



## KJT 411

News & Events

Happy  
Holidays

As the Holiday Season is upon us, at KJT Group we find ourselves reflecting on the past year and on those who have interacted with us in important ways. We value our relationship with you and look forward to working with you in the year to come. From all of us at KJT Group, we wish you a very Happy Holiday Season and a New Year filled with peace and prosperity.

## Monthly Insight

Approximately 36.7 million people are living with HIV worldwide. [Learn more.](#)



## Buying Process and Purchase Decision Making

As the healthcare industry has become more and more competitive, and purchasing decisions have increased in complexity, market research objectives increasingly include understanding the institutional purchase decision making process. In addition to investigating reactions to new product concepts, potential pricing, and the optimal value proposition, market research must also identify key influencers at various points of a complex buying process and clarify these stakeholders' needs and pain points.

In the institutional setting, a new product must not only be championed by clinicians, but also meet the needs of administrators and financial decision makers/influencers, technical evaluators/implementers, as well as patients. Product

characteristics must now be translated into financial, institutional and clinical benefits that address the needs of each of these constituencies.

When an institution's decision to purchase is affected by multiple influencers, the research itself becomes more complex. Healthcare researchers conducting studies for medical device manufacturers in particular often must include a wide range of functions and departments: clinicians (physicians as well as nurses), pharmacy directors, C-Suite decision makers, IT decision makers, biomedical engineers, procurement and purchasing influencers, business line decision makers and department business administrators all may be key depending on the products. The role of commit-

tees and their membership is also important: infection prevention committees, value analysis committees, technology assessment committees, the list goes on.

In Organizational Decision Making 101, we learned that "where you stand depends upon where you sit" (Miles' Law<sup>1</sup>). By embracing this principle in the research process, we can map multidimensional buying processes, and model needs and preferences of various institutional stakeholders, thus creating a robust and realistic portrayal of purchasing decisions in these markets. - *Marite Talbergs, Sr. Vice President, Research*

<sup>1</sup> Rufus Miles, "The Origin and Meaning of Miles' Law", *American Society for Public Administration, Administration Review, Sept/Oct 1978.*



## 2016 PMRG Institute: Where Great Minds Meet

Each year, I enjoy the PMRG Institute more and more (full disclosure: I am on the Education Committee that plans the event). The intimate nature of the conference, combined with the focus on information sharing, learning and innovation, make it a delightful event.

The highlight of the event for me was Jonah Berger (Marketing Professor, Wharton School, University of Pennsylvania and author of *Contagious: Why Things Catch On & Invisible Influence: The Hidden Forces that Shape Behavior*). His focus was on how the way we communicate insights really has a lot to do with how they are received within our organization. So how can we make our insights "tastier?"

As Jonah explained, word of mouth, which implies trust, is key to making insights catch on and inform decision-making. We, as market researchers, need to turn our marketing colleagues into **advocates for our insights**.

So what are the key steps to turn our internal customers into advocates?

1. *Social currency* – we are a reflection of what we talk about and what we share. In our roles, our job is to make others look good. That is how we get them to spread the word,

evangelize our insights and feel like insiders.

2. *Triggers* – As you are framing your insight story, think about who we want to be triggered, when we want them to think of our insight, what else needs to be considered and where you want them to think of the insight.
3. *Emotion* - Insights that evoke more highly arousing emotions, either positive or negative are most impactful.
4. *Public* – Insights that address problems or challenges that are more highly public or visual are more likely to be talked about and shared internally. Some people want to hold insights close and share them sparingly, but I encourage you to publicize your insights for maximum impact.
5. *Practical Value* – People like to be helpful. Arming your colleagues with insights that can solve a problem will turn them into advocates of the market research function.
6. *Stories* – Storytelling is at the heart of any well-executed market research project. Insights that are wrapped in narratives are more likely to be shared. At KJT Group we are experimenting with a number of different

## Contact us

**Rochester**  
Six East Street  
Honeoye Falls, NY 14472  
888.623.8050  
info@kjtgroup.com

**Amsterdam**  
Veembroederhof 96  
1019 HC Amsterdam  
The Netherlands  
+31 (0)20 625 3385

ways to make research more insightful and digestible, including brief videos that highlight the story and actionable insights from the research.

Thanks Jonah for the great presentation, I am already looking forward the Institute in 2017!

- Lynn Clement, MPH, President, Research

## Consumer Behavior and Attitudinal Segmentation

In order to be successful, there are two elements that every company needs: a competitive advantage and knowledge of how and to whom to communicate that advantage. A great way to identify both elements is through market segmentation.

Market segmentation consists of dividing heterogeneous markets into smaller, homogeneous sets. These sets represent "consumer types" against whom business actions can be directed. The goal of segmentation is to identify the consumer types that represent the greatest opportunity and then, figure out how to serve them better. Having this information allows companies to spend their marketing dollars more effectively and efficiently, ultimately leading to more profits.

Traditional segmentations are based on demographics and behaviors; consumer types

are derived from characteristics like age and purchasing behavior. Demographic and behavior segmentations are great for defining markets or explaining who makes up a market; however, they do not explain markets or say why consumer types behave the way they do. For instance, demographic and behavior segmentations assume that people who share the same age category will have similar purchasing behaviors. This can be true. However, we also know that people from the same age category can have vastly different purchasing patterns.<sup>1</sup> The question is why.

This is where attitudinal segmentation comes in. Attitudes are our predisposition to react positively or negatively toward a product, service, or event. Attitudes are better differentiators than demographics and behaviors for one simple reason: attitudes are the determinants of behavior and are shared by many different

demographics. For this reason, the results of attitudinal segmentations tend to endure longer because they are based on consumer's fundamental beliefs, which are much less likely to change than everyday behaviors.

Demographic and behavior segmentations can be useful in many situations, but by taking an attitudinal approach to segmentation, companies can go beyond simply collecting consumer information and begin to learn why consumers behave the way they do.

At KJT Group, we consider an attitudinal approach in addition to needs-based or other types of segmentation analysis. To learn more about attitudinal segmentation, as well as other approaches to segmentation, check out this brief [video](#). - Troy Allen, Research Associate

<sup>1</sup><http://yourbusiness.azcentral.com/attitude-factor-market-segmentation-28315.html>