In our last column, we discussed the importance of analyzing key product attributes to help develop a competitive target-product profile. The next step in the commercialization process is market segmentation. This critical step, which marketers should perform no later than during phase 3 of a product's development, will enhance the company's understanding of the market.

Building a Segmentation Framework

Different types of physicians and patients exist within any given market. The challenge for marketers is to segment the market in such a way that the framework can be used not only by marketers, but by the field salesforce. To build a segmentation framework, a brand manager must identify the range of potential segmentation variables and prioritize the variables using two criteria.

Is It Meaningful? The segmentation variable must be relevant to the specific product and make a difference in a physicians' willingness to use the product. For example, whether a physician has the infrastructure to support intravenous (IV) infusion could affect adoption of a new IV biologic.

Is It Actionable? Can we obtain the information necessary to inform this variable? In the example above, a sales rep could quickly determine whether a physician's office had the capability to deliver an IV product.

After selecting the top three to five segmentation variables, marketers should hypothesize the physician segmentation framework. In this exercise, the brand team conceptualizes the types of physicians in the market and find three segments: (1) Early champions are comfortable with biologics, experienced with brand X, and have the infrastructure to support IV administration; (2) big-middle physicians have not yet used brand X, but they possess the necessary infrastructure to administer biologics, and they will do so if the product is endorsed by key opinion leaders; and (3) naysayers favor tried-and-true small molecules, have not yet used brand X, and do not have the capabilities to administer biologics in their offices.

Patient segmentation is equally important, as it is critical to understand how each physician segment can be juxtaposed with each patient segment. The brand manager should then perform quantitative market research with target physicians and secondary market research using prescription data to validate and quantify the proposed segments.

Making the Segmentation Framework Operational

The brand manager should now tailor product commercialization by employing different messages, strategies, and tactics for each physician segment. The order in which messages are presented—and the emphasis they are given—can vary, depending on the specific physician segment. However, the product's positioning and supporting messages must always remain consistent.

Effective segmentation allows a brand manager to quantify each segment and adapt messages, strategies, and tactics to enhance the product's commercial potential. Our next column will discuss product positioning and data dissemination.