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# Emerging Best Practices in Customer Segmentation and Targeting for Field Teams



## Introduction

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Physician and healthcare community attitudes toward the role of pharmaceutical sales representatives remain largely positive, but the role of the pharmaceutical representative is facing new challenges.

In 2017, Fickweiler et al. published a meta-analysis of studies that addressed physician perceptions of pharmaceutical sales representatives. The authors concluded pharmaceutical sales representatives are valued highly for the information they provide during face-to-face encounters and the access to information they enable through conference symposia, luncheons and dinners, diagnostic and treatment aids and company databases.<sup>1</sup> The study also concluded that pharmaceutical sales representatives can be influential as well, especially when supported by impactful programs. Consequently, pharmaceutical industry investment in customer-facing teams remains high and can approach 60 to 70 percent<sup>1</sup> of total sales and marketing spending against a specific brand.



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## The New Landscape for Field Teams

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However, the pharmaceutical market is changing rapidly. Markets are getting smaller and the advanced pace of drug development and approval has begun to fragment markets of all sizes.

Independent practices are disappearing at a rapid pace as many physician owners are opting for consolidation into larger integrated delivery systems or privately held groups. Patterns of influence have shifted as hospitals, payers, IDNs and other interested parties exert their own power over how a physician ultimately treats a condition and utilizes medicines. The policies of these stakeholders can typically run counter to the objectives and strategies of a particular pharmaceutical company. In addition, preferences of physicians have begun to shift away from office encounters in favor of less personal channels for interaction. COVID-19 has clearly accelerated this trend and may contribute to its permanence too.

The pharmaceutical industry has begun to respond to these rapidly changing dynamics in multiple ways. A critical first step is the recognition by many companies that the old ways of deploying field teams have to change. Assessing customers based solely on patient volume or prescription volume is not enough today. A company may identify a physician or institution that treats a considerable amount of patients that are candidates for a specific new therapy, but this metric does not mean that the physician will be predisposed to use the new therapy even if the physician is using surrogate therapies. This physician could be operating in a highly controlled environment where protocols strictly dictate drug utilization, or the physician may be treating a subset of patients (a result of market fragmentation) that are not real candidates

for the new therapy. For instance, a significant issue in oncology today is that individual physicians or groups may not be predisposed or capable of doing the genetic testing required to initiate new targeted therapies.

These companies have come to realize that identifying a high-value customer based solely on a volume metric may result in a spurious conclusion by the pharmaceutical company. The result could be misplacement of investment by the pharmaceutical company and a poor customer experience. This insight has driven many pharmaceutical companies to place greater reliance on new robust claims data sets, data science and predictive modeling to enable the company to “look through” the market complexity and identify physicians and patients who will benefit from a product as well as have access to it. Market forces, technology and COVID-19 have also accelerated the emergence of omnichannel engagement strategies that enable dialogue to occur between the pharmaceutical company and customer in a way that is better preferred by the customer and ideally most efficient for the pharmaceutical company.

This white paper will dive deeper into emerging best practices around the segmentation and targeting of physician and institutional customers, with a specific focus on the expanding use of data, data science and predictive methods to profile and identify target customers. Omnichannel communication strategies and innovation will be reserved for a subsequent discussion.

## Market Evolution Outpaces Sophistication of Segmentation and Targeting Techniques

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A timeline: The biopharmaceutical market has gone through at least five distinct stages of evolution since the late 1980s.

It has been an incredible pace of change characterized generally by increasing market complexity, which has continued to reshape the way healthcare professionals (HCPs) perceive and prescribe therapeutic products. The concept of segmentation and targeting has been around from the beginning, and the practice has evolved somewhat with the market. However, more recently the pace of change in segmentation and targeting techniques has not kept up with the market.

In the 1980s, pharmaceutical companies dealt with relatively little market complexity. Drugs created value across broad populations, so the key was to identify those physicians (specialists or primary care physicians [PCPs]) treating the most patients. Further, there was very little data to provide behavioral perspective beyond personal observations and peer recommendations. Thus, targeting was initially developed from 1:1 observations by representatives, revised through peer review (such as recommendations of physicians or pharmacists), and then refined empirically. In short, it was built from the bottom up on a territory-by-territory basis—a very imprecise and time-consuming approach.

A key inflection point came in the mid- to late 80s with the availability of syndicated prescription data. Now, pharmaceutical companies could see drug utilization behavior down to the prescriber level and assess an HCP's prescribing behavior relative to peers and predisposition to use new drugs based on

past prescribing behavior. A new way of assessing markets was spawned. While markets were segmented at the national level (typically by decile), targets (top deciles) were developed with strategy being pulled through the field sales teams using centrally developed call plans. This tried-and-true methodology predominated for quite some time and persists in many companies to this day (note: segmentation methodologies most certainly evolved over the last 30 years; however, the basis has remained prescription volume).

Fast-forward 30 to 40 years. The environment is completely different now. There are multiple factors influencing how a physician thinks and behaves, and many of these factors should be considered when segmenting markets. For instance, in the age of targeted therapies, a physician's choice of therapy can be driven in part by his/her feelings around the biomarker being pursued, availability or cost of testing. Oncologists treating non-small cell lung cancer are unlikely to readily use newer drugs available to treat NTRK fusion if they believe that treating an upstream biomarker or alternative pathway is more appropriate or do not routinely do fusion testing. Movement disorder specialists may not see a lot of value in a new therapy to treat Parkinson's OFF if they or their group do not favor that type of strategy and/or treat the types of patients who could benefit from and afford the drug.



## Archetype



## Timeframe



## Characteristics



## Segmentation and Targeting Methods

<b>The Good Old Days</b>	Mid- to late-80s	<ul style="list-style-type: none"> <li>• Fragmented healthcare delivery</li> <li>• Large prescription markets</li> <li>• Minimal to moderate competition</li> <li>• Lower prices</li> <li>• Relatively open access</li> <li>• Smaller sales teams</li> <li>• Limited to no transactional data</li> </ul>	Targets and territories built from the ground up based on sales representative observation and peer referrals
<b>Era of Big Brands</b>	Mid-80s to mid-90s	<ul style="list-style-type: none"> <li>• Large markets and large brands</li> <li>• Higher level of competitive intensity</li> <li>• Relatively higher prices</li> <li>• Relatively open access</li> <li>• Large and overlapping sales teams</li> <li>• Introduction of TRx data and response curves</li> </ul>	Segmentation, targeting and frequencies based on prescription volume and/or NPV
<b>Emergence of Managed Care</b>	Mid-90s to early 2000s	<ul style="list-style-type: none"> <li>• Large markets and large brands</li> <li>• Higher level of competitive intensity</li> <li>• Higher prices</li> <li>• More limited access</li> <li>• Large and overlapping sales teams</li> <li>• Introduction of TRx data</li> </ul>	Segmentation, targeting and frequencies based on prescription volume and/or NPV with possible access overlay
<b>Focus on Personalized Medicine</b>	Early 2000s to mid-2010s	<ul style="list-style-type: none"> <li>• Smaller underdeveloped markets</li> <li>• Drugs targeting specific patient subsegments</li> <li>• Higher prices</li> <li>• Higher levels of competition</li> <li>• Still big brands, but less volume</li> <li>• Increasing issues with access</li> <li>• Managing patient experience an emerging issue</li> <li>• Emergence of patient centricity</li> <li>• Smaller teams, specialty driven</li> <li>• Increasing changes in affiliation and ownership</li> </ul>	Segmentation, targeting and frequencies based on prescription volume and/or NPV with possible access overlay; increased focus on local markets and ecosystems, especially in markets requiring coordination of multiple customer-facing roles
<b>Emergence of Targeted Therapies</b>	Today	<ul style="list-style-type: none"> <li>• Smaller markets, many underdeveloped</li> <li>• Drugs targeting specific biomarkers</li> <li>• Numerous therapeutic choices</li> <li>• High levels of competition</li> <li>• Managing patient experience a predominant issue</li> <li>• Smaller and nontraditional teams</li> <li>• Continued changes in practice and institutional affiliation and ownership</li> </ul>	Many older approaches still predominate, but gradual transition to multivariate modeling using advanced predictive analytics to segment markets; driven by availability of robust and comprehensive claims data sets that enable clear characterization of patient journey

## Change Is on the Horizon

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Today, we are at another inflection point with regard to the availability of data.

We still have prescription data audits, but to complement this information we now have claims data and detailed reimbursement data. New brands that provide this data include MMIT, KOMODO, Compile and Definitive.

**These new data sources provide views into individual and institutional behavior that we could not have imagined 30 years ago, such as:**

- Types of patients using a therapy
- Types and frequency of testing
- Overall resource use
- Outcomes

These data enable us to look through the complexities of today's markets to identify the physicians and patients who would benefit most from a new technology and also understand the barriers they could face when trying to access it.

Advances in information technology, coupled with efforts to digitize health information and associated reimbursement transactions, have dramatically improved the precision at which patient journeys and drivers of prescribing

behavior can be analyzed. Disparate healthcare data sources can now be linked to go beyond "how much," and provide greater detail on the where, when and why a drug is prescribed. For example, recent Syneos Health® research on multiple sclerosis revealed a relatively recent bifurcation in treatment paradigm. While many providers still manage their multiple sclerosis patients through a traditional step-up approach, there is a growing trend toward early use of agents that were previously reserved for later lines of therapy. Leveraging detailed claims histories, referral pattern analysis and affiliations data, individual practices were characterized not only by the extent to which they ascribe to a particular treatment philosophy, but also how they ascribe to the different philosophies (i.e., range of products used to treat newly diagnosed patients). Aggregating this type of output geographically can reveal the character of local/regional markets, providing critical insight for design of sales territories, field resource allocation and customization of marketing tactics.



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## New Methods/Best Practices for Segmentation and Targeting

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Benefits and risks: An innovative segmentation approach will demonstrate a sound understanding of the product strategy, patient journey, stakeholder mix and needs and dynamics of target accounts and stakeholders.

### It will typically focus on three key objectives:



**Selection**—narrowing the list of all possible prescribers to a shorter list of those predisposed to respond to promotion, and thus the brand can afford to engage



**Ranking**—optimizing the allocation of promotional spending among the short-listed targets (both personal call frequencies and digital ad impressions)



**Clustering**—grouping physicians by similar traits to inform messaging or other engagement parameters; geography, specialty and setting are the most frequent ones, but they also could include attitudes, current prescribing behavior and dominant competitors

However, final approach and implementation varies significantly depending on where the product is in its life cycle, the company's experience in the therapeutic area, and where the company is in its understanding of the disease space. Brands approaching launch need to focus on strategy development and must fully understand their sources of business and disease state dynamics to make segmentation and targeting conclusions predictively. On the other hand, in-line products can leverage their previous efforts to inform strategic refinement. They have the benefit of being able to feed machine-learning models with historical outcomes data, to predict areas of impact. While these two approaches may differ, the goals are the same. New technologies can guide brands of all shapes and sizes as to where they should focus their efforts, and how they should invest to maximize the opportunity.

## Strategy Development

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It is imperative for launch brands to understand their product strategy and inject it into the segmentation and targeting process to maximize success.

This can materialize in a number of different ways, such as prioritizing HCPs who have a high preference for analogue branded products, similar mechanisms of action, or disposition to early adoption. Failure to take this educated approach can lead brands to sink into the pitfalls alluded to earlier. For example, the largest prescriber in the target universe may be of limited benefit to the brand if they have a high preference for generics or their behavior is governed in other ways by payer formularies or the guidelines of a larger practice or IDN. In these situations, the prescribers are unlikely to be swayed by the proposition of a new brand. Identifying and deprioritizing these challenge areas can help divert resources toward greater impact opportunities.

A prime example of how advanced analytics can better guide this process is through early adopter analysis. This approach can enhance traditional targeting and KOL selection by identifying local champions who see patients and influence the prescribing behavior of their peers. Prioritizing these local champions for field engagement as well as marketing activity can lead to optimal resource allocation and increased uptake velocity. This analysis goes beyond traditional claims data analysis to understand professional networks. Models can be built that quantify both the strength and reach of each HCP's influence and the profile of HCPs likely to adopt the product quickly.

However, this understanding is not enough if parallel efforts are not made to profile the relevant accounts and institutions. Differential resourcing must be applied to each account based on the levels of centralized decision

making and control over prescribing behavior. Failure to map field team roles and responsibilities to these characteristics, and supplement with targeted omnichannel efforts, will ultimately diminish performance. Smaller companies that do not have previous experience calling on these large accounts may find this exercise particularly daunting. The same is true for any organization launching into a new disease state for the first time. Mount Sinai may operate completely different in oncology than multiple sclerosis. Either in absence or augmentation of prior disease state knowledge and field team profiling exercises, assessing a variety of data-driven account characteristics can help shape this understanding.

### Examples may be:

- Practice type
- Dominant treatment philosophy
- Prescribing consistency
- Openness to sales representative engagement
- Pharmacy capabilities
- Switching behavior

These variables can then serve as our “training data” to identify trends that can then be extrapolated to classify other accounts or centers. In turn, this proxy for level of centralized control can inform the optimal field team mix to engage with said account. It is important to note that the strength of these analyses are rooted in the quality of the affiliations data that links HCPs in the target lists to specific accounts.

## Strategy Refinement

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Machine learning models are dependent on the training data that is inputted. For in-line brands, this is most often the historical outcomes of field representative call logs, claims data, digital advertising campaigns and other promotional efforts. Manufacturers can organize this data as a series of inputs and outputs.

A simple example of this is representative calls on a certain physician that can be directly linked to prescriptions. This specific approach is standard, but new analytical techniques can combine all available inputs to be able to assess the brand holistically. Feeding these inputs into a machine-learning model enables the discovery of trends that are predictive of outcomes, or claims. These insights can then inform development of refined target lists and engagement strategies.

Say that sales are lagging in a certain region. Maybe it is due to the launch of a competitive product. Or maybe you suspect it is because

you cut your Facebook campaign, in favor of investing in Doximity. Or maybe the sales team decreased their frequency on a certain subset of physicians. Historically, a brand team may analyze these questions independently. These new modeling methods allow brands to test these theories comprehensively, and determine which relationships are causative and which are correlative, to better focus both omnichannel and field team efforts. In turn, companies are also able to create KPIs based on what is actually deriving behaviors. All of this ultimately helps facilitate the goal of directing people and resources to the events and modalities that matter most.



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## Future Trends

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Many of the more mature pharmaceutical companies with in-line brands are making the upstream strategic investments needed to support segmentation that is more sophisticated. We see these investments as a part of broader digital and omnichannel transformation strategies.

These transformation initiatives typically involve initial strategic readiness audits, followed by the build of broad or holistic data platforms to accommodate multiple dynamic data feeds, deployment of tools for data aggregation and advanced analytics and reporting capabilities. These transformations effectively institutionalize the segmentation and targeting process, automate customer feedback and enable dynamic segmentation and targeting for both strategic and tactical use.

However, not all companies are choosing to go in that direction. Some, recognizing the pace of technological change, have decided instead to leverage select partners strategically to stay on par with and ideally ahead of technological advancements. This second strategy is clearly the preferred choice for small emerging companies launching for the first or second time.

Another trend emerging is the utilization of data science and predictive modeling for clinical as opposed to commercial purposes—specifically, the use of these techniques to support clinical strategy development (target patient identification) and implementation (clinical trial accrual). In our experience, many, if not all, of the same issues confounding the ability of commercial teams to identify and activate HCPs and patients also impact clinical teams. Just recently, Syneos Health has been involved in two such projects where trial accrual was well behind schedule. Using many of the methods and techniques described earlier,

Syneos Health was able to help both companies retarget as well as identify more opportunistic trial sites. Both studies are back on the critical path. Although not widely utilized, we believe this trend will continue to gain traction as clinical teams become more aware of the capabilities afforded by access to new data sources and advanced analytical techniques and success stories like those mentioned earlier begin to proliferate.

Finally, we have observed and continue to expect that emerging data providers focusing on the pharmaceutical industry (e.g., Komodo and Compile) will continue to advance their product lines. These companies are already using their own advanced analytic techniques to help our industry better understand how HCP affiliations with IDNs and other ownership types impact prescribing behaviors or map out the influence networks of local and regional KOLs. We expect these types of innovations to continue.

We also expect the emergence of even more sources of new data. A perfect example is the proprietary data set that Syneos Health uses as the backbone of our newly launched Kinetic™ customer engagement capability, and one of our point solutions within it, Digital Amplifier. The data set matches IP addresses to physician NPI numbers, and thus enables the efficient delivery of very targeted messages to HCPs when they are most likely to welcome their receipt. Digital Amplifier can be used to amplify field sales activity or for dynamic lead generation.



## Closing Remarks

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Clearly, the ubiquity of claims and other sources of customer data has launched yet another transformation era of understanding customer needs and identifying target customers. We suspect that this environment will yield increasingly higher levels of segmentation and targeting sophistication and utility. The strategic importance of this movement to biopharmaceutical companies is clear. The question, given the pace of technological change, is whether it makes more sense for biopharmaceutical companies to build or outsource.

### REFERENCE

1. Fickweiler F, Fickweiler W, Urbach E. Interactions between physicians and the pharmaceutical industry generally and sales representatives specifically and their association with physicians' attitudes and prescribing habits: a systematic review. *BMJ Open*. 2017;7(9):e016408. <https://bmjopen.bmj.com/content/7/9/e016408>. Accessed June 18, 2021. doi:10.1136/bmjopen-2017-016408

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## About the Syneos Health Insights Hub

The Syneos Health Insights Hub generates future-focused, actionable insights to help biopharmaceutical companies better execute and succeed in a constantly evolving environment. Driven by dynamic research, our perspectives are informed by our insights-driven product development model and focused on real answers to customer challenges to help guide decision making and investment.

## About Syneos Health

Syneos Health® (Nasdaq:SYNH) is the only fully integrated biopharmaceutical solutions organization. The Company, including a Contract Research Organization (CRO) and Contract Commercial Organization (CCO), is purpose-built to accelerate customer performance to address modern market realities. We bring together approximately 26,000 clinical and commercial minds with the ability to support customers in more than 110 countries. Together we share insights, use the latest technologies and apply advanced business practices to speed our customers' delivery of important therapies to patients. To learn more about how we are **Shortening the distance from lab to life®**, visit [syneoshealth.com](https://syneoshealth.com).

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