

The logo for Objective Insights, featuring the word "OBJECTIVE" in white serif font on a black rectangular background, followed by the word "INSIGHTS" in black serif font on a white rectangular background. The background of the slide is a close-up photograph of green, overlapping, translucent leaves.

OBJECTIVE INSIGHTS

# Promotion Hierarchy Optimizer™

Team approach for marketing program allocation

[www.ObjectiveInsights.com](http://www.ObjectiveInsights.com)

- Background
- Benefits
- Process
  - Components
  - Assessments
  - Software

- The Analytic Hierarchy Process (AHP) is a team approach to addressing complex problems
- Developed in the 1970's by Wharton professor Thomas Saaty
- Has been refined and applied to many decisions in business and government

- The AHP can be used in a group setting to take advantage of the perspective and knowledge of every team member
  - Allows a cross-functional team to gain insight from each other
  - Process builds consensus
- AHP process and results can be used to explain and defend how the marketing budget allocation was made

- Many issues to consider
- Multiple marketing objectives can be:
  - Possibly in conflict
  - Financial and non-financial
  - Quantitative and qualitative
- Several marketing program alternatives to evaluate
- Uncertainties
- Constraints

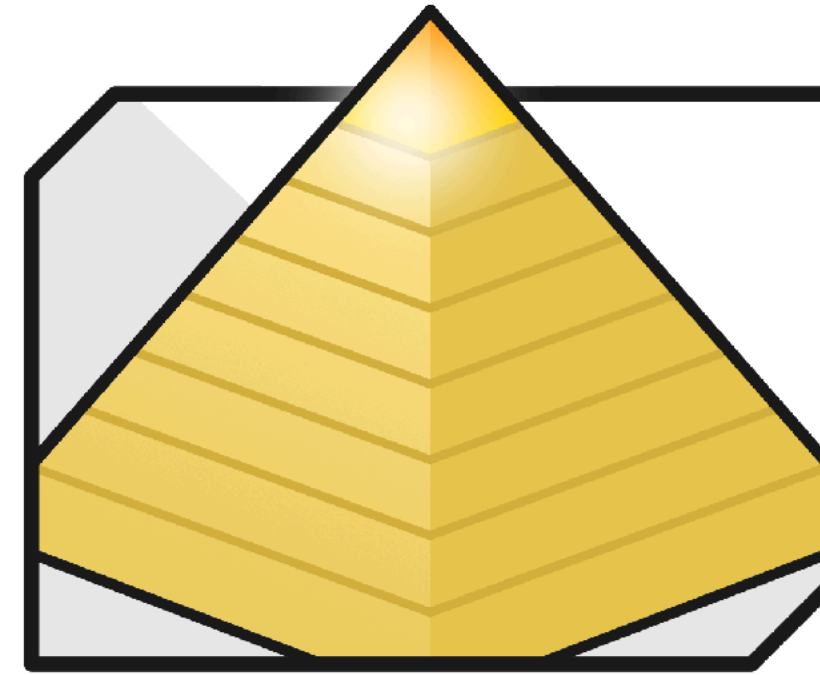


- Structure the allocation problem in a hierarchy
  - The team identifies the criteria to address and the marketing programs to address them
- Run a meeting or meetings with the marketing team to capture their expertise
  - Use pairwise comparisons to compare the importance or preference for two elements
  - Disagreements can be handled
  - Circular logic is flagged
- The results identify the allocation of marketing programs that best meet the specified criteria within the context of the anticipated marketing environment

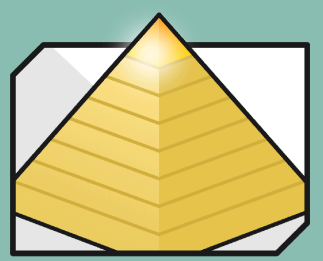
- Criteria
  - What issues are important to brand success?
  - What issues should the different marketing programs address?
  - Financial versus non-financial
    - » Revenues/profits vs. brand perception/payer acceptance
- Marketing programs to consider
- Scenarios (material background assumptions)
- Uncertainties

- Assessments are the heart of the AHP
  - Typically done as pairwise comparisons to make the process as simple as possible
    - » “X is strongly more important than Y”
  - Can also enter judgments as relative values for an entire level (node) to speed up process
  - Need to balance completeness in establishing the structure vs. resulting complexity in making the judgments
- Software identifies inconsistencies in judgments





- Microsoft Excel model
  - Handles entry of assessments
  - Calculates criteria importance
  - Ranks marketing programs as to how well they address the criteria



**Define Objectives & Programs**

**Goal**

**Budget to Allocate**

**Step 1: Define the overall marketing objectives**

**Objectives** *List top-level objectives below:*

Awareness	
Trial	*
Usage	*
Treatment Barriers	
Perception	

\* Trial & Usage do not have sub-objectives

**Step 2: Define the marketing sub-objectives**

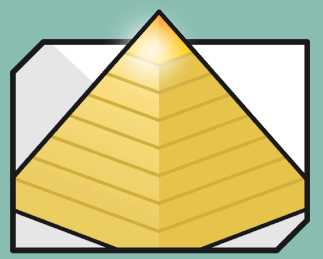
**Awareness Sub-Objectives** *List sub-objectives below:*

Physician awareness
Patient awareness
MD-initiated conversations with pts
Pt-initiated conversations with MD

**Treatment Barriers Sub-Objectives** *List sub-objectives below:*

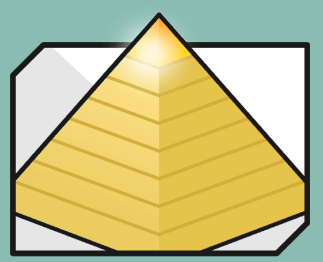
Patient compliance
Patient persistence
Patient initial prescription fill
Payer reimbursement

- Marketing programs laid out in similar fashion



- Dialog-based approach leads team participants through exercise

The screenshot shows a dialog box titled "Choice Comparisons" with a standard macOS-style title bar (red, yellow, and grey buttons). The dialog contains two sections of radio button options. The first section, "Which is more important?", has two options: "Awareness" (selected with a blue dot and a dotted border) and "Usage". The second section, "How much more important is it?", has eight options: "Equal", "2", "3", "4", "5", "6", "7" (selected with a blue dot), "8", and "9". Below the numbers 2 through 9 are the labels "Moderately", "Strongly", "Very Strongly", and "Extremely" respectively. At the bottom right of the dialog are two buttons: "Cancel" and "OK".



Blue-bordered cells show pairwise comparisons needed

**Comparisons Matrix**

	Awareness	Trial	Usage	Treatment Barriers	Perception
Awareness		1	7	7	7
Trial	1		8	8	8
Usage	1/7	1/8		1	1
Treatment Barriers	1/7	1/8	1		1
Perception	1/7	1/8	1	1	

Red indicates most inconsistent judgement

	Trial	Usage	Treatment Barriers	Perception
Awareness	1.083	1.028	1.028	1.028
Trial		1.026	1.026	1.026
Usage			1.000	1.000
Treatment Barriers				1.000

Suggested entries to improve consistency

Awareness	Trial - 1	Awareness - 7	Awareness - 7	Awareness - 7
Trial		Trial - 8	Trial - 8	Trial - 8
Usage			Usage - 1	Usage - 1
Treatment Barriers				Treatment Barriers - 1

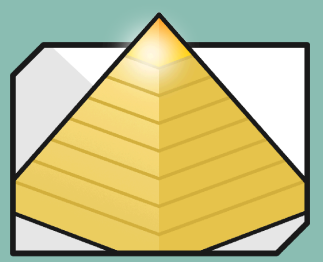
Table shows which assessments may need more consideration

Table shows suggestions to improve assessments

Once all comparisons are made, this section shows what is most important and the ranking

	Importance	Rank
Awareness	0.3999	2
Trial	0.4333	1
Usage	0.0556	3
Treatment Barriers	0.0556	3
Perception	0.0556	3

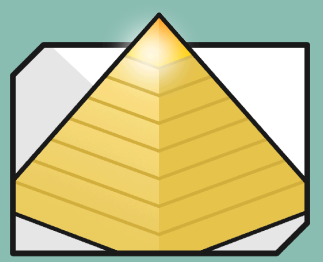
**Consistency Ratio** 0.0005 (lower is better)  
(should not exceed 0.1)



- After all assessments have been entered, the model calculates the importance of all the criteria

Rank	Sub-Objective	Importance
1	Trial	0.4333
2	Patient awareness	0.1881
3	Physician awareness	0.1645
4	Usage	0.0556
5	Develop positive brand perception	0.0486
6	Patient persistence	0.0261
7	MD-initiated conversations with pts	0.0245
8	Pt-initiated conversations with MD	0.0229
9	Patient compliance	0.0229
10	Develop positive company perception	0.0069
11	Patient initial prescription fill	0.0034
12	Payer reimbursement	0.0032





- Marketing program weighting based on how well each program addresses the different criteria

Rank	Marketing Program	Importance	Budget
1	Live symposiums	0.210	\$2,100,000
2	Dinner meetings	0.180	\$1,800,000
3	Direct to consumer advertising	0.140	\$1,400,000
4	Samples	0.100	\$1,000,000
5	Journal ads	0.082	\$820,000
6	Compliance/persistence support	0.079	\$790,000
7	Advisory boards	0.078	\$780,000
8	Speakers bureaus	0.050	\$500,000
9	Continuing medical education	0.038	\$380,000
10	Detail aids	0.034	\$340,000
11	Social media	0.005	\$50,000
12	Online marketing	0.004	\$40,000

