



How Decision Engines Will Reshape the Life Science Buying Journey

How purchasing decisions are fundamentally changing, what companies must do to respond, and new opportunities for disruptive change.

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Introduction

Information has gone from being the savior of customers to their enemy. There is simply too much of it. Similarly, information has become the enemy to many life science companies, freezing their customers' decision processes before a purchase can be made, and decreasing satisfaction with their purchases when a decision is made. Life science companies are simply failing to adapt to this shifting reality.

This paper introduces the concept of decision engines – tools which are designed to streamline and simplify decisions by allowing a user to effectively select from a wide number of options as easily as they would select from a handful. Distinct from simple directories, and vastly more effective than directories, decision engines encompass a large amount of the buying journey within their functionality and have the capability to create disruptive change within markets.

We discuss how decision engines are already creating disruptive change in other industries, when decision engines are useful and their conditions for success, the process of designing decision engines, and opportunities for decision engines to be deployed within the life science tools and services sector.

Evolving Problems in Scientists' Purchasing Decisions

"Information overload" is by no means a new concept, but life science companies largely have not responded to it. They have, however, continued to contribute to it. Product lines continue to expand. New companies pop up every day. Content marketing becomes ever more popular, producing far more information than any customer could consume.

In a world of increasing choice, the value of products and services remains constant but the cost of making an informed decision increases. Purchasing decisions either require more time to properly evaluate the options, leading to a higher effective cost, or require making a decision that involves less certainty and more ambiguity as to what the "correct" option is, effectively making the decision more risky and therefore decreasing the perceived value of the chosen option.^{1,2} This increases the likelihood of a "no decision" outcome or, where a purchase is absolutely necessary, impairs customer experience and decreases the satisfaction with the outcome³.

While it has been shown that customers are attracted to greater choice, less choice actually prompts a decision more frequently³. Customers are willing to pay for increased simplicity and decision simplicity has been shown to be strongly correlated with

1 Agarwal, S. and Teas, R. K. "Perceived Value: Mediating Role of Perceived Risk" *Journal of Marketing Practice and Theory*. Vol. 9, No. 4. 2001.

2 Wood, C. M. and Scheer, L. K. "Incorporating Perceived Risk Into Models of Consumer Deal Assessment and Purchase Intent" *Advances in Consumer Research*. Vol. 23. 1996.

3 Iyengar, S. S. and Lepper, M. R. "When Choice is Demotivating: Can One Desire Too Much of a Good Thing?" *Journal of Personality and Social Psychology*. Vol. 29, No. 6. 2000.

The full paper can be requested free of charge at:

<http://biobm.com/reports/>



About the Author

Carlton Hoyt, Ph.D., is Principal Consultant at BioBM Consulting. Both during and prior to his tenure at BioBM, he has been instrumental in driving breakthrough sales growth at multiple life science tools and services companies through improved marketing and distribution. He can be reached for questions or comments at +1 313-312-4626 (+1 313-31-BIOBM) or by e-mail at carlton.hoyt@biobm.com.

About BioBM Consulting™

BioBM Consulting is a boutique consultancy providing wide-ranging life science marketing, business, and operations services to life science tools and services companies. BioBM specializes in providing affordable, effective, high-ROI solutions to small and start-up companies in these sectors. For more information on BioBM and the services it provides, please go to www.biobm.com, e-mail info@biobm.com, or call +1 313-312-4626 (+1 313-31-BIOBM).

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