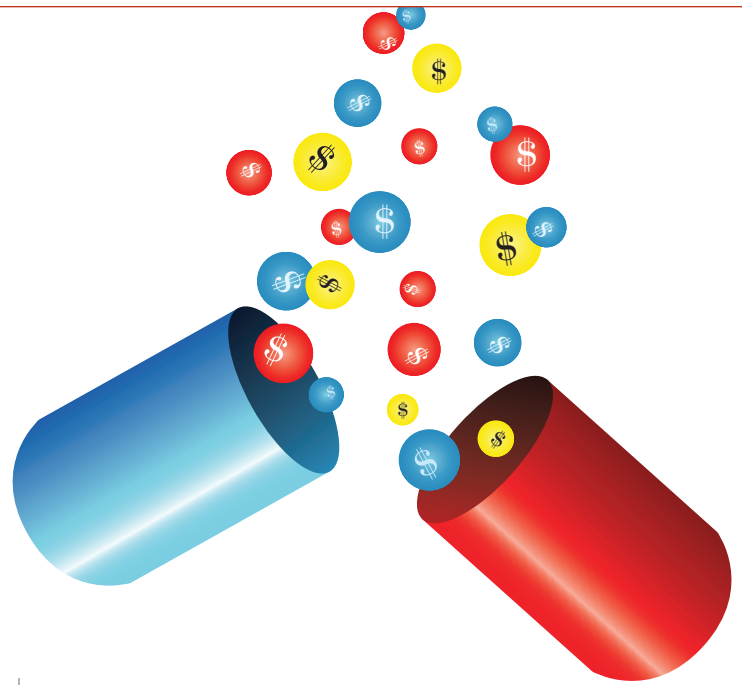
The good news is there **IS** a CURE. Though the typical prescription for an ailing segmentation is to do yet another segmentation, we suggest an alternative five-step wellness program to remedy the targeting situation and reinvigorate ROI.

Step 1: Get a second opinion

A segmentation that's relevant and usable across the varied sales and marketing activities requires an understanding of who will use the segmentation, how they will use it, and what information and insights they need to develop better marketing strategy and tactics in their area. In an upfront meeting, you should consider bringing together folks from a variety of areas such as:

- The marketing team
- Senior members of the sales force
- The marketing research department
- Traditional and digital ad agencies
- Media buyers and planners
- PR/Events management
- Medical/legal advisors

With the group assembled, reach some consensus on objectives. What will the segmentation explain—brand preference, positioning/messaging opportunities, openness to switching brands?



How realistic are these objectives in a specific treatment category? Can marketing and sales actually act on the information that we'll uncover? The long and the short of it is, if you want to meet as many collective needs as possible, you need to get a second opinion from a number of specialists **BEFORE** you start the process.

Step 2: Add a dose of profitability

A surprising number of segmentations **DO NOT** have a good measure of profitability built in to the approach. As a result, you're left with no way to gauge which patients or physicians hold the highest potential value for your brand. A segmentation effort will pay for itself many times over if it provides clear direction on which group or groups offer the highest return on the marketing investment—that's the group you want to go after, the one you want to **TARGET**. Putting effort into capturing clever measures of current and future profitability in the segmentation will help fill this massive information gap and transform your research efforts from frustrating to financially sound.

In addition to financial measures of the revenue (e.g., lifetime value, current share for your brand, etc.) and cost (e.g., cost to reach and influence with media, etc.) sides of profitability, there are also several stand-ins for profitability that will provide a more robust picture of value. How influential a physician is with his or her peers or how interested a patient is in treating his or her condition are examples of value-oriented information that you might like to factor into the profitability equation.

Step 3: Pinpoint the pain

It's great to know which group to target. Now what do you say to them to inspire them to behave in ways that are, financially and otherwise, helpful to your brand? First you need to hear (and then respond to) their pain.

Exceptional positionings—those that truly motivate patients and/or physicians—often address their pains and problems. And the bigger the target's pain or problem your brand can solve, the better the market response. When we say “problem,” we're not necessarily talking about the attribute or benefit physicians and sufferers say is “most important.” Fixing symptoms of an underlying condition

often will not help a brand break through the clutter, particularly if there are a host of branded and generic competitors doing the same thing. If it's not a thorn in the side of a target sufferer or physician, they aren't going to pay much attention. On the other hand, positioning opportunities abound where targets say they have a need yet **NO ONE** offers a solution.

Step 4: Care for media and sales needs

An exceptional target can save a company millions on media. Instead of buying thousands of GRPs to reach your goals, a pharmaceutical marketer can buy a few hundred to get the same results. Same goes for the sales force—an exceptional target can help them sell smarter to their physician customers. These scenarios are only possible, however, if you give the media planners and sales organization something with which they can work. For DTC and other patient activities, they need information about what the target watches, listens to, reads and where they live, work, and surf. For the sales force, they need to be able to find targets in available databases.

Including questions about media habits and preferences in research and analysis efforts is one way to make sure you get the media folks data they can use to guide planning. Interestingly, marketers can marry a segmentation to a syndicated media database, such as MRI and SMRB, in order to provide rich insights into the media exposure patterns of every patient target identified. Also consider what's in the databases the sales folks use and have access to. How can you integrate that into the research and analysis so they can prioritize sales calls and select the right pitch?

Step 5: Take their temperature

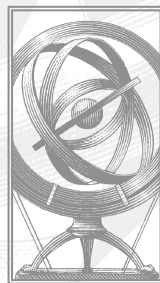
Even when you have a high value target, a clear, compelling positioning, and solid media guidance in hand, if the advertising executions don't deliver the message, the marketing ROI needle certainly isn't going to jump the groove. We've seen countless high potential strategies fall flat when it comes to implementation and the last place you can afford to have this happen these days is in the real-world.

Before anything goes live or on-air, take the targets' advertising temperature. Copy testing can help you figure out whether ads appeal to target members, that it reflects the agreed upon positioning, and that targets respond positively to it. We'd recommend formally testing 7 or more executions. After all, the more executions you test, the greater the probability of finding a blockbuster. Urban marketing legend may have it that campaigns can build over time—in other words, don't worry too much if the target doesn't get the message at first, it will. But like the tall tale about the bride who went to every tanning salon in town the day before her wedding only to drop dead because she'd cooked her organs 10 times, it's just not true. Don't hesitate for a second to take an ad campaign back for therapeutic help if it doesn't deliver.

Here's to Your Health

A recession is no time to let poor targeting health continue to undermine marketing performance. Consider the famous words of the dean of American marketing professors Phil Kotler: "Nail targeting and everything else falls into place." Identifying a good target—one that is responsive and profitable—is the start of great brand strategy. Actually hitting that high value target with real-world sales and marketing activities with a compelling positioning can change a brand's trajectory.

COPERNICUS is a research-driven marketing consulting firm with U.S. offices in Boston, Massachusetts, and Norwalk, Connecticut. Contact Ami Bowen at **(617) 449-4179** or **Ami.Bowen@CopernicusMarketing.com** or visit **www.CopernicusMarketing.com** for more information about our services.



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*Marketing Consulting
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**200 Clarendon Street, 23rd Floor
Boston, MA 02116**