Cross-Brand Segmentation: An Introduction to Selling Through Advanced Customer Knowledge

Knowledge Management



What is Segmentation?

Definition:

The division of customers into groups (segments) that: (1) have common needs/wants/preferences and (2) will respond similarly to a specific marketing strategy.

History:

- Since the 1950's, segmentation has been used in developing marketing strategies.
- Consumer product companies use segmentation all the time.

How do you Segment Customers?

Collect opinions and behaviors on a subset of customers that represent all customers.

Identify segments of customers that think and behave similarly.

Design a sales & marketing approach tailored for each segment.

Why use Segmentation?

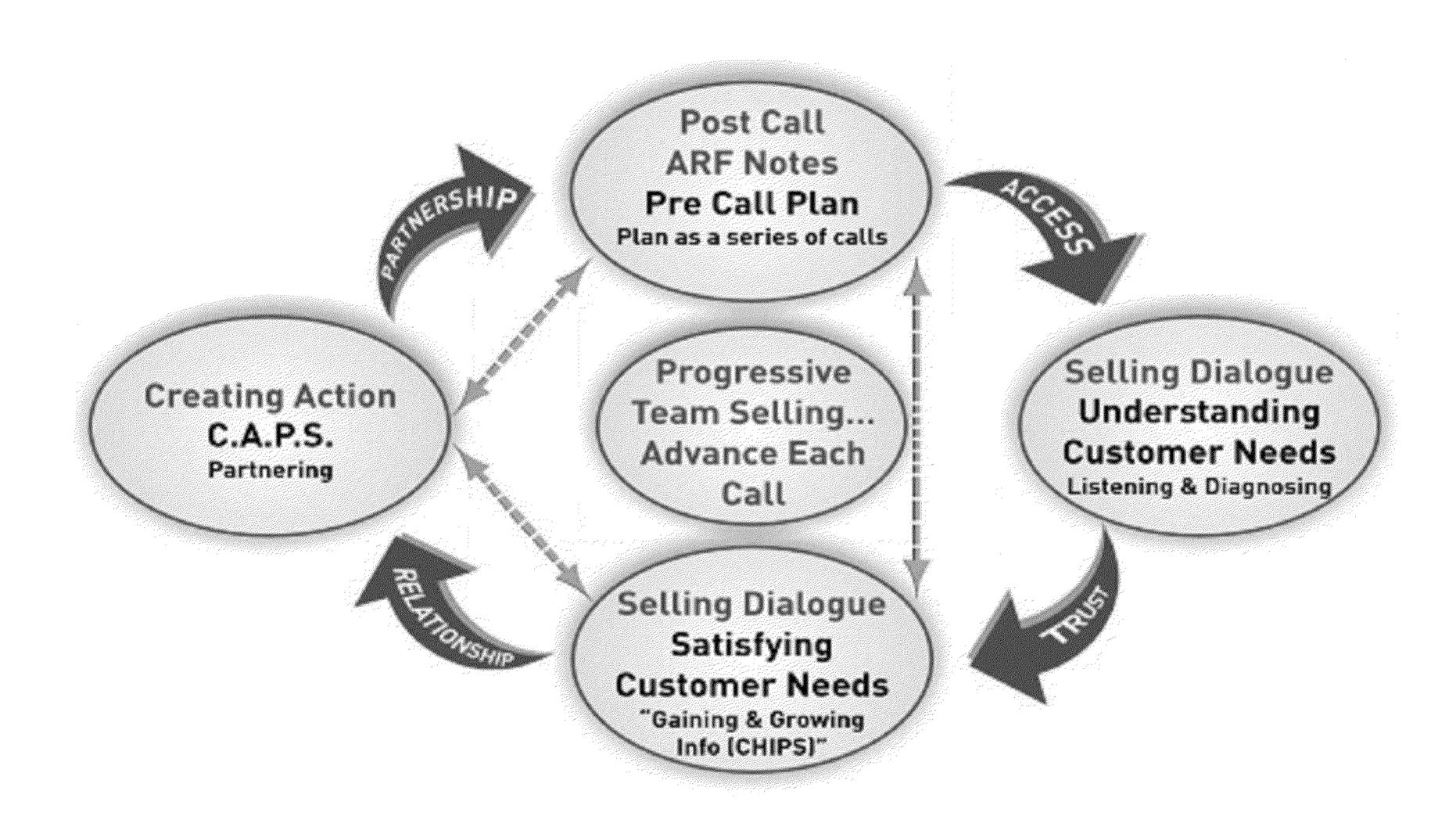
Customer: "The more I know you care about me, the more I care about what you know."

Because:

- •Not all customers are the same!
- •It identifies groups of customers who share common traits.
- So we can tailor our approach to each segment appropriately. (STP)

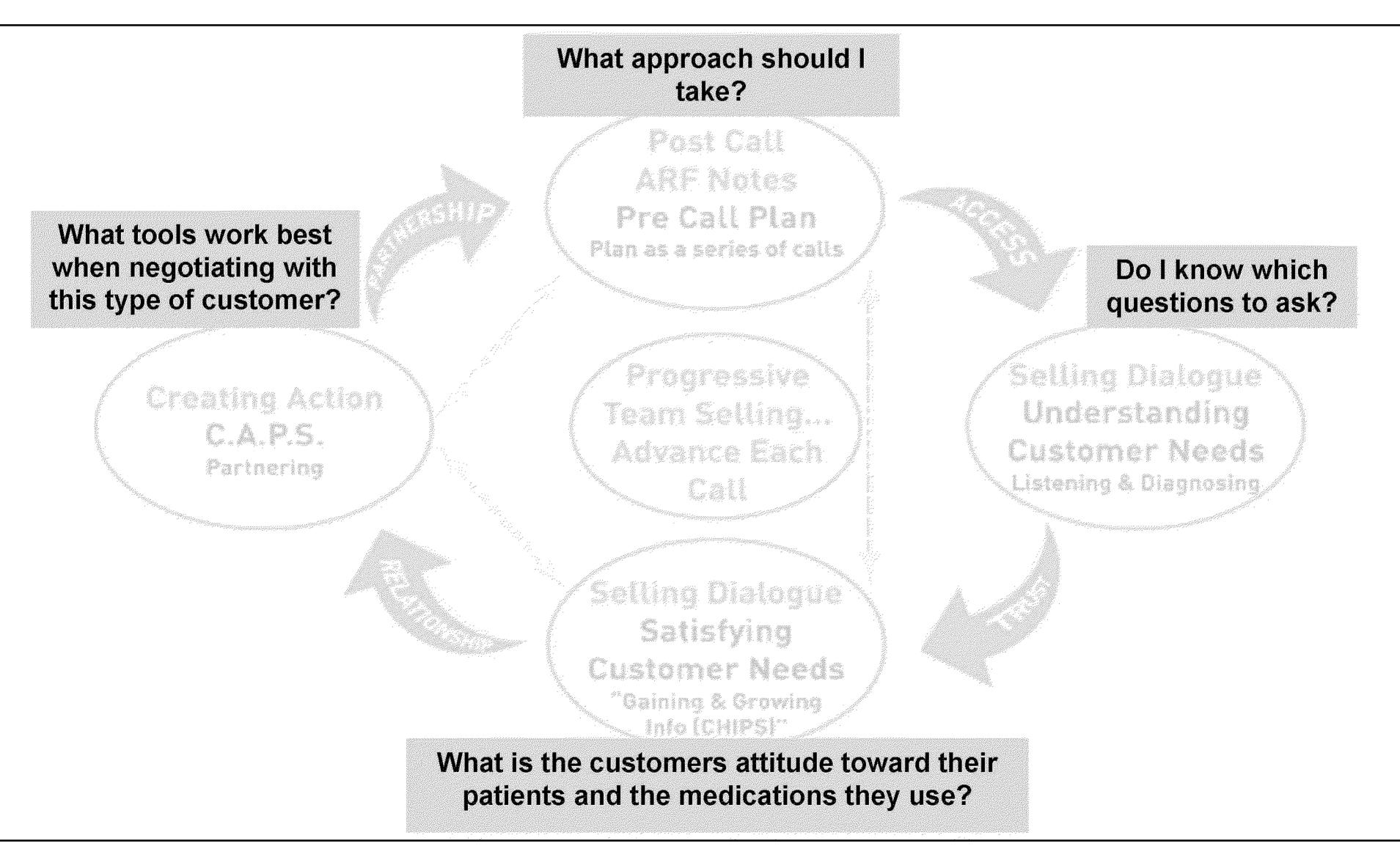
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Why use Segmentation?



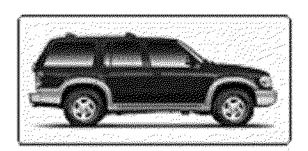
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Why use Segmentation?



File name/location

Example of Segmentation



If you were a car salesman, you would want to know what to say & how to approach your customers when selling a Ford Explorer.

SEGMENT A

SUV Decided

Definitely going to purchase an SUV, but what brand?

Right Approach:

 Sell against other SUV's, encourage test drive

Wrong Approach:

Sell against sedans and minivans

Message:

Explorer is the best SUV

SEGMENT B

Seeking Family Car

Hasn't decided what kind of car is best for the family

Right Approach:

 Stress safety, storage, bad weather, and visibility benefits over cars and vans

Wrong Approach:

Sell against other SUV's

Message:

 Explorer is the best family vehicle

SEGMENT C

Adventure Seeking

Plans to use the car for weekend/ recreational use

Right Approach:

 Sell against other SUV's and trucks stressing towing and off-road capabilities

Wrong Approach:

Sell against sedans

Message:

Explorer is the best all around recreational vehicle

File name/location

The Importance of Neuroscience Segmentation



"I don't mind using higher doses or trying something new if it gets the job done. My patients have serious problems that require the latest medical developments so I don't have time for a sales rep who comes in with outdated information."

Dr. Cruise

- Have you met someone like Dr. Cruise?
- How would you describe him to a new representative?
- How might an early understanding of his segment type help build a stronger relationship?
- What could happen if you came unprepared for this type of doctor?

We'll talk more about Dr. Cruise later.

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The Importance of Neuroscience Segmentation

"One mistake could cause irreparable damage and I could be sued. I usually check with my colleagues to see how things are going before trying new medications. Even then I rely on my own diagnosis procedures."



Dr. Stable

- · Have you met someone like Dr. Stable?
- How might an early understanding of her segment type help build a stronger relationship?
- What would happen if you used the same approach that you used with Dr. Cruise?

We'll talk more about Dr. Stable later.

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What's in it for you?

- Another level of customer understanding
- Address the specific concerns/needs/interests of a specific group of doctors rather than the entire market (P2P)
- Improves territory management
- Increase resource effectiveness and efficiency

Targeting Frequency

Better implementation around the box to drive overall performance

Message

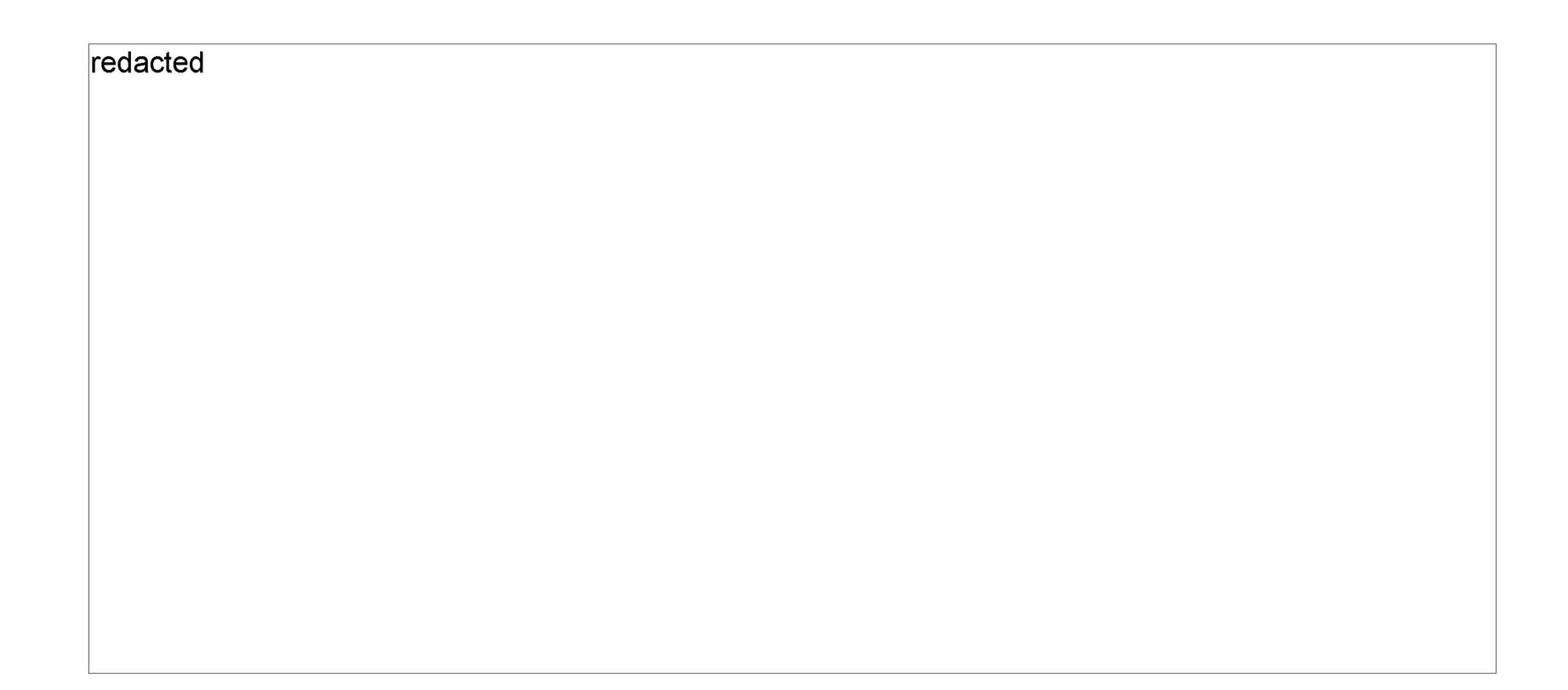
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What's in it for the brand team (Indy)?

- Address the specific concerns/needs/interests of a specific group of doctors rather than the entire market.
- Tailor a marketing mix that is attractive to specific segments.
- Increase resource effectiveness and efficiency.

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Why conduct a Neuroscience Segmentation?



Proven Success With Segmentation

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Goal of Neuroscience Segmentation?

Prioritized customers based on growth potential



Better understanding of customers so we can tailor our approach



- Neuroscience Industry Leader
- Know our customers better



File name/location

Neuroscience Segmentation is...

Division of neuroscience customers into segments that have common traits like: attitudes & behaviors about treating neuroscience diseases...



... as a result each neuroscience segment requires a different marketing strategy tailored to their common attitudes & behaviors toward treatment

This does not replace Insights. They work synergistically.

File name/location

How does segmentation work with Insights?

Insights helps you...

- Better understand how & why your customers react to your style
- Determine ways to build relationships

Segmentation helps you...

- Better understand how your physicians approach neuroscience treatments
- Determine appropriate neuroscience programs





Both help you...

- Pre-call plan
- Better understand your customers
- Better satisfy needs → Create Action

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Neuroscience Segmentation is...

An integrated strategy enhancing the fundamentals of STP

A tool used across all marketing interventions

A cross-brand strategy that applies to the entire neuroscience portfolio

An enduring cross-brand strategy for in line and launch products

An additional way to better understand your customers

Why Neuroscience Segmentation now?

The near future will have more changes to the Neuroscience marketplace than have occurred in the past 3 years!



Competitor Launches

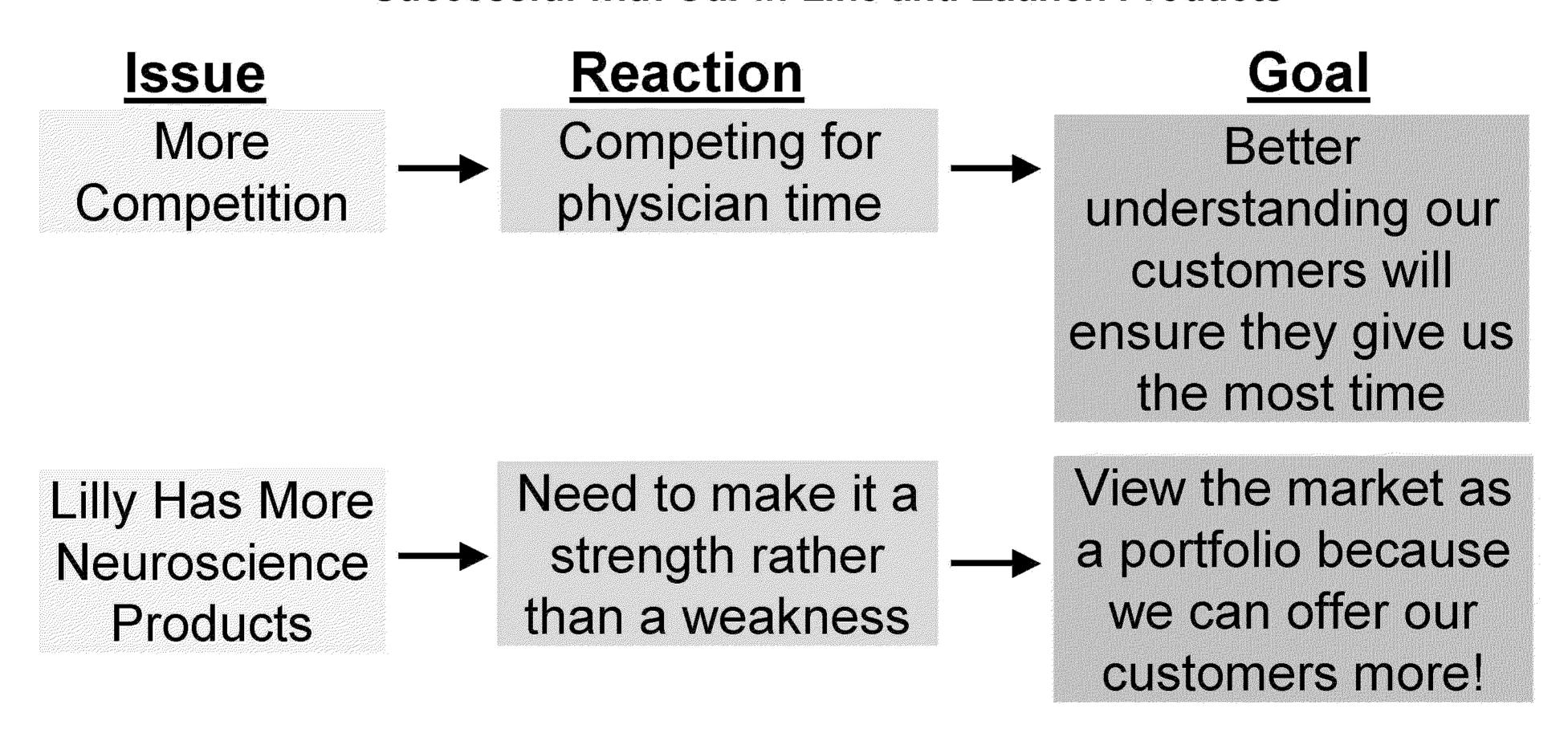
- Geodon IM
- Lexapro
- Aripiprazole
- Risperdal Depot

Neuroscience Segmentation will help us <u>Prepare</u> for competitor launches as well as our launches!

File name/location

Preparation for Market Events

Multiple Product Launches Will Requires Us To think Differently To Be Successful with Our In-Line and Launch Products



Neuroscience Segmentation Will Help Us Meet Our Goals

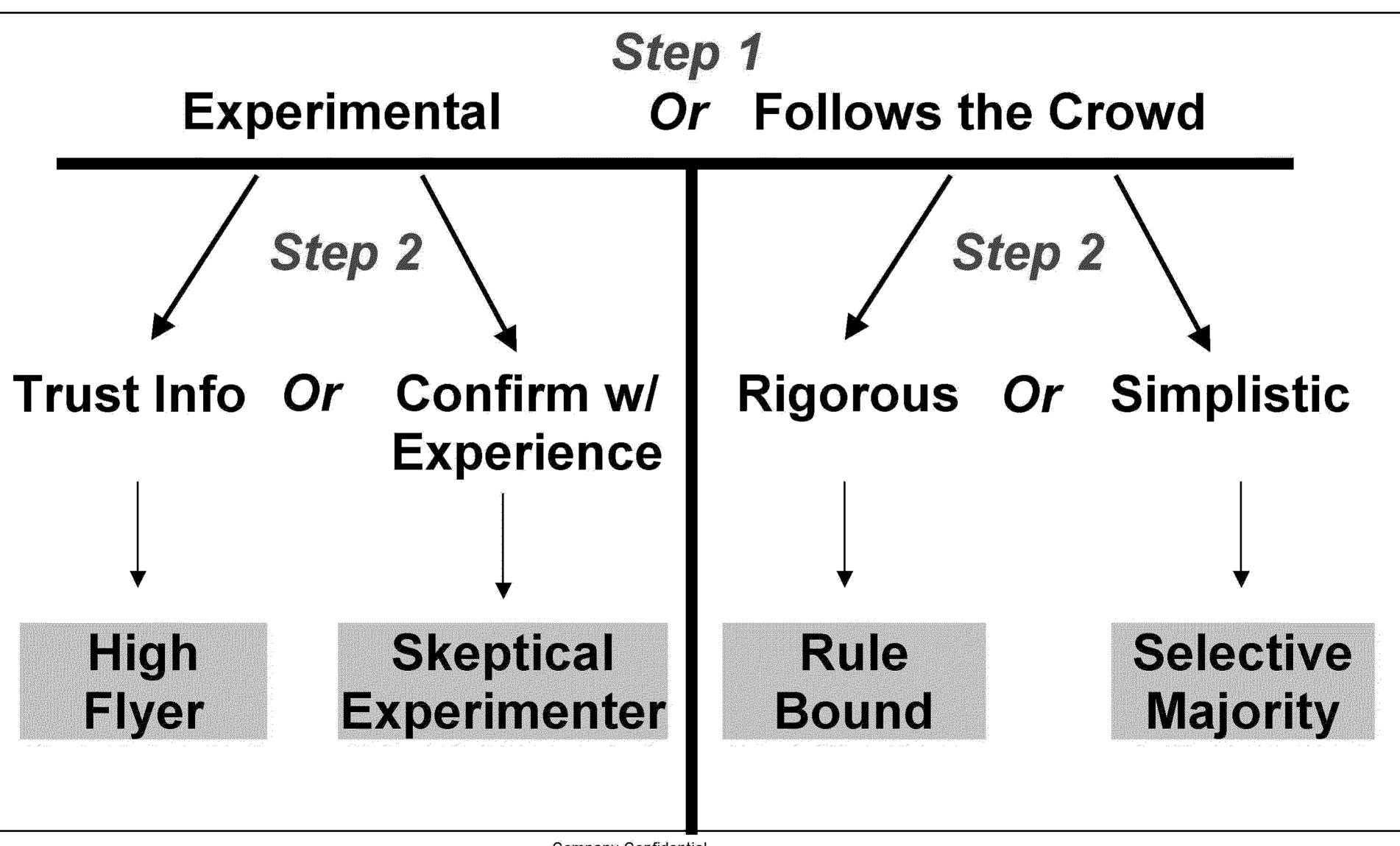
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What are the Neuroscience segments?

High Flyer Skeptical Experimenter Rule Bound Selective Majority

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Identifying Neuroscience Segments



File name/location

Identifying High Flyers

Experimental:

- Uses Higher Doses
- First among their peers to try medications when they first enter the market
- First among their peers to try new uses of medications



Trust Info:

- Anxiously awaits for new information from pharmaceutical companies
- Willing to try something new to get a patient better



High Flyer

File name/location

High Flyer Profile

Who are they?

Earliest adopters of new medications & new uses of medications

How do they approach treating patients?

Willing to try new things to move patients forward

- Not bound by the label
- Willing to push the dose of medications
- Willing to use adjunctive therapy
- Typically they are treating symptoms rather than a diagnosis
- More patient focused than other physicians

What do they like from a pharmaceutical company?

Keep them connected with the up-to-date information

- Prefer to learn from "experts" about new information
- Consulting Conferences
- Interventions tailored to their interests

Identifying Skeptical Experimenters

Experimental:

- Uses Higher Doses
- First among their peers to try medications when they first enter the market
- First among their peers to try new uses of medications



Confirm with Experience:

- Chooses treatments based on personal experience and mechanism of action
- Choosy about where they obtain new information
- Experiments to prove/disprove new information



Skeptical Experimenter

File name/location

Skeptical Experimenter Profile

Who are they?

Moderate/High volume and adoption in diseases/population treat

How do they approach treating patients?

Tailor medications to needs of each individual patient

- Personal experience determines drug choice
- Not indication/label driven
- Willing to push dose beyond label
- They are in control of patient treatment
- Experiments to prove/disprove information

What do they like from a pharmaceutical company?

Provide data and a forum for them to share expertise

- Interactive sessions with colleagues (round table, Q&A, thought leaders)
- 3rd party information

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File name/location

Identifying Rule Bounds

Follows the Crowd:

- Tries new treatments or approaches once their peers are comfortable
- Restricts treatments to the medication label or follows what "everyone" else is doing



Rigorous Approach:

- Diagnosis is an important part of determining treatment
- •Follows the rules of the system/facility (formulary, etc.)
- Concerned with safety



Rule Bound

File name/location

Rule Bound Profile

Who are they?

Moderate volume and adopters of our portfolio products High APS volume (within specialty).

How do they approach treating patients?

Treats patients efficiently by following the rules

- Diagnosis driven
- Most are very knowledgeable about new information, but do not necessarily act on it until it until it is widely accepted
- Practices according to the "standard of care"
- Doesn't have enough time, looks for efficiencies

What do they like from a pharmaceutical company?

Provide the rules and the standard of care

- For Standard of Care keep them up-to-date on the treatment standards and side effect information
- CME, textbooks, PDR, etc.

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File name/location

Identifying Selective Majority

Follows the Crowd:

- Tries new treatments or approach once their peers are comfortable
- Restricts treatments to the medication label or follows what "everyone" else is doing



Simplistic Approach:

- Niche products based on symptoms or side effects
- Uses fewer medications than their peers
- •If Psych, may prefer to use psychotherapy in their office



Selective Majority

File name/location

Selective Majority Profile

Who are they?

Slower adopters of new products and new uses of products

As a drug & disease become mainstream, these customers become more important

How do they approach treating patients?

Keep it simple and straightforward

- Disease and treatment should be simple
- Symptom focused
- Doesn't necessarily follow rules, but keep it simple
- Psychotherapy is an important part of my practice

What do they like from a pharmaceutical company?

Remind me of your niche

- Simple message from a rep
- Rep relationship is very important! They like it when a rep knows and acts on their personal likes and dislikes

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File name/location

Neuroscience Institution Segment Summary

Segment	Segment Theme	Segment Strategy
High Flyer	I eagerly seek out new ways	Lilly is the best at providing
	to treat my patients	new treatment information
Skeptical	I decide how to use	Lilly is the preferred medium
Experimenters	medications based on	for these customers to share
	personal experience	experiences
Rule Bound	I follow the rules when	Lilly is the best at updating
	treating my patients	customers on the "rules" for
		treatment
Selective	I prefer to keep treatment	Lilly provides simple,
Majority	simple and straightforward	consistent information

Remember Dr. Cruise...

Which segment best describes him?

- A. High flyer
- B. Skeptical experimenter
- C. Rule bound
- D. Selective majority



Think about your answer before going on to the next slide.

Dr. Cruise is a High Flyer

Why a High Flyer?



"I don't mind using higher doses or trying something new if it gets the job done. My patients have serious problems that require the latest medical developments so I don't have time for a sales rep who comes in with outdated information."

Remember Dr. Stable...

Which segment best describes her?

- A. High flyer
- B. Skeptical experimenter
- C. Rule bound
- D. Selective majority



Think about your answer before going on to the next slide.

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Dr. Stable is a Rule Bound

Why a Rule Bound?



"One mistake could cause irreparable damage and I could be sued. (Concerned with SAFETY) I usually check with my colleagues to see how things are going before trying new medications. Even then I rely on my own diagnosis procedures."

Summary/Key Points

Customer: "The more I know you care about me, the more I care about what you know."

Segmentation is one aspect of customer understanding.

Segmentation is an easy and effective approach.

Segmentation will help advance Selling Through Partnering and in turn, sales!

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What should I do with my customers that are not psychiatrists?

Apply segmentation with any customer that practices like a physician, like...

- Nurse Practitioners
- Physician Assistants, etc.

...otherwise use your judgment on how to sell to this customer

Thank you for your work preparing for the POP meeting.
An Audio CD will be arriving next week.