7 Deadly Sins of Pharma Targeting

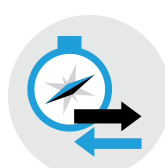
Overview

Targets that are smartly identified and prioritized are a key ingredient of the pharmaceutical commercial sales process. In a time when much of the pharma industry tries to cope with transformational change, companies that reinvent their business approach will separate themselves from the crowd and gain competitive advantage. This whitepaper discusses seven common mistakes to avoid when targeting, and guidelines to help create an agile process that enables commercial sales organizations to think differently about their customers.

1. Focusing only on the prescriber

Targeting based solely on the prescriber excludes critical information regarding true value and intent to prescribe. Though the individual is important, influence networks, affiliations, practice circumstances and patients matter even more. Treating prescribers independently, rather than looking at their ecosystem, results in suboptimal target identification and prioritization.

2. Lack of trajectory



Another deadly sin in pharma targeting is not considering the trajectory of customers. The prescribing trend (upward, declining, flat) can indicate different degrees of prioritization. Though it's good to invest in current prescribers, stakeholders should also think about what the future holds. Incorporating trajectory gives companies a better idea on which relationships the sales force should nurture for the future.

3. Looking backward

Traditionally, the pharma industry relies on historical sales data to drive targeting decision making. However, what customers did last month, quarter, or year may not be what they do next. In most cases, sales force should be there to make sure customers do something different. Predictive analytics can give a different outlook on which customers to allocate resources towards. Predictive drivers also offer new insight into how to best move the business. Looking forward versus backward relies on analytical techniques, methodologies, and new types of data brought to the process.

> ***Data sources that give details about the extent to which physicians are taking in new patients and the degree to which they can be grown as customers can also help pharma companies with their targeting approach.***

4. Short-term focus

Another deadly sin of pharma targeting is an approach that only considers a customer's current value (often brand by brand) rather than their lifetime value to the entire portfolio. Pharma companies should avoid continuously prioritizing and de-prioritizing prescribers based on short-term metrics and take a longer term view of what they can achieve with their customers.

5. Disregarding practice circumstances

Assuming all market volume is accessible is another deadly sin that pharma companies have to contend with. There are several circumstances within the pharma market that can make two customers of seemingly equal value actually quite different. Bringing together data sets related to payer environments, system and group practice control, or patient population gives the industry better insight into the accessible market volume that can be targeted.

6. Strategy misalignment

Not aligning targeting to the brand strategy is another deadly sin that can result in lost sales, high customer turnover, and sub-optimal brand performance. For instance, if brand strategy reveals the greatest potential comes from physicians who meet certain criteria, the targeting strategy should be a natural reflection of that.

A recent example is illustrated by a US-based pharma company which outsourced its targeting. The brand strategy revolved around replacing generic medication that had a higher drug to drug interaction. Because patient profiles suggested they were on other medication as well, this was a problem that the company's new product could solve. However, the targeting put in place failed to take this criteria into consideration, focusing the sales force on the wrong customers. This strategy misalignment resulted in low sales revenues and high disappointment from the sales force.

7. Ignoring other channels

Another deadly sin in pharma targeting is to tune out the other marketing channels directed at customers. Pharma companies should own a global view of all marketing channels, responsiveness to their promotional efforts, reactions to call planning etc. The industry should consider all marketing channels and touch points physicians interact with, ensuring a holistic approach to targeting. To make proper targeting decisions, pharma companies should stop looking at customers exclusively from a sales force point of view. Data that influences targeting strategy includes information on direct to consumer advertising for certain markets, email campaigns, patient discount cards, among others. When physicians are targeted by multiple pharma companies, the collection and interpretation of this data may offer the competitive advantage that help smart companies to stay ahead.

Conclusion

Optimal sales effort often starts with intelligent targeting. The highly regulated nature of pharmaceutical sales represents many challenges but also presents opportunities triggered by the availability of various data sources, sharing insight into patients and practices. Identifying these 7 "sins" above will help pharma companies gain a competitive advantage. The companies that avoid these common mistakes will go beyond traditional market/brand coverage and optimize targeting plans.

Organizations that trade their myopic view of the customer for a holistic perspective will be the winners of the targeting game – a game that gets tougher every day.