



Leveraging Physician Segmentation to Develop Brand Strategy

Getting More From Physician Segmentation

Introduction

Physician segmentation is generally regarded as something every pharmaceutical brand team needs to do. The hope is that some combination of qualitative and quantitative analysis will yield interesting findings on MD attitudes, how MDs treat their patients, and what MDs think about specific drugs. With luck, the research and analysis might help the sales force select or refine messaging, or perhaps facilitate operational tactics like sampling.

A typical brand team’s approach to segmentation often involves building a data set about doctors of interest through primary research (often focusing on high prescribers) and conducting exploratory data mining in search of insight.

Sometimes qualitative research is done to shape hypotheses on segments. From this, a traditional segmentation might conclude that 15% of MDs are aggressive treaters and these MDs can be identified through a series of four typing questions. The segmentation might also suggest that aggressive treaters should receive “message #2.” In this case, when segment typing is done through in-office conversations, a franchise must be able to verify the typing is being applied correctly and measure the impact of the segmentation (i.e., that message #2 increased product usage).

But what if the real opportunity is not with the aggressive treaters but with the low prescribers? By definition, low prescribers are not writing prescriptions even though they might be seeing significant numbers of patients appropriate for treatment. Here, the franchise must understand the root causes of suboptimal usage. Perhaps physicians are failing to utilize appropriate diagnostics or make key referrals. Maybe these practices correlate with unusually poor patient adherence to therapy, perhaps due to nurses missing critical points in explaining how to take the medication.

We believe that framing segmentation primarily as a sales force-oriented, message refinement exercise and executing segmentation through an explore-the-data approach prevents many franchises from leveraging the strategic power of segmentation. We think this narrow focus is a significant reason why brand teams often find physician segmentations unsatisfactory.

Objective-Driven Segmentation

As an alternative, Putnam Associates has been developing a methodology we call Objective-Driven Segmentation. This approach is distinguished by its focus on analyzing segments in the context of a clear market picture and its emphasis on the practical application of findings to guide brand strategy.

This article offers an overview of Objective-Driven Segmentation, with examples from a blinded client situation.

Several key principles are behind this approach:

- Conduct analysis in the context of key brand questions to derive full strategic leverage
- Consider life cycle management and performance metrics; address big questions about product initiation and adherence
- Develop a detailed understanding of patient treatment paths and where they break down, by segment
- Work from hypotheses about possible opportunities or initiatives; use the segmentation exercise to test hypotheses
- Make sure the segmentation fits with the real market landscape, paying careful attention to data triangulation and sample weighting
- Draw from past findings and conventional wisdom, but do not be bound by them

Comparing Approaches to Segmentation

	Conventional Segmentation	Objective-Driven Segmentation
Purpose	<ul style="list-style-type: none"> • Physician messaging • Targeting 	<ul style="list-style-type: none"> • Opportunity identification and sizing • Analysis of drivers and barriers to patient accrual
Preparation	<ul style="list-style-type: none"> • Preliminary qualitative research 	<ul style="list-style-type: none"> • Analysis of quantitative data • Mapping of patient accrual steps for key indications • Generation of hypotheses on opportunities

Source: Putnam Analysis

Objective-Driven Segmentation: A Case Study

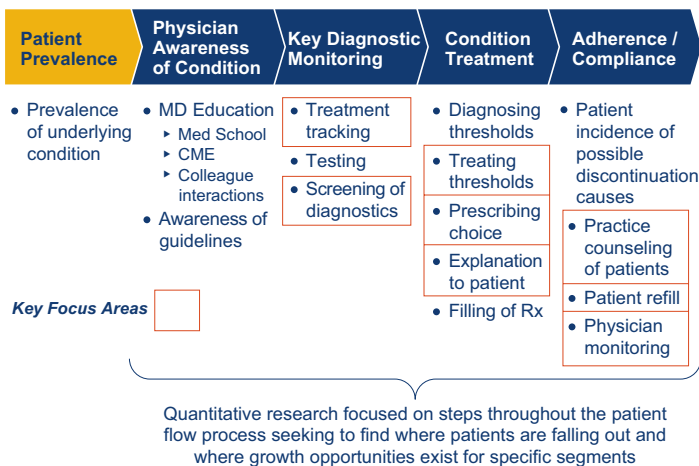
Our client was a brand team at a leading pharmaceutical company. The team oversaw a drug that is the gold standard for a chronic disease and is certified as an orphan drug by the FDA. Our client was seeking to understand why the drug was falling short of initial growth targets.

At the start of the project, our client believed the key to improving usage of the drug was to increase new patient acquisition and had a handful of specific initiatives underway. Given this background, one of our first steps in the project was to map out major patient milestones from the perspective of the physicians' practice. These milestones included: physician awareness, testing, diagnosis, prescribing, monitoring, and adherence. We would later find that adding patient retention milestones would turn out to be important in developing a segmentation-enabled growth strategy. We reviewed our initial patient milestone map at a workshop with key internal stakeholders, including members of the brand team, sales force, and other relevant functions. We worked with our client to refine the initial map and together we developed hypotheses on major barriers and opportunities across process steps.

The leading client hypotheses on the best ways to restart growth were to: 1) boost patient disease awareness and 2) address use – or misuse – of a particular diagnostic test.

We supplemented these hypotheses based on Putnam experience and preliminary analysis of third-party prescribing data. Our analysis showed that compliance and persistency could be at least as large an opportunity as new patient acquisition and that the

Patient-Accrual Process Map and Accompanying Pareto Analysis



Source: Putnam Analysis

client would maximize the efficiency of any new patient acquisition initiatives by focusing on compliance and persistency first.

In order to further explore adherence, we built in quantitative survey modules to look at: 1) mechanics of the prescribing process (i.e., who in the practice discussed key points about the medication's value and correct usage), 2) patient interactions with practices in dealing with common side effects, and 3) mechanics of writing prescription refills.

Data Collection and Analysis

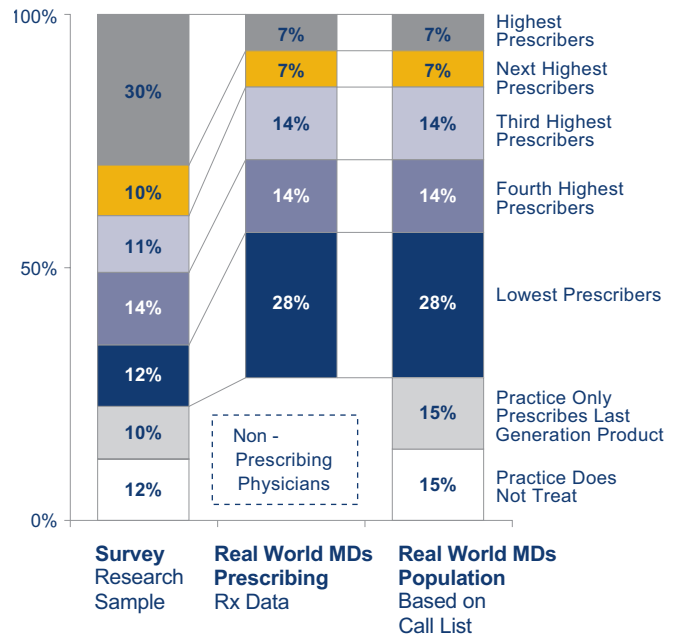
To deepen our analysis and create an integrated market picture, we fielded a large web survey to physicians in the relevant specialty.

Putnam Projection Methodology for Survey Results

Weighting Methodology:

- Due to targeting and inclusion criteria, our sample was expected to be biased towards higher prescribers
 - Physicians usually overstate prescribing – a bigger problem when monthly prescribing is low to begin with
- Projection-weighting methodology was applied to better tie survey data to the “true population” (Call List) and “true prescribing” (Rx Data)

Conceptual Overview of Projection:



Source: Putnam Analysis

Our questions included basic psychographic and demographic questions, and extensive batteries on how physicians regarded and treated patients with the target condition. For example, to test the perceived new patient gap, we included a conjoint analysis that ultimately led to some important insights on the real drivers of treatment. To increase our ability to implement our recommendations, we also emphasized the importance of understanding key elements of practice setting, staffing, and roles and responsibilities.

Lastly, we supplemented the MD survey with a web-based patient record review study. Here we drew from our respondents to the initial survey and solicited anonymous records from a cross section of patients. We focused recruitment for the record review study on both nurse practitioners and nurses. To gain additional insight, we asked the nurses some of the same questions about their perceptions of practice roles and responsibilities as we queried in the MD study.

The survey results were intensively analyzed and compared to both epidemiological data and prescribing data. We concluded that the raw survey data was overweighted toward moderately high prescribers and prescribers in select institutional settings. When we segmented the overall landscape into six groups and adjusted the weighting of survey responses, the resulting market picture was consistent with both epidemiological estimates and prescribing data. Now we could test to see where the patient accrual and retention process was breaking down, and try to answer why.

Results

The study clarified several key dynamics in the therapeutic area and suggested two main strategic insights.

Our first strategic insight was that our client was pursuing a new patient strategy with a segment of physicians that was already tapped out. Instead, the opportunity in this segment of physicians was to improve patient compliance and persistency.

As a group, these doctors were very enthusiastic about the product, were genuine early adopters, and had already prescribed the product for the large majority of their prevalent patients. Because of the unexpectedly large proportion of prescribing these physicians represented, they continued to draw almost all of the focus and energy from the field force. But as the high prescribers were mostly saturated, there was little room for growth in new patient prescribing.

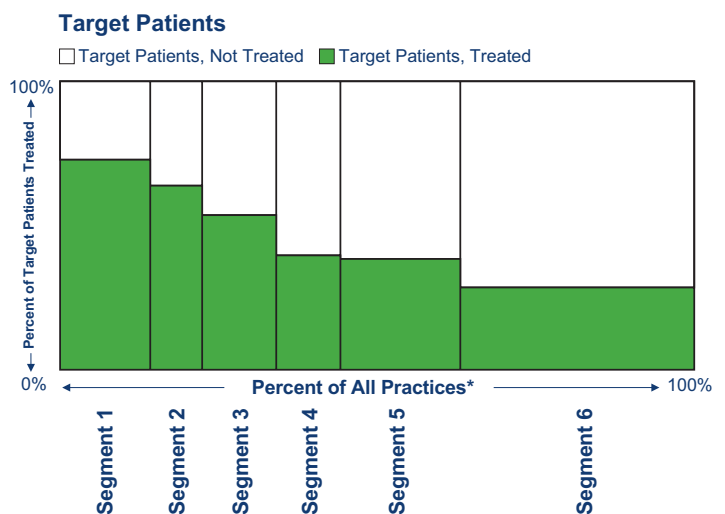
Moreover, although high prescribers were writing a lot of new prescriptions, they were not doing a very good job of monitoring patient compliance and persistency. Specifically, record reviews showed that these physicians had a false understanding of how many patients were falling off therapy.

By analyzing MD and nurse responses to questions about practice roles, we discovered a few key differences across practices. These differences in some cases correlated strongly with practices achieving higher and lower patient compliance and persistency.

Our second strategic insight identified that there was in fact a new patient opportunity. It just existed in a different segment.

By triangulating among epidemiological estimates, physician-reported data, and third-party prescribing data, we discovered that a large population of untreated patients was under the care of physicians who had between 1 and 10 prevalent patients each. These low prescribers were much less knowledgeable about the condition, and much less enthusiastic about the product than the high prescribers. Our further analysis of low prescribers showed that a very large portion of them, in fact, had never written a prescription, and that nearly as large a segment had only ever

Analysis of Untreated Patient Opportunity by Segment



*Weighted by number of target patients
Source: Putnam Analysis

written prescriptions for a single patient. When we supplemented our quantitative research with qualitative interviews of single-patient prescribers, our interviews showed that these doctors had followed a standard pattern of trying out the product with a lead patient but had been disappointed with the results. However, the combined analysis also strongly suggested that these physicians had done a poor job of explaining the product and counseling patients. Moreover, at the time these MDs were trying the product, they had overly optimistic estimates of how quickly the therapy should be expected to show results. Due to the disappointment of these MDs in their lead patient, they developed a poor view of the product and never adopted the product more broadly.

We also tested one of our original hypotheses, that single-patient prescribers were misinterpreting the results of diagnostics. Our analysis showed that the doctors understood the diagnostic results. However, even when the diagnostic indicated that treatment was warranted, they remained unconvinced that the therapy was sufficiently efficacious to merit treatment. We also found a couple of other key attributes of single-patient prescribers. First, they were more likely to be treating an older patient base with more overall health problems. This insight had implications for what the sales force should emphasize in future calls. Second, they were much more likely to be practicing in particular types of practices (as determined by MD responses to multiple-choice questions on practice setting and practice capabilities). Third, they were disproportionately located in a particular geographic setting.

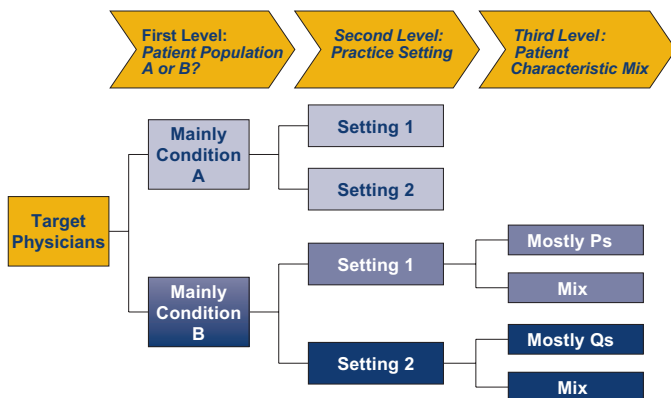
Overall, the focus of the sales force on the higher-volume physicians had contributed to a breakdown in our client's ability to educate new doctors about the therapy. This analysis revealed enough characteristics about these low-prescribing doctors and practices that sales reps could effectively target them and customize their efforts as part of the strategic initiatives that emerged.

Impact / Conclusion

Putnam's work was used by our client to take a number of action steps. For example, one highly effective initiative involved targeted outreach to practice staff including not only physicians but also nurse practitioners and nurses. The focus of this outreach was on both diagnostic monitoring and key points in counseling patients on coping with side effects. A subsequent outreach was conducted as a pilot on a subset of practices to measure the impact. Analysis showed that pilot practices achieved a 17% higher Rx volume in just the first few months of implementation, driven largely by significantly better patient adherence.

The case study discussed here is just one of many recent strategy studies Putnam has executed leveraging Objective-Driven Segmentation as an approach – in each case customizing the approach to the particular context and available data sources.

Segmentation of Target Physicians



Source: Putnam Analysis

About Putnam

Putnam Associates is a premier strategy consulting firm headquartered in Boston serving the pharmaceutical, biotechnology, diagnostics, and medical device industries on a global basis. Two decades of experience and focus in our industries enable us to create significant value for our clients. Creative and disciplined strategy development processes blend with deep market knowledge for one purpose: to help our clients succeed.

This Inflection Point was written by Domenick Bertelli, Partner (dbertelli@putassoc.com), Jonathon Swersey, Senior Consultant (jswersey@putassoc.com), and Matthew Riordan, Consultant (mriordan@putassoc.com). For more information about Putnam's services or to discuss the content of this *Inflection Point*, please contact any of the above.

© 2009 Putnam Associates. No part of this document may be modified, deleted or expanded by any process or means without prior written permission from Putnam Associates.