



Where Great Minds Meet

Virtual Event

September 23 & 30

Thursday @ 10am-4pm ET

Segment-based messaging

A little less conversation, a little more action please!



Presenter Name

Gaurav Kapoor, Newristics

Segmentation Actionability Challenge



WHY?

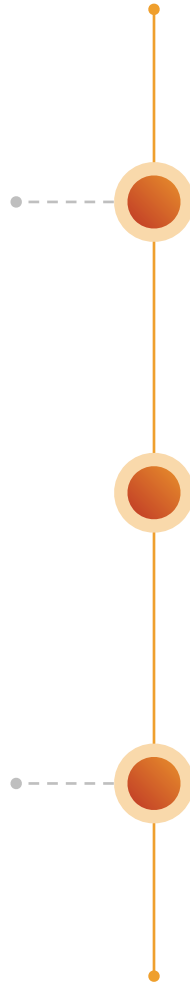
**All major pharma brands
have a customer segmentation.**

**But only 10-20% of them use it for
segment-based messaging.**

Explained: Lack Of Segmentation Actionability

MESSAGING

Creating messages for each segment complicates the message development process



TRAIN

Getting reps to deliver differential messages in the field is operationally challenging

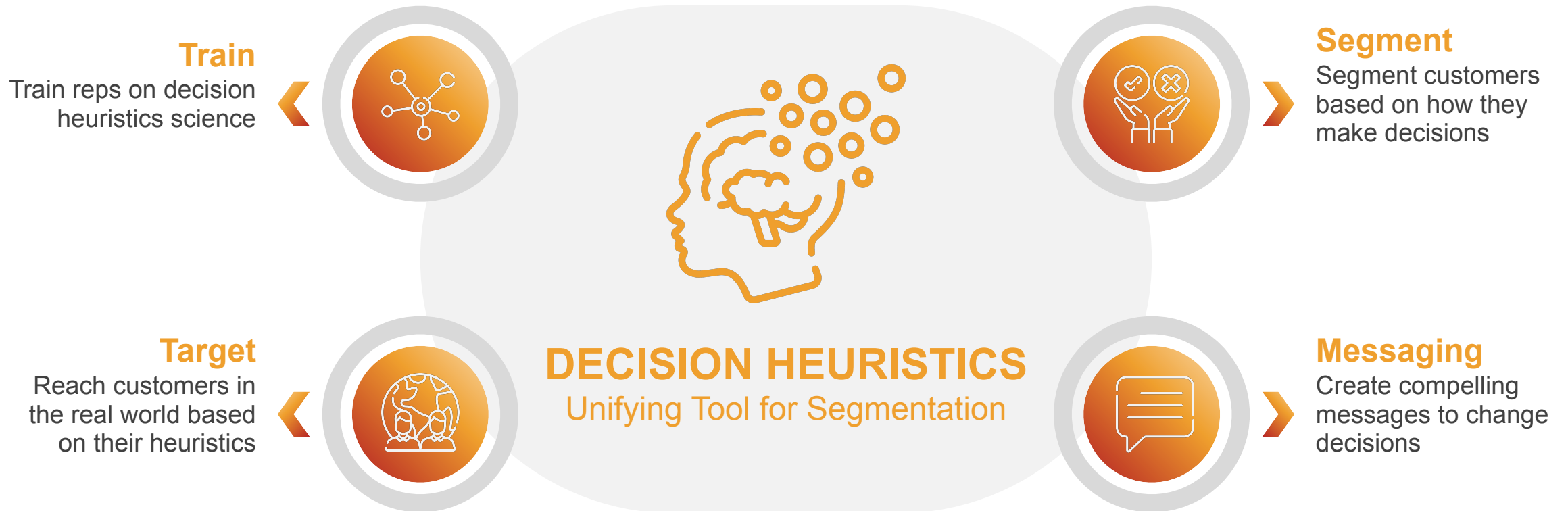


TARGET

Identifying Segments in the real world is not easy if the target list is not coded by segment

Heuristics: Unifying tool for segmentation

Decision heuristics can be a unifying tool to convert segmentation into segment-based messaging.



Adding Heuristics to Behavioral Segmentation

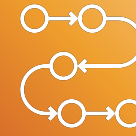
Behavioral segmentation is good for targeting, but doesn't tell you how to message to each segment



Behavioral Segment 1



Behavioral Segment 2



Behavioral Segment 3



Behavioral Segment 4

Adding heuristics to each segment explains their behavior and directly leads to messaging

- Illusion of Control
- Egocentric Bias
- Effort Justification

Seg 1 Heuristics

- Satisficing
- Mental Inertia
- Complication Bias

Seg 2 Heuristics

- Ambiguity Aversion
- Disappointment Aversion

Seg 3 Heuristics

- Attribute Substitution
- Actor Observer Bias
- Diffusion of Responsibility

Seg 4 Heuristics

Heuristics: Much better than Attitudes

Attitudes



Attitudes often don't correlate with behaviors and can influence messages indirectly at best.



Attitudes are not good for targeting in the real world either.

Decisions



Segmenting customers based on decision heuristics can lead to a better understanding of the hidden drivers of each segment.



Decision heuristics can also be used directly to develop more compelling messages, making the segmentation more actionable.



How to Segment using Customer Heuristics

Option 1



Qual Research

Deep immersive research to pick up signal for customer heuristics from qual interviews.

Option 2



Quant Research

Quant segmentation survey with behavioral experiments designed to map respondent heuristics.

Option 3



Data Analytics

Apply heuristic rules to secondary behavioral data and reverse engineer the heuristics for each customer

Comparing Segmentation Options

	Option 1 Qual	Option 2 Quant	Option 3 Data
Identifies heuristics accurately	✓	✓✓	✓✓✓
Identifies attitudes, beliefs, needs	✓✓	✓✓✓	
Identifies behaviors	✓	✓✓	✓✓✓
Messaging Actionability	✓	✓✓✓	✓✓
Cost	✓✓	✓	✓✓
Timing	✓✓	✓	✓

Option 1: Using qual research to identify segment heuristics



“Is there any segment/bucket of CHF patients you dread clinically – if they didn’t come to your office you might be relieved?”

Heuristic: Dread Risk Bias

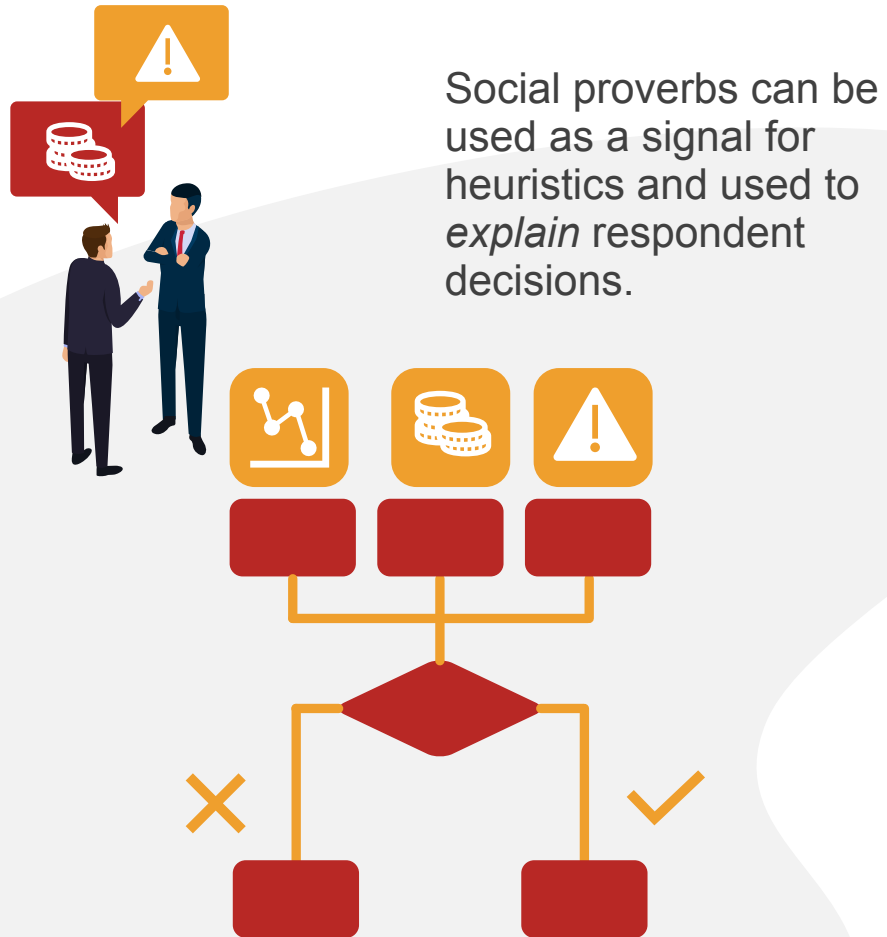
“Let’s say you have five Class 2 CHF patients who closely adhere to your treatment recommendations, are demographically similar, but have very different progression of the disease. What would explain the difference in outcomes?”

Heuristic: Ascription of Causality

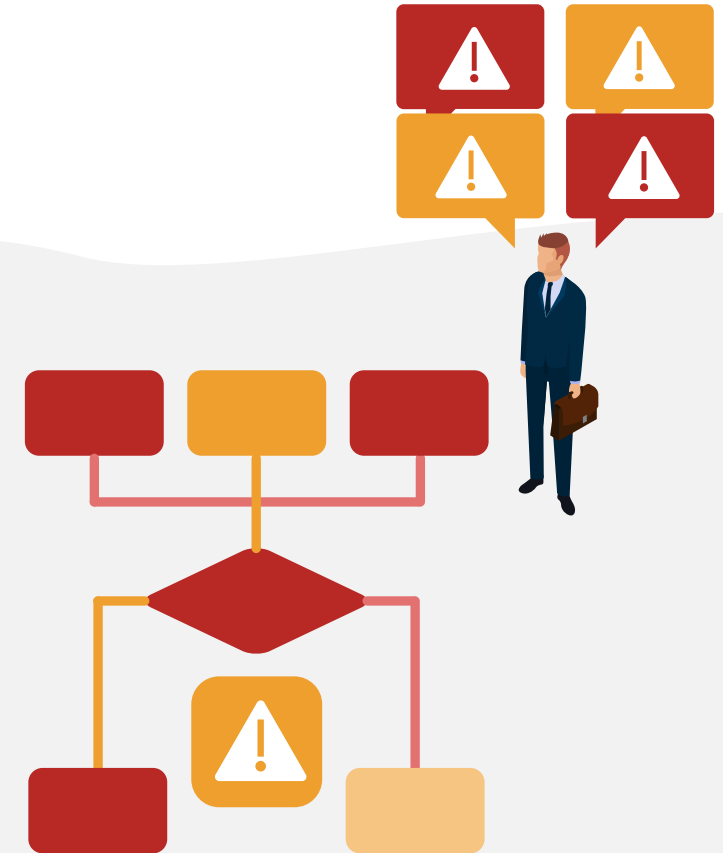
Rx Data shows that cardiologists mostly treat HF patients over time by adding drugs to regimen, and rarely switch patients from one drug to another. Let’s say you wrote a book called “Why cardiologists don’t switch – 7 hidden truths about how cardiologists behave”, what would it tell us.

Heuristic: Status Quo Bias

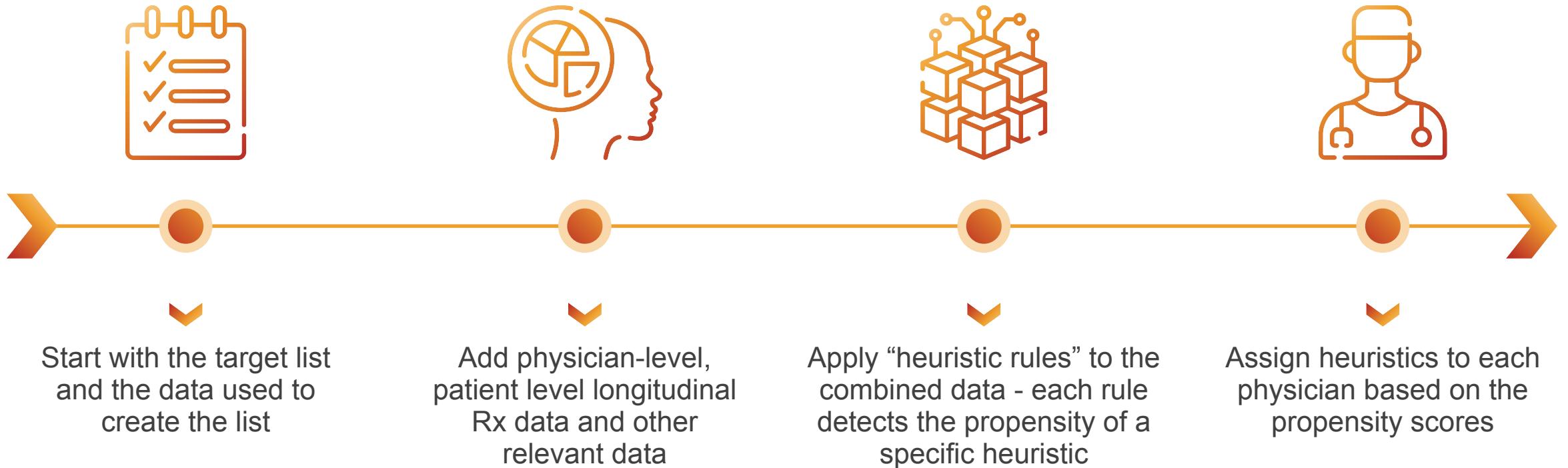
Option 2: Using quant research to identify segment heuristics



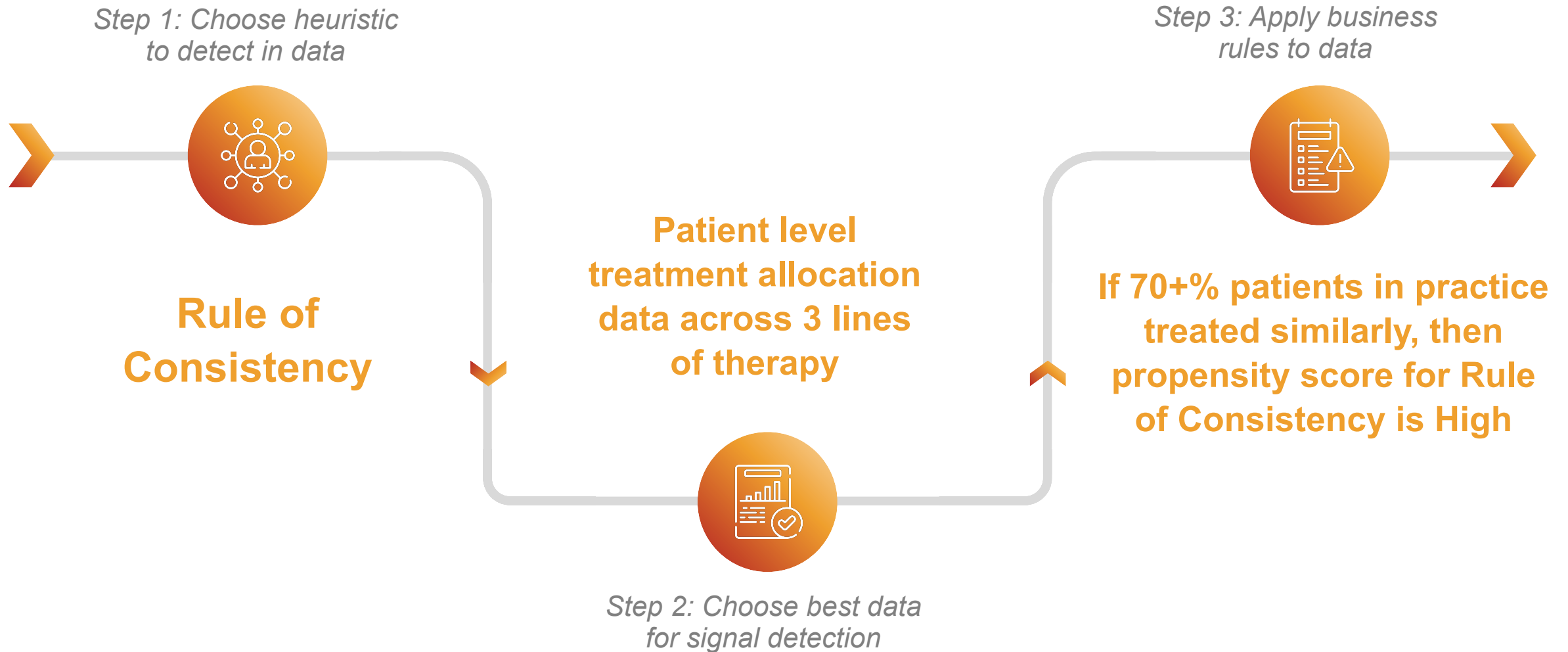
Messages can be used as a proxy for heuristics that *influence* respondent decisions.



Option 3: Using behavioral data to identify segment heuristics



Example: Detecting signal for heuristics in data



Rule of Consistency definition: Humans feel the need to maintain a consistent image of themselves and will even repeat bad decisions to maintain an image they have established

Training reps to sell based on heuristics

Reps can be trained on the decision heuristics of each physician segment and the call script can be based on heuristics.

“Dr. John, I know from talking to the nurses that you are able to get a lot of your RA patients into remission.

What are the biggest differences in how you treat vs. other physicians?”



Brand X

Heuristics:
Unifying tool for segmentation actionability

Professional knowledge aims at improving practice. It reduces uncertainty in decision-making, improves effectiveness in action and relevance in evaluation, stimulates reflexivity, and subjects practice to ethical standards.

An illustration of a nurse in orange scrubs holding a clipboard and a doctor in a white lab coat standing in a hospital setting. There is a potted plant in the foreground.

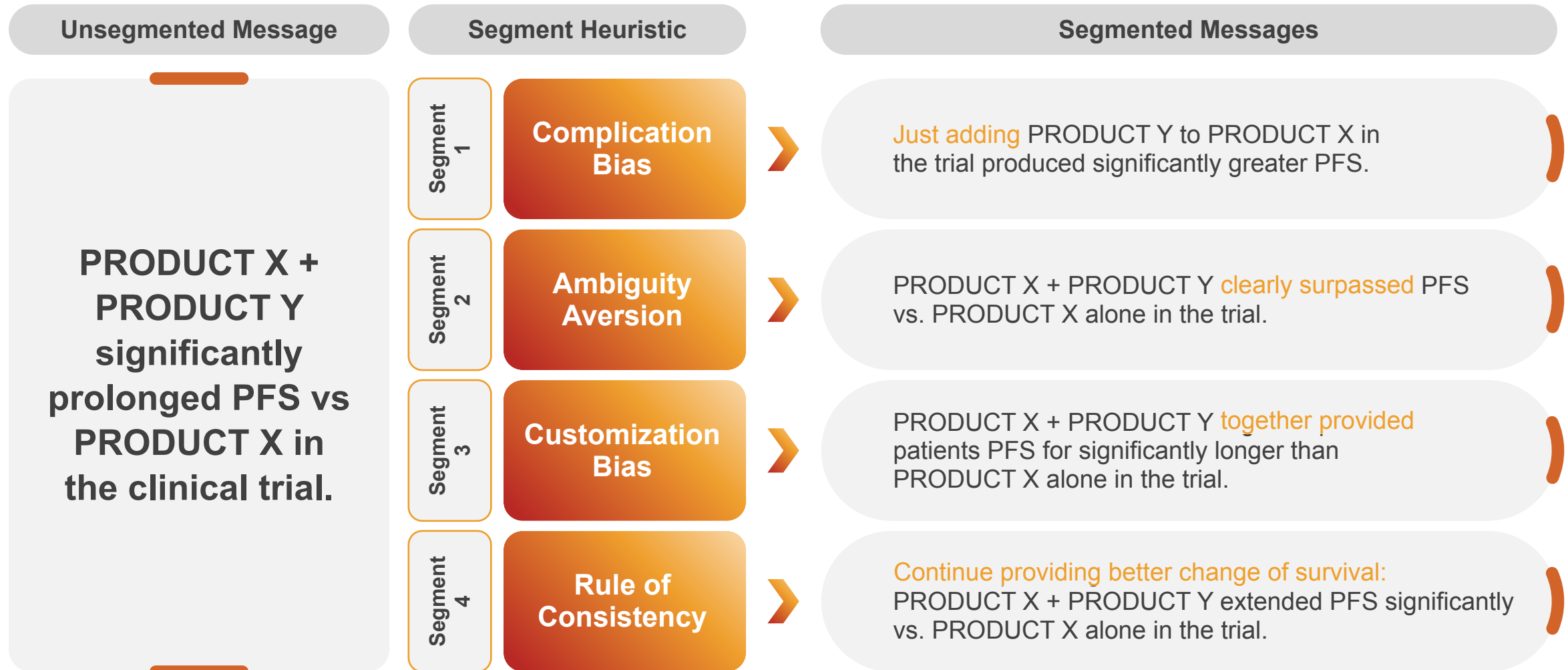
THE EFFICIENT DELEGATORS

Rules of thumb, also known as heuristics, could influence how physicians deliver care. One such rule of thumb is the “availability heuristic,” under which a person assesses an event’s likelihood by how easily the event comes to mind. For physicians, recent conditions seen may be particularly notable. Under this heuristic, if a physician sees a condition in a recent patient, they may be more likely to test for the condition in the next patient they see.

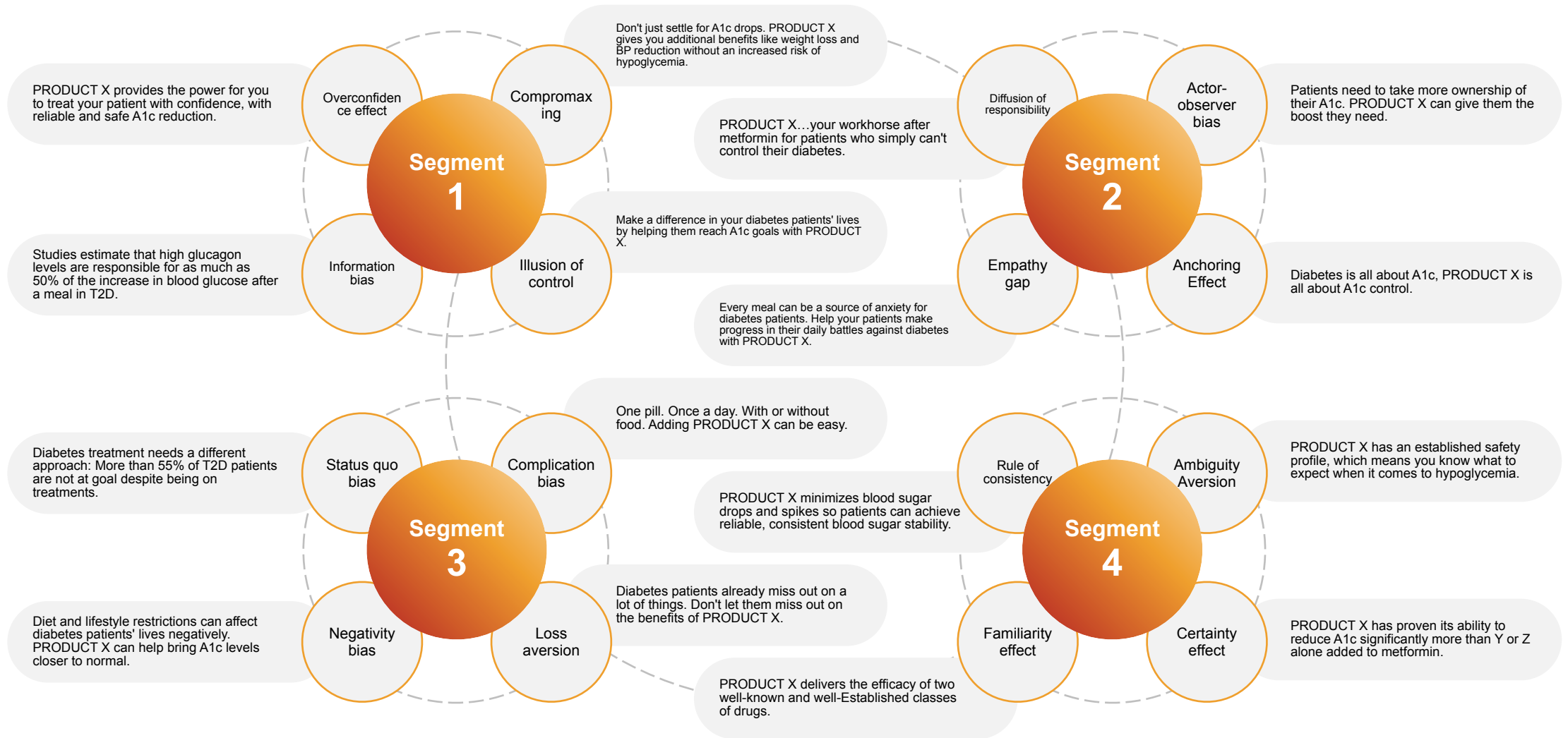
The findings provide large-scale evidence that the availability heuristic plays a role in how physicians make complex testing decisions. For patients, how physicians make care decisions may be influenced by things such as what that physician saw in the patient they had just cared for. For physicians, awareness of such heuristics may help lessen their influence.

A photograph of a smiling female physician in a white lab coat holding a tablet.

Example: From Segments to Messaging



Example: From Segments to Messaging



Case Study

Activating Segment-Based
Messaging for PBM

Background



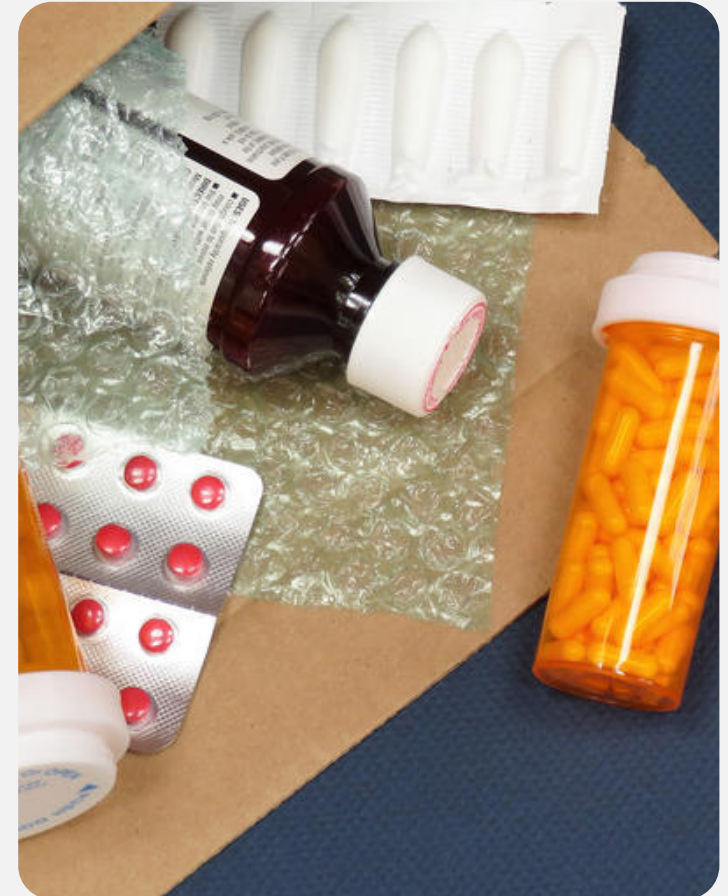
The Situation

- National Pharmacy Benefits Manager has **24+ million “chronic” members** i.e., those taking 1+ long term medication
- Despite persistent messaging, **fewer than 20%** use the PBM’s mail-order pharmacy



The Challenge

- Place **all members** into one of 3 segments based on health stage criteria
- Develop separate communications targeted to the segments to **increase usage of the PBM’s mail order pharmacy.**
- To significantly **improve conversion rates** typically seen through DM campaigns (~2-3%)



Segment 1: Heuristics-Based Messaging Example

What kind of messaging will get Segment 1 patients to switch from retail to mail-order pharmacy?

Loss Aversion/
Complication Bias

Diffusion of
Responsibility/
Complication Bias

Company X The leading Home Delivery by Mail Pharmacy

 "I'm too busy and never seem to have enough time to take care of my health"

Enroll once with our direct pharmacy and you never have to do the paperwork again

- Our Hassle-free Program allows you to call us with any prescription needs and we'll work with your doctor to get your medication to you without filling out any forms or paperwork
- If you ever find yourself short on medications, we provide overnight delivery wherever you want, free of charge
- Supersize a 30-day prescription; receive 90 days of medication at no extra charge
- Get short-term medications (like antibiotics) at no cost when you order all your maintenance medications through our home delivery pharmacy

"Take this form to your doctor and they will fax the prescriptions to the home delivery pharmacy"

— Benefit Specialist who's knowledgeable about your benefit plan 

Diffusion of
Responsibility

Diffusion of
Responsibility/
Complication Bias

Loss Aversion

Compromaxing

Hyperbolic
Discounting

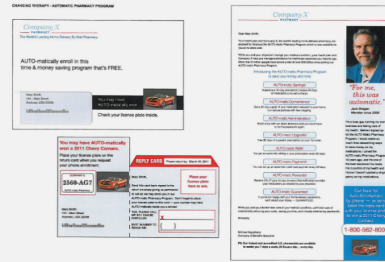
Diffusion of
Responsibility

Segment-Based Messaging In-Market Test



Messaging campaigns for each segment were tested in the largest in-market test of its kind in the PBM industry with 25+ million touchpoints.

Seg 1 Newly Chronic



Savings Campaign With Outreach



Pharmacist Outreach



Waiver Offer



Clinical Mailing With Pharmacy Benefits

Seg 2 Changing Therapy



Pharmacist Outreach



Multi-point Campaign Savings, Treatment

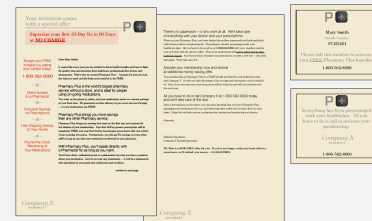


Patient Tools Explaining Savings



Member Services Options for Simplifying Treatment

Seg 3 Adding Conditions



Pharmacist Outreach



Patient Tools Explaining Drug Interaction



Member Services Outreach

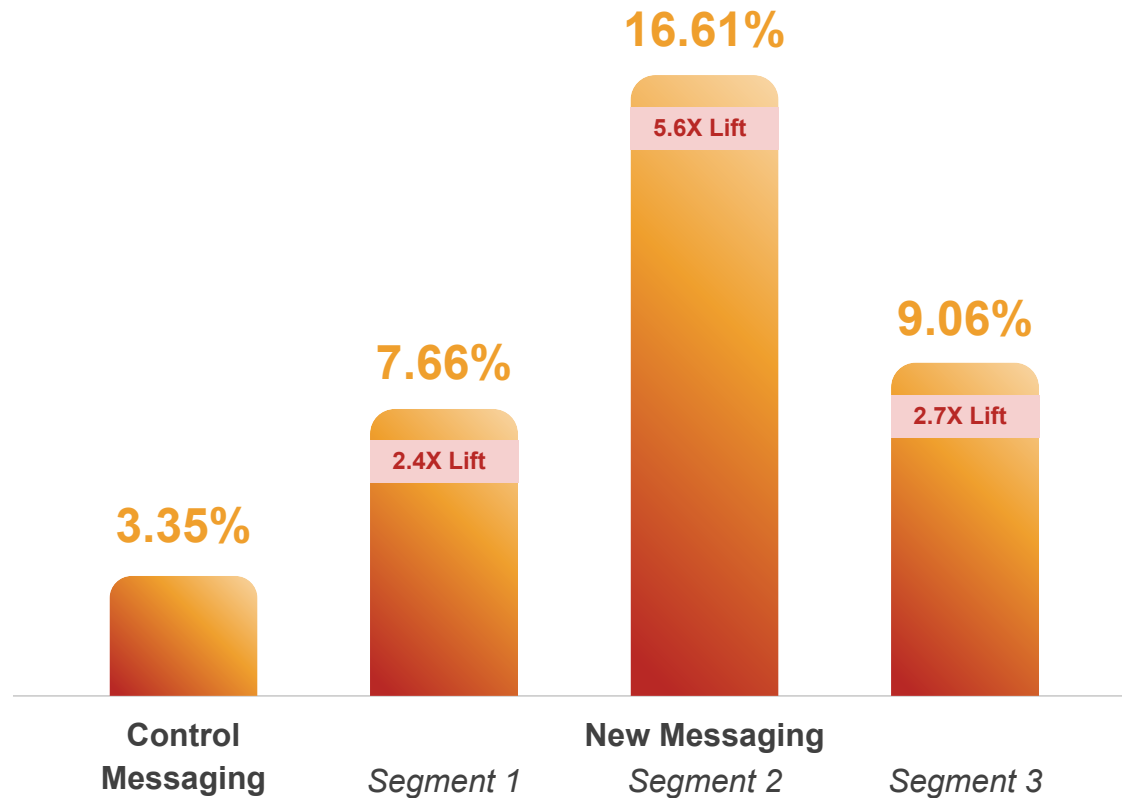


Multi-point Email Campaign

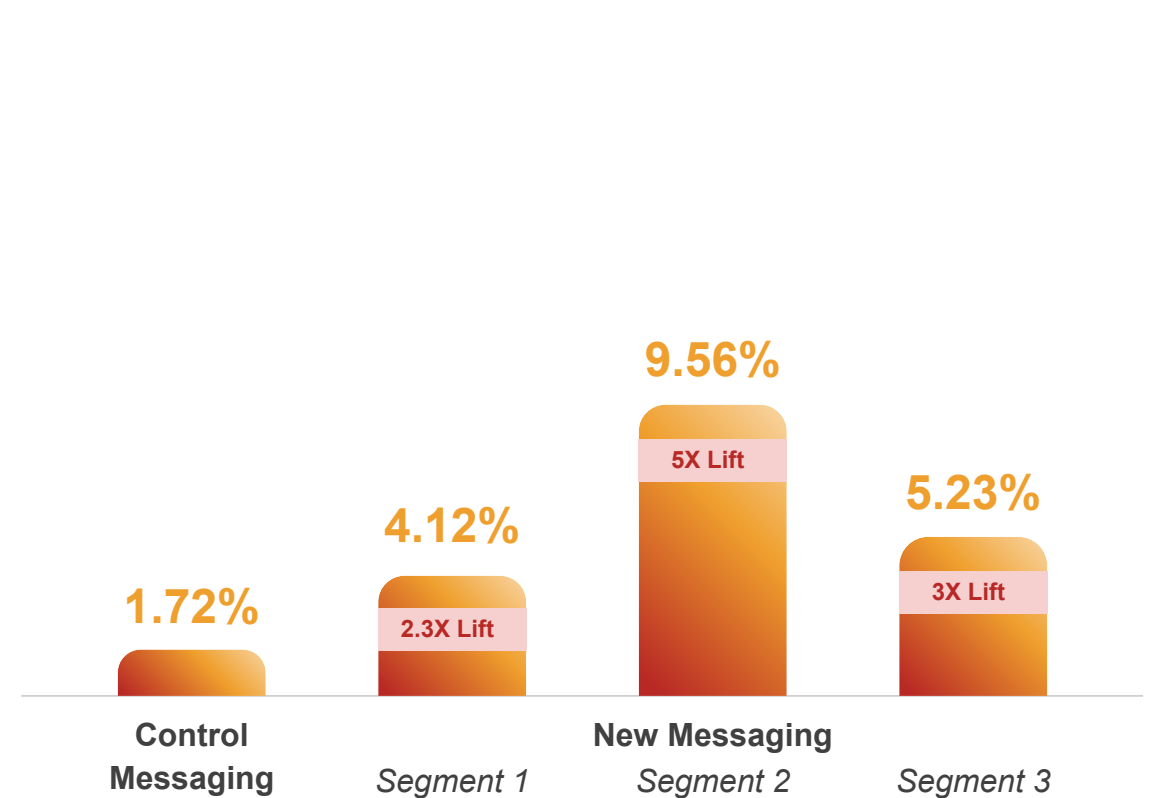
Results

The results of the in-market test were transformative!

% of Prescriptions Converted to Mail-Order Pharmacy



% of Patients Converted to Mail-Order Pharmacy



Decision Heuristics: Unifying tool for segmentation actionability



Segment

Segment customers based on how they make decisions



Messaging

Create compelling messages to change decisions



Target

Reach customers in the real world based on their heuristics



Train

Train reps on decision heuristics science



GAURAV KAPOOR

President, Newristics

Email

gkapoor@newristics.com

Phone

914-255-8326

Company web address

www.newristics.com