

# The Ultimate Market Research Guide: Making Data-Driven Decisions in the Life Sciences

## OVERVIEW:

Market research is an important tool for understanding your market, customers, and competitive landscape. Common questions that benefit from market research include: How big is the market for my product/service? What type of consumer is buying the products I offer, and from whom? Why do consumers purchase certain brands? What is the optimal price for my product/service? How can I get consumers to switch to my brand? Considering the increasingly rapid pace with which the life science industry is growing and changing, having answers to questions like these has become more important than ever for product and service providers in the space.

There are two ways to conduct market research: primary and secondary. Primary market research requires collecting data directly from the market in real-time, while secondary market research consists of pulling together data and information about the market that already exists. In both instances, data could be collected via qualitative or quantitative methodologies, or even a combination of the two.

In this guide, we dig into the different types of market research that may benefit you at different phases in your business, depending on the decisions to be made.

## TYPES OF MARKET RESEARCH COVERED INCLUDE:

- [Market Estimation](#)
- [Market and Concept Testing](#)
- [Pricing Studies](#)
- [Customer Satisfaction Studies](#)
- [Market Segmentation Research](#)
- [Customer Decision Research](#)
- [Brand Performance Evaluation](#)

For questions about how market research could elevate your strategy and help you make strategic business decisions, reach out to our team of market research experts [here](#).

## 1. MARKET ESTIMATION:

In most segments of the life science market, market estimation takes the form of estimating the size of a market in terms of the amount currently spent on specific products for a specific application. Projections about future growth of the market are frequently made using extrapolated data based on survey responses about future purchases and adjusted based on your company's internal sales data. Some key data points to collect include:

- **Market Size:** Measurement of the total volume and/or value of all sales in market.
- **Market Share:** Proportion of the total market held by business, product, or brand.
- **Growth Rate:** Annual increase in product sales or population within a given market.



## 2. MARKET AND CONCEPT TESTING:

Product concept testing is a great way to choose between competing ideas. There are numerous quantitative and qualitative techniques for gauging the reaction of potential product end-users to differing features or approaches. Doing so in a statistically significant way – especially early in the product development lifecycle – will help you avoid investing in products or features that will not resonate with the target consumer. A couple of key techniques to consider include:

- **Market Testing:** Prior to introducing a product on a large-scale basis, a small number of samples are placed in the market and consumer response is monitored to gauge its acceptance.
- **Concept Testing:** Utilizing qualitative and quantitative methods to assess consumer response toward a product before introducing it into the market. It's also used to create a communication strategy designed to amend the attitude of consumers about existing products.



### 3. PRICING STUDIES:

This type of market research is routinely performed to understand how much customers are willing to pay for specific product features and performance. Different use cases for pricing studies include:

- **Price Elasticity Testing:** Consumer sensitivity to changes in the price of a product is assessed.
- **Demand Estimation:** Conduct research to identify gaps in the market, thereby the demand for relevant products or services.
- **Sales Forecasting:** Level of sales is determined according to the demand for a given product. Based on this, a business' future sales prospects are estimated.



### 4. CUSTOMER SATISFACTION STUDIES:

It's important to measure your customers' satisfaction with the products and services you provide on a regular basis. Staying on top of their needs and reacting accordingly is the best way to ensure their loyalty and reduce the risk of losing them to a competitor. Various touchpoints can be used to determine if your customers are satisfied, including their perceptions of:

- Quality of a particular product or service
- Customer-business relationship
- Price-performance ratio of a product or service
- Customer expectation

## 5. MARKET SEGMENTATION RESEARCH:

Segmentation is about dividing a market or the customers that make up the market into recognizable groups – often with similar needs or behaviors. This allows companies to tailor both their product development and their marketing to resonate with specific audiences. Different types of segmentation and examples of each include:

- **Geographical:** Region, country
- **Market:** Academic, industrial
- **Demographic:** Age, gender
- **Psychographic:** values, personality
- **Behavior:** usage, loyalty



## 6. CUSTOMER DECISION RESEARCH:

In many cases, the technological performance between competing products is very comparable. As a result, it's key to dig into what would cause someone to choose one over another. There are a variety of techniques for gathering this data. Regardless the methodology a couple of key data points to uncover include:

- **Customer Motivation:** Discover what motivates customers to purchase particular products.
- **Buyer Decisions:** Analyze the cognitive process of arriving at a buying decision.

## 7. BRAND PERFORMANCE EVALUATION:

Customers – even scientists – often make decisions based on brand. The combination of beliefs, associations, perceptions, and experiences associated with a brand name often cause a customer to choose the product from one company over that of another. A couple of topics to focus on when conducting this type of research include:

- **Brand Positioning:** Ascertain how a product stands in the market relative to a similar product by a competitor.
- **Brand Equity:** Determine what factors motivate people to select one product over another



## WHAT NOW?

There are several ways to leverage market research for collecting valuable data. Regardless of the approach or use case, market research is a key tool for making informed decisions. To learn more about market research and how it could be effective for your business, [reach out to us today](#). Our team of market research experts look forward to partnering with you!

