



## Primary Research: An Effective Risk Mitigation Tool

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The life science industry relies heavily on market research. The evolving nature of the industry, along with the extremely high financial stakes, stresses the need for market data. Whether it is an emerging biotech trying to determine their molecule's lead indication, or a diagnostic company exploring a new geographic market, there is no substitute for having a comprehensive understanding of market dynamics supported by an in-depth, data supported analysis.

As my colleague, Abe Maingi, VP of Precision Medicine, has been writing lately, [primary research is particularly important because](#) it is crucial to have current insights and fresh perspectives that help shape and drive business decisions. The main advantage of conducting primary research (to augment the data gained through secondary research) is that the information gathered through this process can be specific to a researcher's and company's needs. Therefore, you are able to control how the data is collected and reported. With secondary research, the sought-after information is frequently buried amongst unwanted, outdated, and/or irrelevant information. Another advantage of conducting primary research is that the outputs become proprietary information for the company, which can offer advantages and differentiated positions against their main competitors.

Primary research, however, requires appropriate, and often specialized experience and resource allocations to effectively and efficiently manage the logistics, timelines, and budgets associated. When you are relying on the availability of specific, highly qualified, and sometimes highly sought after, subject matter experts to provide their original perspectives and unique insights, knowing how to identify the right KOL's, gain access to their busy schedules, and gather the quality content you need is based on spending many years and many projects learning how to accomplish this; it is also built on many years of learning how not to fail again. This is precisely why most life science companies chose to outsource their primary research efforts to groups who specialize in managing these research initiatives.

For example, conducting 10 Key Opinion Leader interviews sounds easy enough, right? However, if you're targeting only physicians treating a very rare disease, who charge \$1,000 per hour for their time, and only show up to their scheduled interviews 50% of the time, the logistics alone can be a nightmare. More importantly, it takes unique skill sets to develop the right questions and ask them in the right sequential order, including follow up questions, to ensure you objectively extract the desired information throughout an interview.

One of the most important reasons for companies to consider outsourcing primary research is for the same reason these companies want to conduct primary research in the first place; it is a unique problem associated with performing primary research. Companies want to learn from the views of targeted and

highly qualified external sources. Yet, companies that opt to conduct their own primary research are extremely susceptible to polluting the information with sometimes unrecognized and unintended innate bias. If an interviewer has any influence on the interviewee whatsoever, such as how questions are developed, the sequence of questioning, or specific follow up questions, there could be unintended consequences. The interviewer, or other involved company employees, could impact how response data is gathered and organized. With both situations, there is a very strong possibility that the information gathered will be tainted. Humans are naturally biased by their own best interests, so the only way to remove bias from the equation is to ensure the interviewer and support personnel are an agnostic 3<sup>rd</sup> party, with no preference or influence on the information collected.

In the life science industry, with innovation comes uncertainty, and with uncertainty comes risk. Primary market research, regardless of who conducts it, is designed to reduce the uncertainty and risk. If done right, it can pave the way to eventual success. However, if done wrong, it can lead you down a long (and costly) dead end road.

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