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# predicting behavior with analytics

**Future Pharmaceuticals** Why would you perform a segmentation analysis to empower closed loop marketing?

**STEVE LOSARDO** In order to maximize the value of their marketing spend, pharmaceutical companies are continuing to explore methods and employ techniques for getting the right message to the right physician with the right frequency and through the right channel. This is as true today as it was 25 years ago. Although then the channel was the sales representative where today we have the Internet and other electronic media that we can use to reach the physicians that we're trying to market to. The promise of closed loop marketing is that companies can now design an optimal promotional mix of cross channels and measure the effectiveness in specific campaigns and tactics and modify them in real time to meet the needs of these customers. But it all starts with the customer or the physician.

Segmentation analysis allows pharma companies to truly identify the message and the channel that a physician will be most responsive to. These segments are traditionally based off of prescribing behavior and can now include information such as demographics of the physician's practice, his behaviors, his attitudes, as well as his preferred method for receiving information. This type of customer-centric approach allows pharma to provide the most relevant, meaningful product information through that physician's preferred method or channel.

**FP** Isn't market segmentation typically derived from primary market research?

**SL** Primary market research is still very important. It has an important role in market segmentation, particularly with a closed loop marketing process for basically testing things like a message or exploring

Predicting behavior through data analyses – how does this apply to the pharmaceutical and biotech field? **BOB DOYLE**, VP, Consumer Insights and Marketing Effectiveness and **STEVE LOSARDO**, VP, Data Analytics and Services, both of SDI, clarify innovating healthcare analytics and how these methods can help in understanding the patient, the physician and the industry



“WITH SUCH LARGE DATA SETS, YOUR CONFIDENCE FACTOR IS HUGE. YOU’RE NOW ABLE TO FORECAST SPECIFIC BEHAVIOR ACROSS DIFFERENT TARGET GROUPS.”

a channel or media device that you’re going to use to market to a particular physician. Primary market research allows a marketer to test their assumptions and fine tune their approach for a specific campaign.

On the other side, once you’ve identified that, having access to secondary data such as prescriptions, medical claims, consumer demographics, and other healthcare information, provides a marketer with a much more robust data set for establishing these market segments based on the real world behaviors of thousands of physicians or even patients. A constraint that might exist with primary market research is that you usually have smaller sample sizes, overall cost concerns, and the time that it takes to do a primary research program. These typically don’t impact you when using secondary data.

**FP What opportunities are offered by using datasets beyond new (NRx) and total (TRx) metrics for segmentation?**

**BOB DOYLE** As we move beyond NRx and TRx we really want to understand the full patient and that’s critical in understanding how patients and physicians interact with the healthcare system. At SDI we’re able to integrate our diagnosis data with our Rx prescription data, our consumer

data, hospital data, and lab data to get that full view. Now you’re able to see the total patient and physician healthcare experience. This enables a whole host of analytics. For instance, you can do segmentation, market modeling, and marketing mix modeling to get a whole different view of the patient and the marketplace.

**FP How can you enhance physician targeting using secondary data segmentation models?**

**BD** Today a lot of companies are using primary research. If you go one step further and use the secondary data, instead of talking to a couple hundred physicians you’re looking at information on hundreds of thousands if not up to one million physicians. In many cases, we’re using the secondary data to help drive primary data. Now we can break physicians into segments using the secondary data and ask specific attitudinal-type questions in primary research for example.

With primary data, you’re also looking at a recall verses actual data. Utilizing secondary data for segmentation alleviates the pitfalls of recall based analysis because you are examining actual behavior. You also have access to a wider array of demographic and psychographic information such as financial, ethnicity, media

preferences, and other lifestyle characteristics

In terms of physician targeting take the example of a patient’s ability to pay. Using secondary data, you can analyze individual and household co-pay burdens and then apply those findings by connecting patients to corresponding physicians and practices. So you can answer questions such as, “How many practices or physicians actually have patients that might need financial help verses those that have the ability to pay but might need more educational-type programs.” You can then roll out tactics more strategically and measure the results to see if those programs had an impact.

**FP How would you apply advanced segmentation techniques to enhance business performance?**

**BD** You take everything we’ve just discussed and look at the big business questions — it’s about predicting behavior. With such large data sets, your confidence factor is huge. You’re now able to forecast specific behavior across different target groups. You’re able to take that one step further by targeting, segmenting and then implementing your tactics and close out with measurement. Then you can bring it back, take what you’ve learned, and start all over again. **FP**



**BOB DOYLE**, SDI’s Vice President of Consumer Insights & Marketing Effectiveness, guides all company initiatives involving consumer profiling, modeling, and reporting; and, in particular, integrating SDI’s de-identified patient data with consumer data. He also manages SDI’s partner relationships in this area. Mr. Doyle’s background in consumer data is extensive. He built and led a team that provided pharmaceutical, healthcare, and consumer-packaged goods to companies and retailers with consumer intelligence, targeting and analytic services. In addition, Mr. Doyle spent 15 years at a large pharmaceutical company, where he worked on Rx-to-OTC switches, among other projects. He earned his BA and MBA from St. Joseph’s University.



**STEVE LOSARDO**, Vice President of Patient Data Analytics at SDI, uses his more than 20 years of pharmaceutical industry experience to help clients with their data acquisition, data management, and business intelligence needs. Mr. Losardo began his pharmaceutical career as a sales rep. Since then, he has gained increasing responsibilities and expertise in data warehousing, project management, syndicated and longitudinal patient data, application development, and business development. At one company, he founded an Advanced Technology group. Mr. Losardo earned an MBA, with an emphasis on computer information systems, and a BBA in Management from Hofstra University.

# TRANSFORM

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