



Global Pharma Study 2020

Public Perceptions of the Pharmaceutical Industry

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The pharmaceutical industry

A relationship at a crossroads

The story of the global pharmaceutical sector's reputation is one of a close yet stormy relationship between companies and society. Pharmaceutical companies have always played a key role in the advancement of health and living conditions, but have also amassed great riches in the process, increasingly drawing the ire of governments and people worldwide.

Where is this relationship heading next?

In this study conducted by Caliber in late 2019 and early 2020, our aim has been to find out the facts and peek into the future. We wanted to get a better factual understanding of the pharmaceutical sector's reputation among the public worldwide. Most importantly, we wanted to find some clues as to what companies should do to improve this relationship for the benefit of the sector and society.

This study was originally completed for publishing in early 2020 prior to the major outbreak of the COVID-19 pandemic. We then extended the duration of the study to better understand how the pandemic is affecting the reputation of the sector – and what kind of future it is shaping. What we found not only reinforced our conclusions, but revealed a rare moment of opportunity for the sector and its reputation.

This report includes the results of more than 13,000 interviews conducted across 17 different countries (China, Brazil, USA, Canada, Russia and 12 European markets), based on an analysis of over 47,000 evaluations of 67 pharmaceutical companies in total. We hope you enjoy the report and find its findings informative and useful.



Foreword

Public expectations of the pharmaceutical sector have always been high: patients dream of a cure. However, pharma companies mostly offer improved quality of life. Add to that people's demand for easier access to affordable medicine, especially when it comes to the most pressing and serious medical needs – and the reputational challenge of the sector becomes obvious.

COVID-19, if anything, has just highlighted this gap between what people expect and what the sector can deliver: why is there no cure, effective treatment or vaccine? Why can't the pharma industry simply invest more resources to solve the problem faster, like other sectors do?

While the high expectations are understandable given the sector's size and wealth – and considering the consequences of unsolved medical problems – the reality is more complex.

Science can describe what causes a disease but finding the cure or treatment of symptoms is still a considerable trial-and-error exercise.

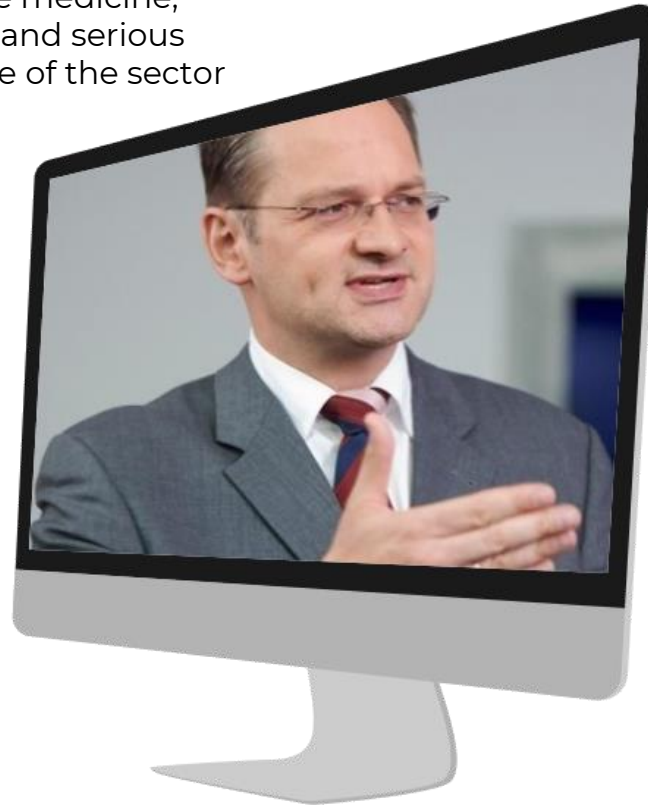
No one can force the outcome or speed of it, and the cost of the process far exceeds the production cost of the final medicine – something patients often do not understand.

These issues have led to a challenged reputation for the sector worldwide, but as this report by Caliber shows – progress is indeed being made, and the picture is more nuanced, and perhaps even more positive, than previously thought.

At the same time, COVID-19 may actually bring an opportunity for the sector to re-assert its relevance to society, as this report explains.

The pharma industry is a unique and fascinating one – but it must do better at explaining its complexity to its audiences if the gap between what people expect and what the industry can deliver should decrease, and its reputation can improve.

Pharma professionals can use this report to focus such efforts on the right areas. The trend is already positive – but much work remains!



Herbert Heitmann

Founder and Managing Partner at **Karaktero**
(Former EVP Global Brand, Communications and
Government Relations at **Bayer**)

Global Overview



The reputation of the global pharmaceutical industry presents an interesting paradox: it is perhaps the only industry that could claim to be saving millions of lives and to be improving the health and wellbeing of billions of people around the world, yet there are few sectors that are as heavily criticized by governments, the media and the public as the pharma sector.

Despite the fact that so many lives are dependent on drugs and treatments developed by pharmaceutical companies – and the fact that people today live longer, healthier lives thanks to these developments – pharma companies are increasingly blamed for overpricing medicine to enrich their shareholders, and relying on patents that stunt competition and limit access to medicine, preventing further scientific discovery and wider benefits to society.

Consequently, public trust and affection (our measurement of overall reputation) towards the sector tend to be low in many countries. Indeed, this study shows that the average Trust & Like Score of the global pharma sector is **68.2** on a scale of 0 to 100, an average score that is lower than the retail, software and food sectors – to name a few.

But the sector's reputation is far from homogeneous, as this report shows. It varies widely across countries and demographic segments, revealing that perceptions of the sector are more nuanced than once thought. In some cases, the very same company is perceived vastly differently in two different countries or between two different segments.

Reputation Ranking – Selected Industries

Ranking	Industry
1	Retail - Food
2	Food & Beverages
3	Medical Devices
4	Apparel & Fashion
5	FMCG
6	Construction & Materials
7	Software & IT Services
8	Machinery & Components
9	Computers & Electronics
10	Airlines
11	Retail - General
12	Pharmaceuticals
13	Automotive
14	Media & Publishing
15	Financial - Insurance
16	Energy & Utilities
17	Transport & Logistics
18	Financial - Banking
19	Telecommunications

Reputation of Pharmaceutical Industry



Also, the sector's reputation is not constant; in fact, it has risen significantly in the last two years.

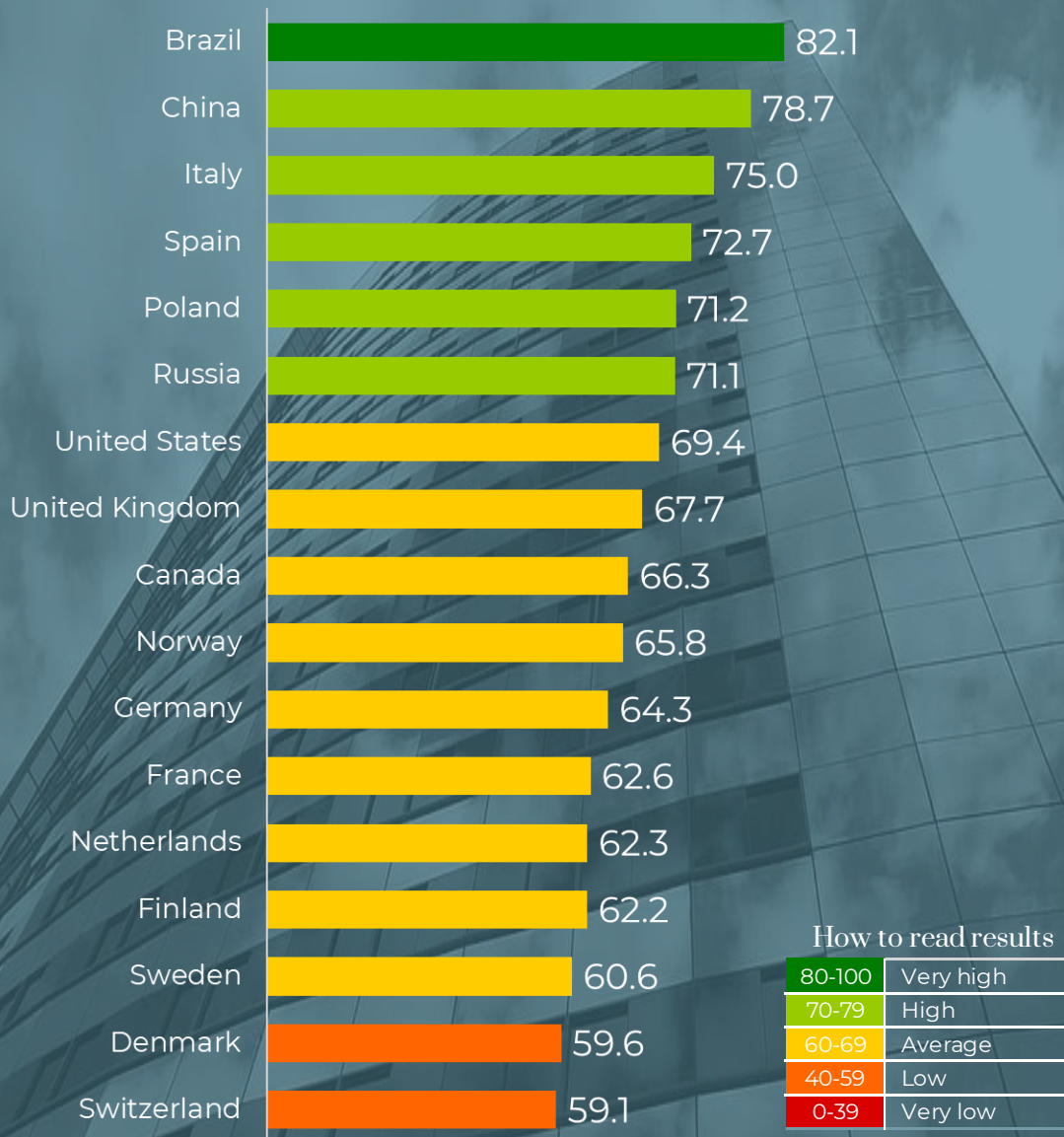
Whether or not we can expect this trend to continue is hard to say – it is likely driven by many factors, including increasing efforts on the part of the sector to improve access to medicine, people's growing understanding of the role the sector plays in improving public health and not least the Coronavirus crisis, which has reminded everyone how essential the sector actually is in sustaining our society.

But further analyzing the sector's reputation certainly reveals some clues as to the way forward.

The most trusted & liked pharma company in the world is the Brazilian Aché with a score of 83, while the least popular one is Laboratoires Servier of France, with a score of just 36 on a 100-point scale

Health & Wealth 

Pharmaceutical Industry Trust & Like Score 2020



It is not surprising perhaps that the pharma sector is perceived differently in different countries – this is often the case as people’s perceptions and expectations are often impacted by their local context, be it socially, economically or politically.

But what is it specifically that influences their perceptions of pharma companies?

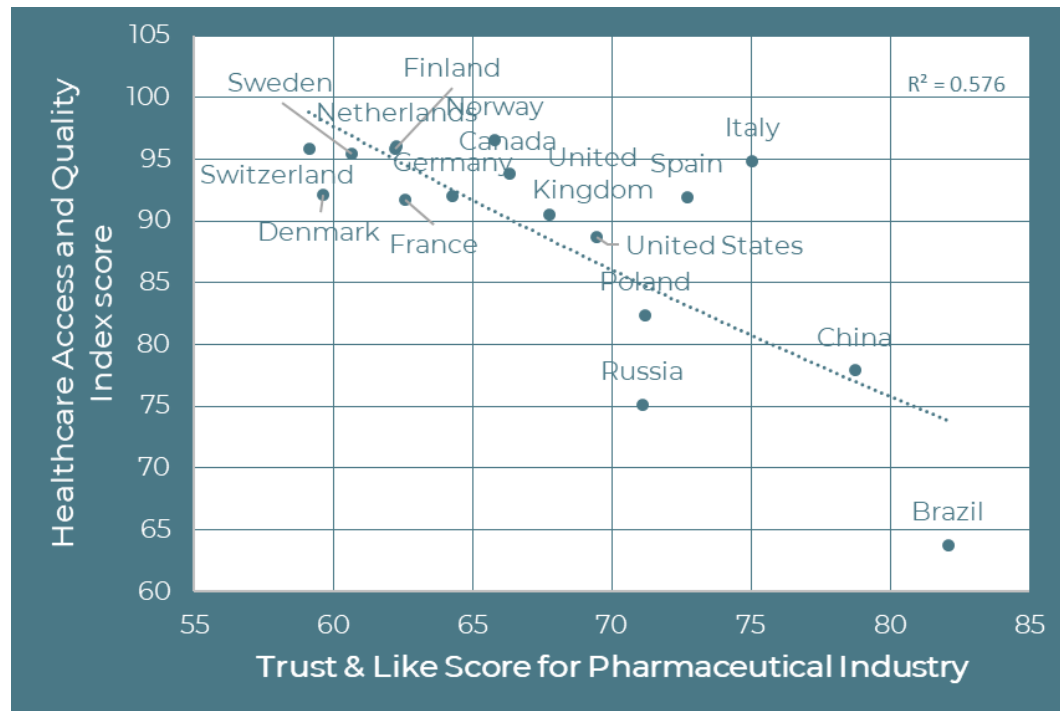
At first glance, it appears that pharma companies’ overall reputation levels are higher in emerging and southern European markets than they are in mature and northern European ones.

Does this have something to do with the quality of their national healthcare systems?

More than 13,000 unique respondents have been interviewed as part of the study across the globe, resulting in some 48,000 unique company evaluations

When comparing average country reputation scores with recent quality ratings of countries' healthcare systems conducted by the Institute for Health Metrics and Evaluation at the University of Washington, we can see a clear inverse relationship between average reputation levels and the quality of the national healthcare system. People in countries with healthcare systems judged to be of lower quality appear to be more favorable towards pharma companies.

Healthcare Access and Quality vs. Trust & Like Score 2020

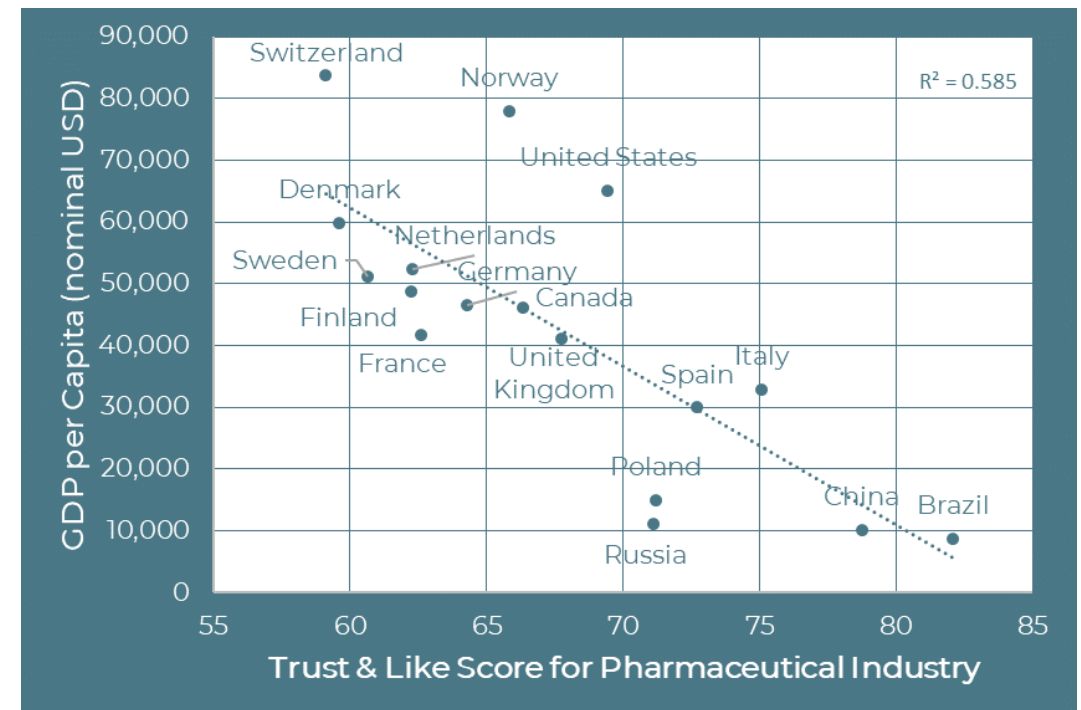


Source: Measuring performance on the Healthcare Access and Quality Index for 195 countries, The Lancet, 2 June 2018

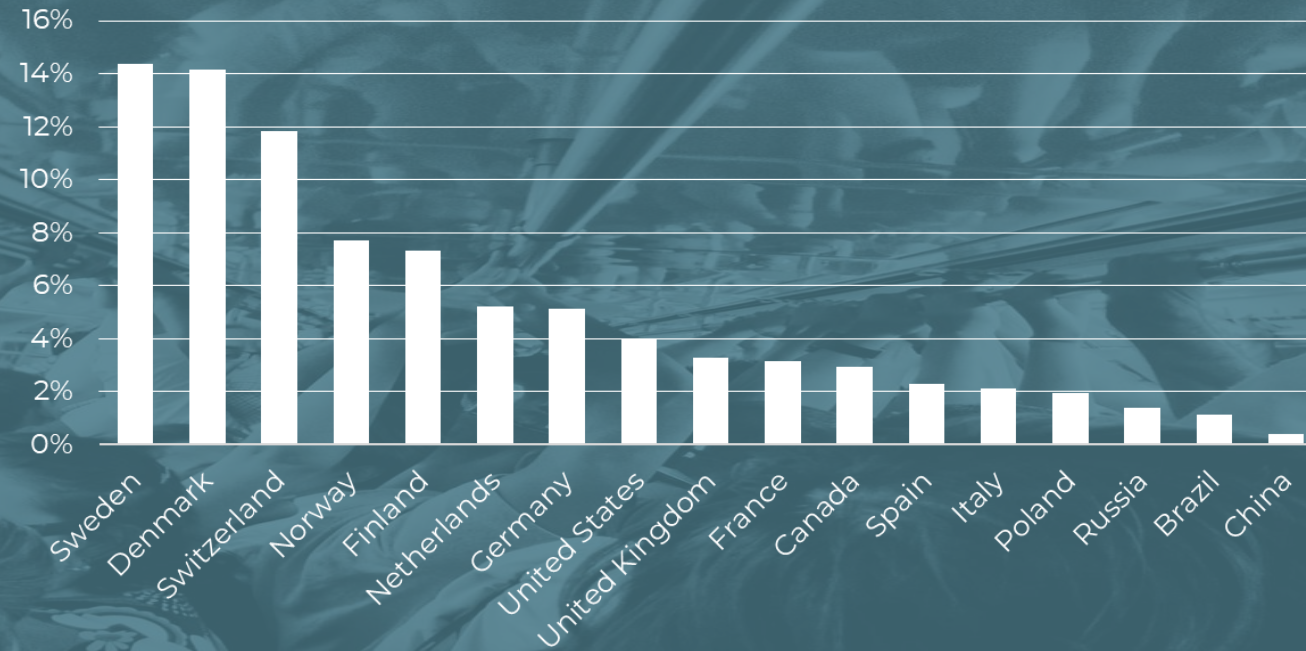
Another interesting relationship is to be found when comparing average reputation levels across countries with GDP per capita. Here again there is a clear inverse correlation, which suggests that perceptions of pharma companies around the world correlate with the country's overall wealth as measured by GDP per capita – the wealthier the country is, the more negative its people are towards the pharma sector.

In other words, it seems that as wealth and health grow, feelings towards the pharma sector worsen. Why is that the case?

GDP per Capita vs. Trust & Like Score 2020



Share of respondents answering “Not sure” when asked to evaluate the Offering of specific pharma companies



One hypothesis is that in wealthier countries with better healthcare, citizens' medical needs are sufficiently addressed by the national healthcare system through its various components: care providers and organizations, payers, regulatory infrastructure etc. In such cases, patients might be less aware of the pharma companies behind the treatments and medications they are prescribed or provided with by the healthcare system.

This, in turn, could well lead to lower levels of public knowledge about these companies compared with countries where people themselves need to be more involved in seeking medical relief for their own problems. With little knowledge come greater neutrality and weaker reputations.

In fact, an analysis of uncertainty levels among respondents when it comes to their opinion of pharma companies' offerings confirms this hypothesis: those high-GDP high-HAQ countries, where reputation levels tend to be lower – like the Nordics, Switzerland and the Netherlands – also seem to be the countries where more people are unsure about the pharma companies' products and services.

This suggests that in these markets companies need to work harder to inform and engage people, and thereby increase familiarity and improve perceptions of themselves and the sector.

About Relevance



As we investigate further, we look to other perception metrics to help us understand what drives companies' reputations in different countries.

As part of Caliber's Corporate Character methodology, we also explore rational and attitudinal perceptions – like the extent to which a company is perceived to be innovative or differentiated, authentic or inspiring, have compelling products, demonstrate leadership and more (see “Study Background”, page 37).

We know from past studies that these perceptions lead to a sense of trust and affection among stakeholders in general, and are therefore important to understand.

Looking at these scores across countries, it is interesting to spot some similar patterns despite the varying scores – most evidently, the fact that in most countries the lowest score seems to be for Relevance, which is defined as “standing for something people can relate to”.

This means that across most geographies, people find it difficult to relate to what pharma companies stand for. While this may be due in part to a general lack of knowledge in some countries as we saw previously, it is unclear what causes this negative perception in other markets.

See next page for full overview of country results.



Pharmaceutical Industry Reputation Dimensions – scores by country

	OFFERING	INNOVATION	INTEGRITY	LEADERSHIP	AUTHENTICITY	DIFFERENTIATION	RELEVANCE	INSPIRATION
Brazil	84.6	82.3	82.6	81.9	82.0	82.7	82.3	83.1
Canada	68.8	70.7	65.9	67.8	67.2	66.1	64.7	66.2
China	77.8	77.7	78.8	76.9	77.7	77.4	76.7	74.9
Denmark	63.3	64.1	59.9	60.3	60.5	56.8	56.7	63.1
Finland	60.7	60.8	58.1	54.9	59.2	54.3	52.2	56.3
France	67.0	68.1	62.8	66.3	64.7	64.0	60.8	65.7
Germany	66.6	67.0	63.4	63.7	64.8	62.9	60.0	64.6
Italy	74.9	74.6	73.2	74.6	74.5	73.5	72.6	74.9
Netherlands	64.9	67.9	62.4	64.8	63.5	62.8	63.0	63.8
Norway	66.3	65.5	65.3	66.3	65.9	63.7	65.0	64.6
Poland	72.1	71.6	71.3	67.5	70.5	70.3	62.0	71.0
Russia	72.6	70.7	72.4	69.4	71.0	71.1	73.8	72.7
Spain	72.1	72.9	71.8	73.4	71.1	71.5	66.2	71.4
Sweden	63.0	63.6	60.5	58.6	61.1	57.7	57.9	59.8
Switzerland	63.5	65.5	55.0	59.9	58.7	56.1	52.3	60.8
United Kingdom	69.8	71.1	67.7	68.3	68.7	66.6	66.7	67.2
United States	72.2	73.2	70.4	71.6	71.0	69.1	68.4	69.6

Weakest reputation dimension in the country



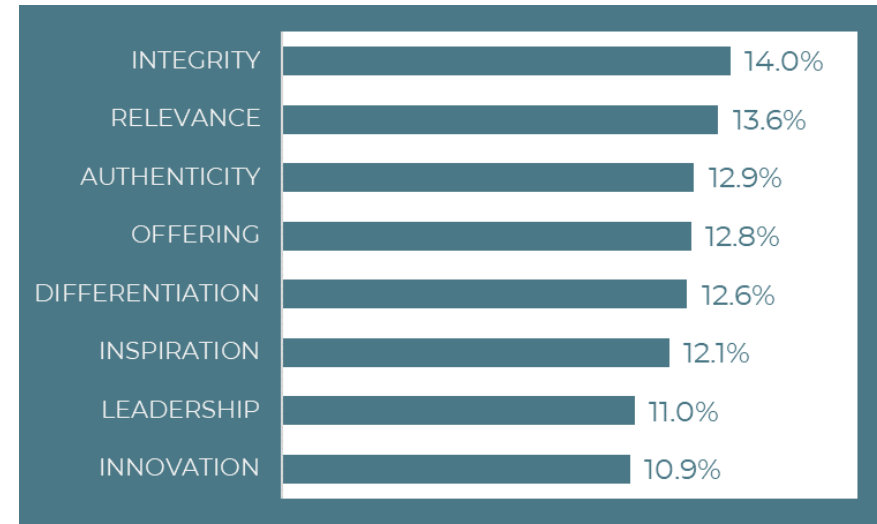
Strongest reputation dimension in the country

At the same time as being the most poorly perceived element in global public opinion of pharma companies, Relevance also seems to be a very important one. Understanding what drives a sense of trust and affection is important, as it helps explain why some companies are viewed more favorably than others – and are therefore preferred by stakeholders like customers, employees and partners. More importantly, it helps understand what companies could do to become more attractive.

To that end we conducted a driver analysis that helped us identify what the main drivers of trust & like are among the survey respondents – and how they vary across countries and segments.

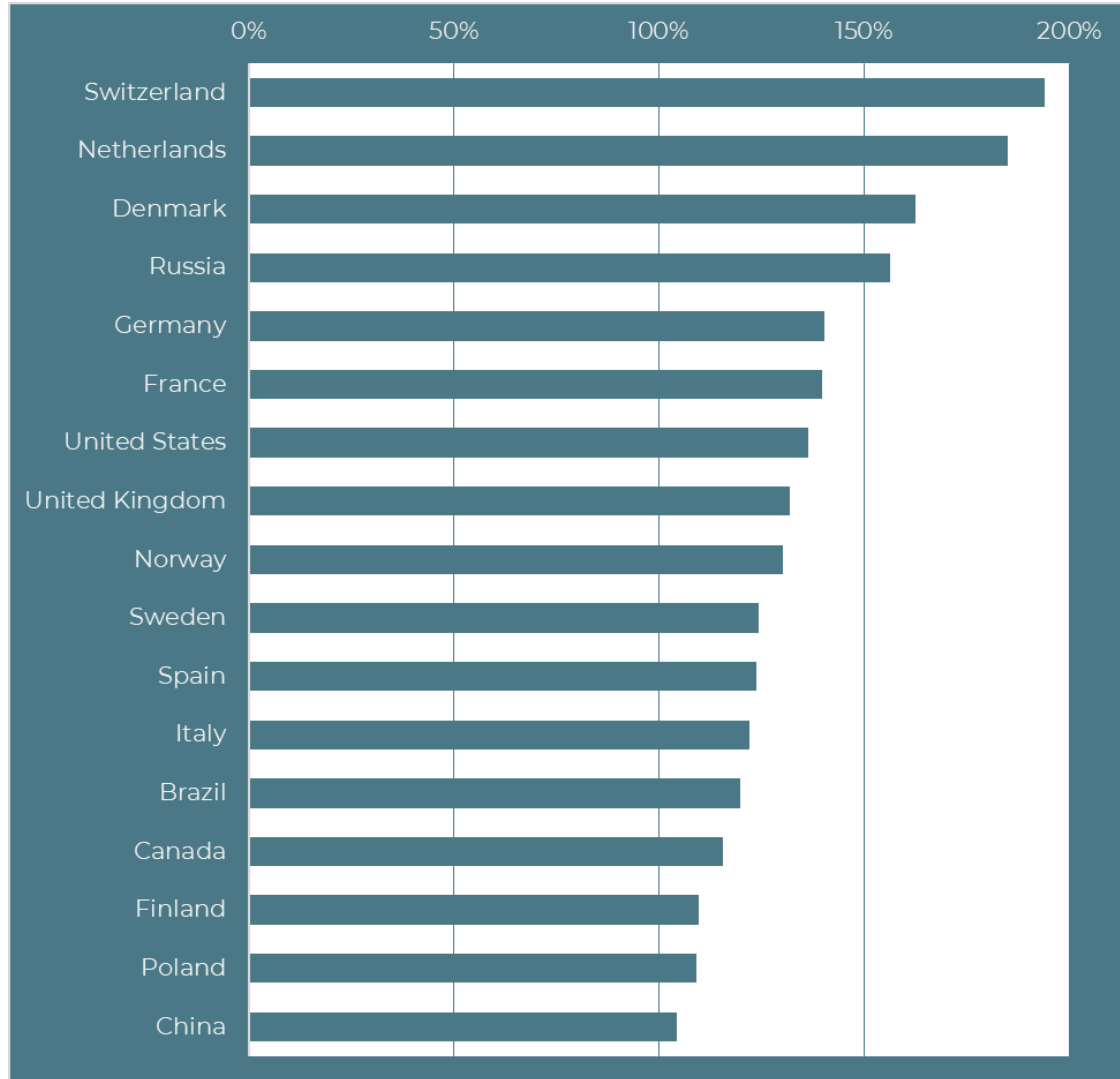
The driver analysis is a statistical analysis that explores a causal relationship between these two separate sets of data – the Trust & Like Score on the one hand, and dimension scores on the other.

Global Reputation Drivers Dimensions' Importance in Driving Trust & Like



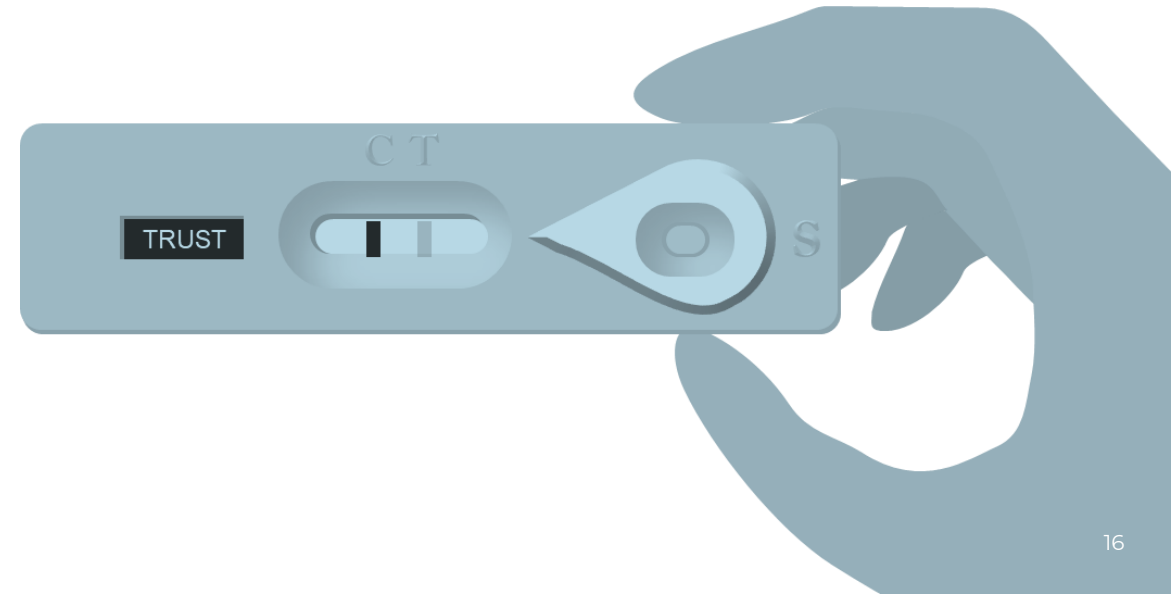
In most countries the lowest score given by respondents to pharma companies is for Relevance, which is defined as “standing for something people can relate to”

Importance of Relevance against the least important dimension



This analysis shows several interesting things – most surprisingly, that innovation is the least important factor in driving the sector’s reputation, despite its central role in the sector’s commercial success. On the flip side, it shows that being perceived as relevant is the second-biggest reason for people to trust and like pharma companies globally, closely behind being perceived as having integrity. In some countries – like Brazil, Italy, the Netherlands, Switzerland, the US and Russia – it is the single most important reputation driver. And it is not just moderately more important than other measured elements: in some countries it is nearly twice as important as other dimensions are in driving trust and affection, for example in Switzerland and the Netherlands as seen to the left.

This means that relevance is a central area to focus on to improve key stakeholders’ perceptions of pharma companies, and that at the same time – despite the arguably obvious relevance of the sector to society – pharma companies seem to fail in coming across as relevant in most countries.



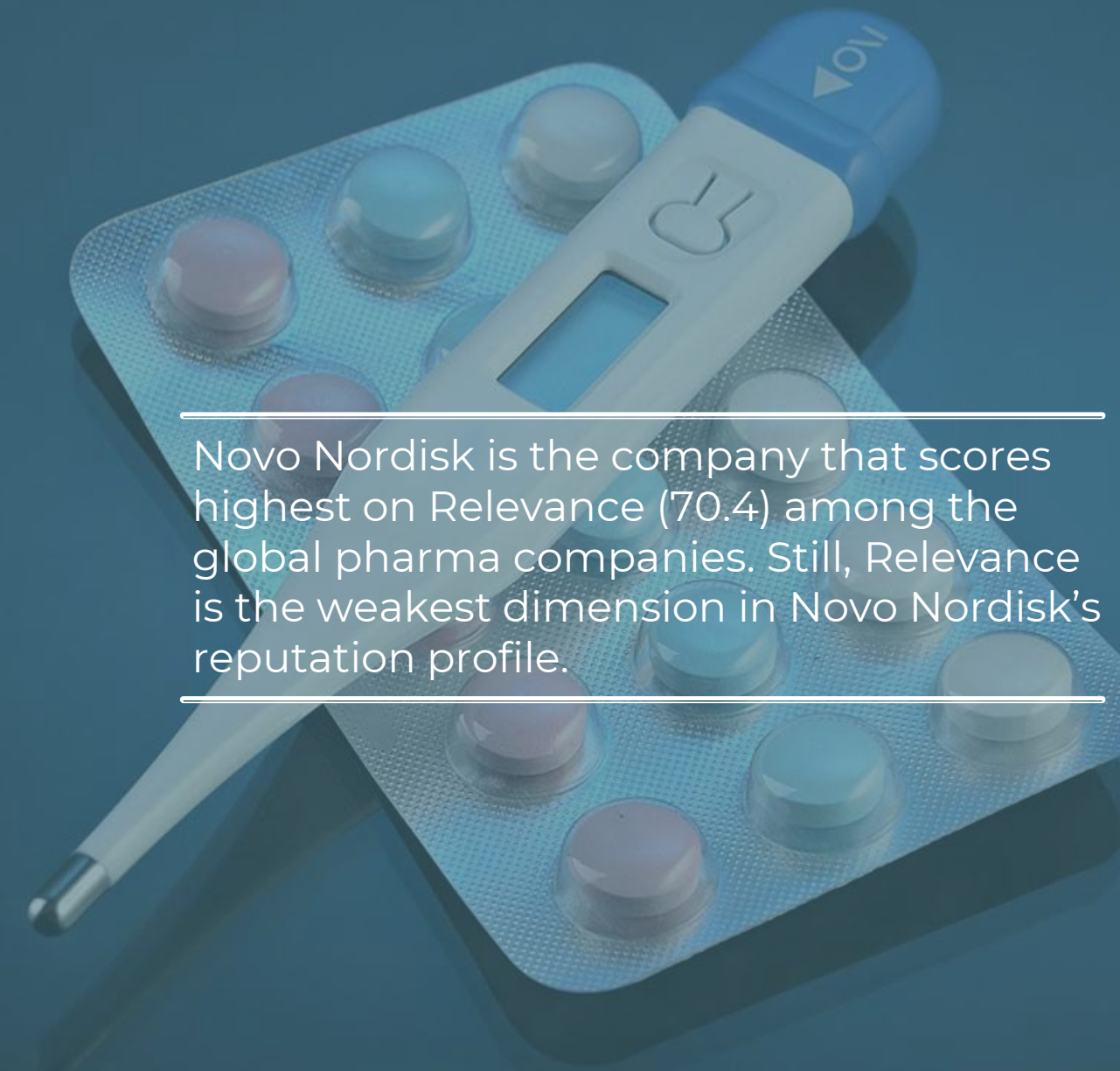
But what does relevance really mean? And what should pharma companies do to come across as more relevant? To help us with answering this question, we interviewed healthcare professionals in seven different countries. According to them, the answer is clear.

In every single country, the answer from physicians was the same: the one issue for pharma companies to focus on in order to build relevance and improve their overall image is access & affordability.

This is striking given the multitude of topics that have entered the public debate in recent years about pharma companies and the role of the sector in society. It is also surprising given that access & affordability is a relatively recent issue which is less prominent in countries where healthcare is free of charge – which includes most of Europe.

The opinions of healthcare professionals go some distance in revealing what the pharma sector needs to focus on around the world – but they do not tell the full story.

See next page for full overview of healthcare professionals' results.



Novo Nordisk is the company that scores highest on Relevance (70.4) among the global pharma companies. Still, Relevance is the weakest dimension in Novo Nordisk's reputation profile.

Healthcare professionals' views on how pharma companies can improve their image among the public worldwide, and be seen as more relevant to society

	Total	France	Italy	Germany	Spain	UK	USA
Make medicine and treatment more affordable & accessible	48%	52%	43%	44%	53%	50%	45%
Act with integrity and ethics to a larger extent	27%	28%	32%	29%	27%	23%	25%
Offer better medicine and treatment options	27%	29%	32%	17%	25%	21%	36%
Put greater focus on patients and their needs	27%	37%	28%	17%	25%	22%	31%
Do more to help public authorities provide better and more effective public healthcare	23%	25%	29%	16%	30%	19%	17%
Make more efficient use of modern technology and scientific discoveries	19%	19%	21%	13%	21%	17%	23%
Collaborate more with relevant partners and stakeholders (patient advocacy groups, regulators, med-tech companies, NGOs, national health authorities, healthcare providers)	17%	23%	14%	18%	11%	21%	12%
Broaden innovation beyond R&D to areas of digital health and technology	16%	10%	20%	19%	19%	19%	7%
Play a stronger role in solving national and global issues (like the opioid crisis in the US)	15%	11%	7%	17%	13%	26%	13%
Focus more on social responsibility	14%	9%	9%	22%	13%	14%	17%
Demonstrate better behavior when it comes to fair competition practices	12%	10%	8%	12%	9%	21%	12%
Further consider the environmental impact of their operations	12%	6%	12%	22%	9%	8%	14%
Put more emphasis on sustainability	11%	7%	6%	24%	11%	7%	13%
Change business model from relying on patent protection to solving medical problems	11%	6%	7%	12%	9%	24%	11%
Focus more on niche sectors and rare diseases	8%	11%	6%	5%	11%	6%	10%
Other	2%	4%	1%	4%	1%	1%	0%

More important



Less important

An “age-old” Paradox

Another striking finding that emerged from the study is the difference in perceptions across generations. Again, it is not surprising that age impacts opinions – be they opinions about companies or about anything else for that matter.

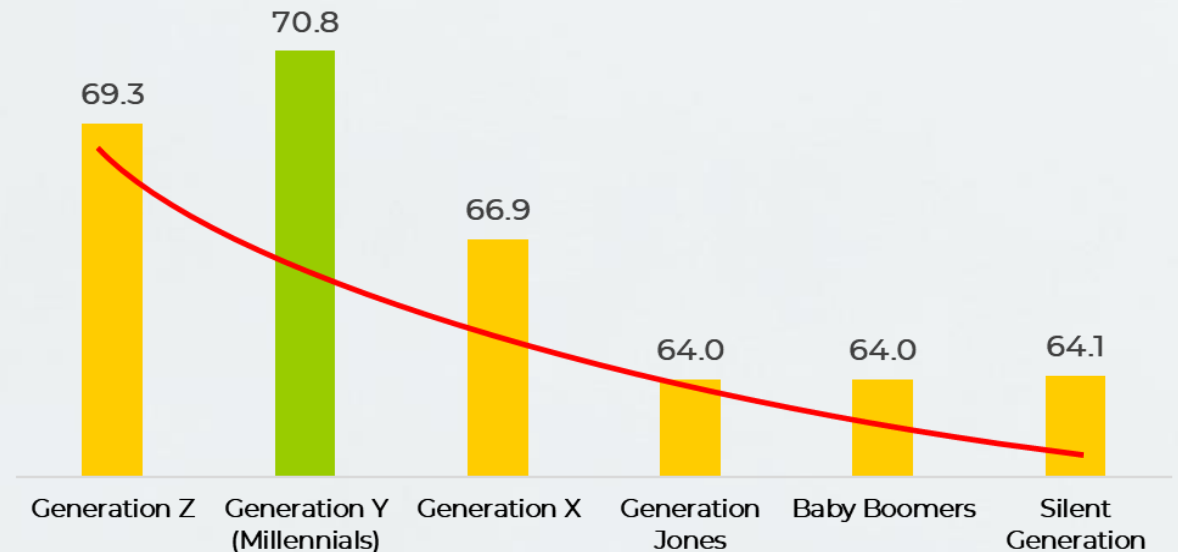
What is unexpected, however, is the relationship between what the different age groups think about the sector and how important the sector should be to them.

Looking at the average Trust & Like Score broken down by generation, a very clear trend becomes apparent: perception levels seem to decrease with age.

A clear divide could even be highlighted between generations X, Y and Z (those aged 18 to 54) – and the older age groups of 55 and above.

The paradox is obvious: the older people get, the more reliant they become on healthcare and medicine in general. This might be expected to make them more favorably disposed towards the pharma sector and its treatments, for which they should be increasingly thankful with the years. But that is apparently not the case.

Pharmaceutical Industry Trust & Like Score by Generation



In order to unravel this paradox we conducted the same driver analysis mentioned earlier, and analyzed what drives perceptions across generations.

Through a correspondence analysis we could see which age groups are associated with which perception dimensions in the global pharma sector.

Using this approach, three distinct groupings emerge:

- **“RED GROUP”**

Representing generations X, Y and Z. They are quite far from older generations in terms of what drives their perceptions. These generations cluster around dimensions such as Innovation, Differentiation and Authenticity (keeping promises).

This is a progressive group that looks for uniqueness, honesty and originality when it comes to trusting and liking pharma companies.



A correspondence analysis is a different statistical analysis whereby two sets of parameters (in this case age and drivers) are analyzed and laid out visually to create a positioning map that suggests – in our case – which age groups are associated with which perception dimensions within a particular set of companies and countries.



AbbVie is the global pharma
company most respondents
would want to work for (47%)

- **“ORANGE GROUP”**

Consists of the Baby Boomers and Generation Jones. These are people in or nearing retirement, often with extended families that include grandchildren. While they are more conservative than the younger generations, they are less tradition-oriented than the older Silent Generation.

So it is understandable that their trust and affection is driven by their perceptions of the pharma companies' Offering, while also wanting these companies to be inspiring.

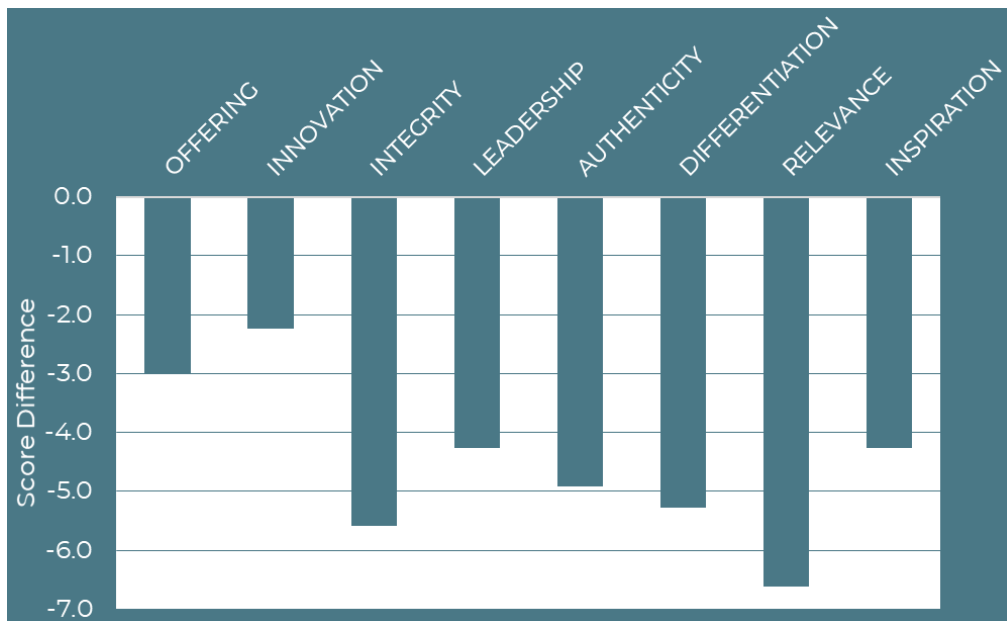
- **“BLUE GROUP”**

Finally, the Silent Generation is a cluster on its own, with a great focus on Integrity (ethical behaviour). As the generation that arguably relies most on the treatments and medications offered by the pharma sector, one would expect their perceptions to be most driven by Offering – but the data indicates otherwise.

The different reputation drivers across generations are interesting, but to what extent do they help explain the phenomenon of the falling Trust & Like Score with age?

Looking at the actual scores given by each generation to the various dimensions, we do not find a high degree of variance – so while the importance levels differ, perceptions tend to be similar across ages. But if we look at the score differential between the younger generations (X, Y and Z) and the older ones (Jones, Boomers and Silent), the picture becomes clearer.

Difference in perceptions between younger and older generations



While Offering and Innovation are more important to some generations than others, it seems that young and old respondents alike rate pharma companies quite similarly on these parameters.

However, the gap in perceptions between generations increases when it comes to Integrity and Relevance. The lower Integrity scores among older generations directly explain why they trust and like pharma companies less than younger people – Integrity matters most to them, and their view of the sector’s integrity is clearly worse than that of younger generations. The lower scores on Relevance, on the other hand, bring us back to the importance of this parameter when it comes to the pharma sector’s global reputation, as discussed earlier.

Once again, Relevance seems to be the key to understanding how to improve and maintain reputation in this sector.

Putting all these results together sheds a different light on the paradox of the poorer reputation of pharma companies among the people who rely on them most: perhaps as people need their products more with age, their expectations rise, and with higher expectations comes a greater risk of disappointment?

Be that as it may, it appears that older people do not see the sector and its companies as being responsible, or as standing for something they can relate to. In other words, the more relevant their products are to people, the less relevant their “reason for being” seems to be. This is perhaps the real paradox for the sector.

Big & Small Pharma

As we explored what pharma companies need to do to become more relevant to their stakeholders, and thus more trusted and preferred, we drilled down further into the study results to find some clues. Some of them emerged from the following comparison.

The 67 pharma companies evaluated as part of this study include two separate groups:

- 14 “global” companies, each measured in all 17 countries
- 53 “local” companies, each measured in its respective home market

The 14 Global Companies in the Study

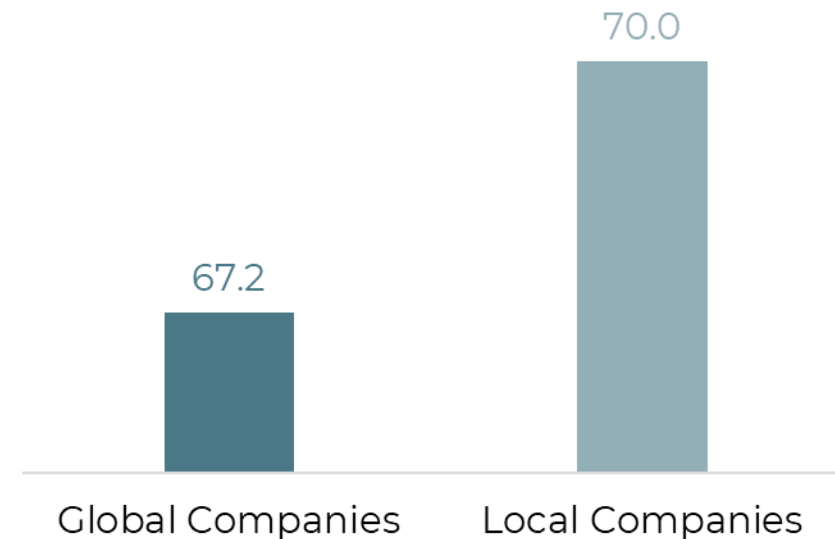


While all 67 companies are large international organizations, the 14 “global” ones are the world’s largest – often referred to as “Big Pharma” – which is why we elected to evaluate them globally.

The “local” ones are the other large pharma companies in each of the 17 countries included in this study, which could be referred to as “Small Pharma” for comparative purposes.

One question we asked ourselves was whether there were any major differences in the way Big Pharma and Small Pharma are perceived. The answer was yes.

Trust & Like Score

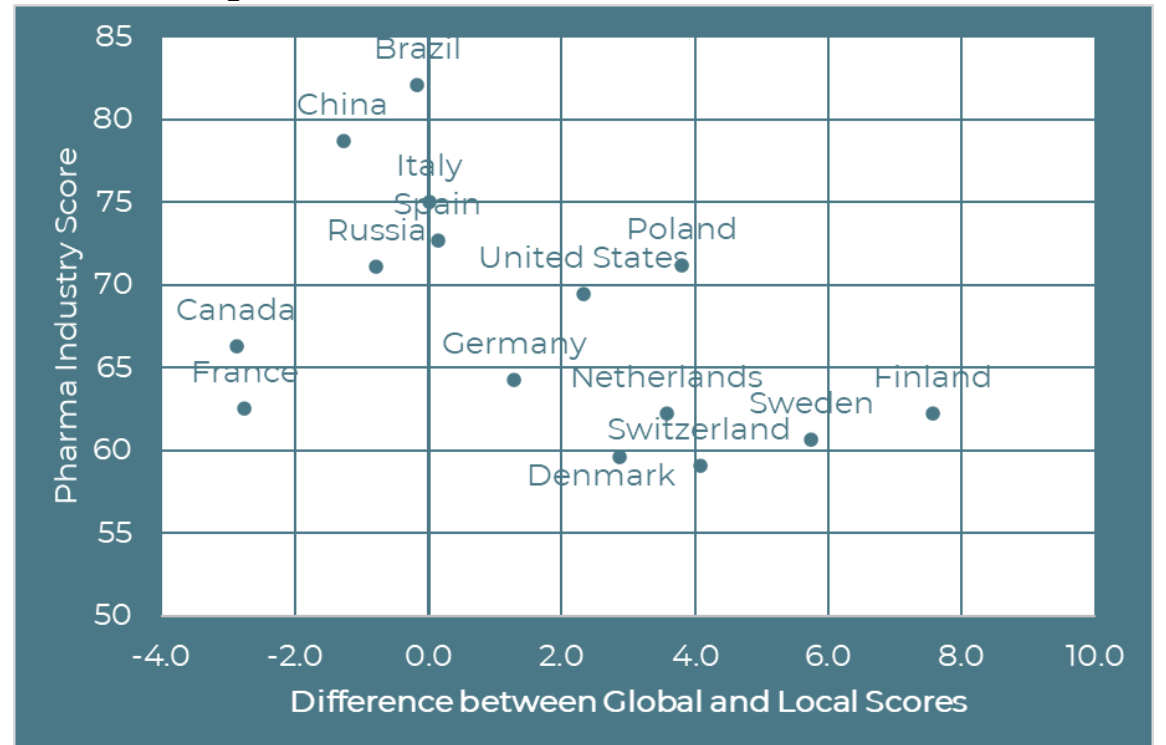




As expected, Small Pharma seems to enjoy generally higher levels of trust and affection than Big Pharma.

This is not the case everywhere – in some markets, mostly emerging ones, the global companies are more trusted and liked than the local ones, perhaps carrying a stamp of quality by the sheer virtue of their global nature. But in most countries the advantage goes to the smaller, local firms. And interestingly, this advantage seems to be greater in countries with a poor overall pharma reputation, as the chart below shows.

Pharma Industry Trust & Like Score vs. Gap in TLS between Big and Small Pharma



So why are local pharma companies more trusted and liked than global ones? What can Big Pharma learn from the reputational profile of Small Pharma?

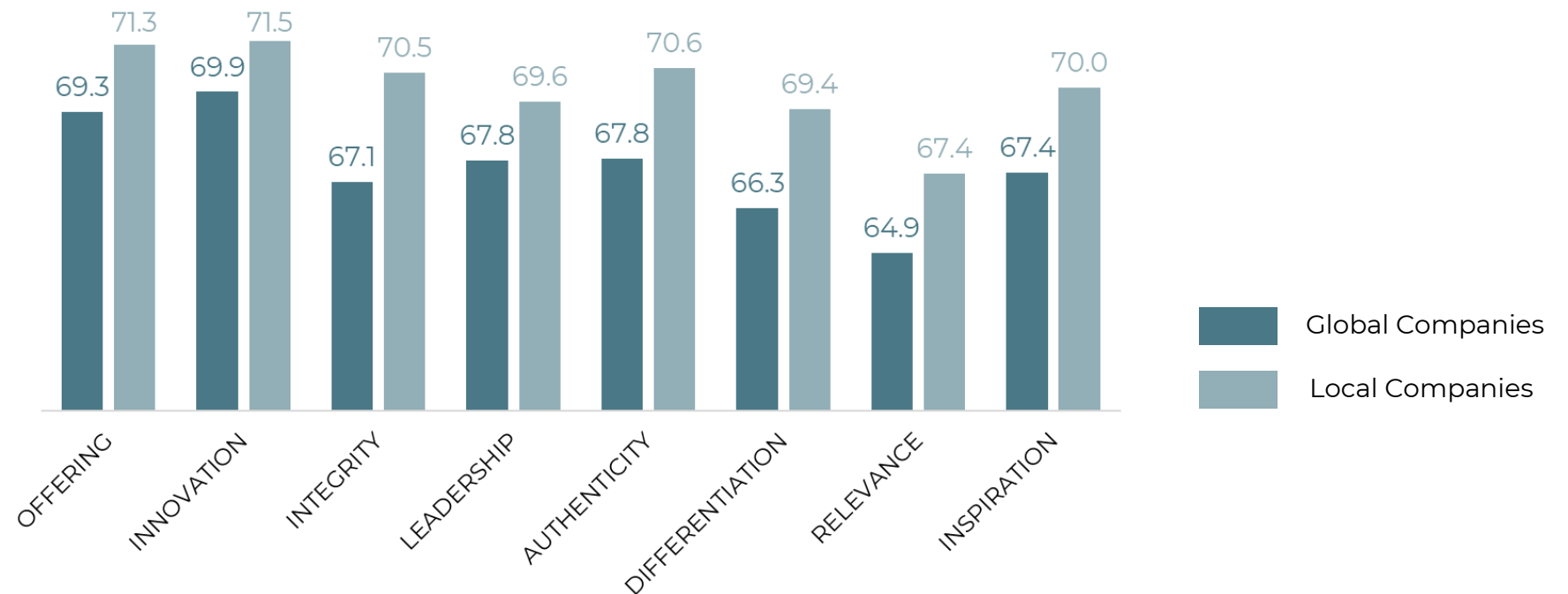
Comparing these two groups along the lines of dimension scores, the differences become clear. While all dimensions without exception perform better when it comes to Small Pharma, there are two areas where their advantage over Big Pharma is strongest: Differentiation and Integrity, where the average score difference is greater than a significant 3-point gap.

Not surprisingly, Small Pharma is generally perceived as more responsible than Big Pharma, which goes a long way towards explaining these companies' reputational advantage, bearing in mind that Integrity is the number-one driver of trust and affection worldwide.

Interestingly, however, the smaller, local companies are also seen as more differentiated.

This fact is telling – if we go back to page 14 we see that differentiation is the second-weakest dimension for pharma companies worldwide. If lack of relevance is the sector's biggest issue, lack of differentiation is a close runner-up.

Reputation Dimension Scores for Small and Big Pharma

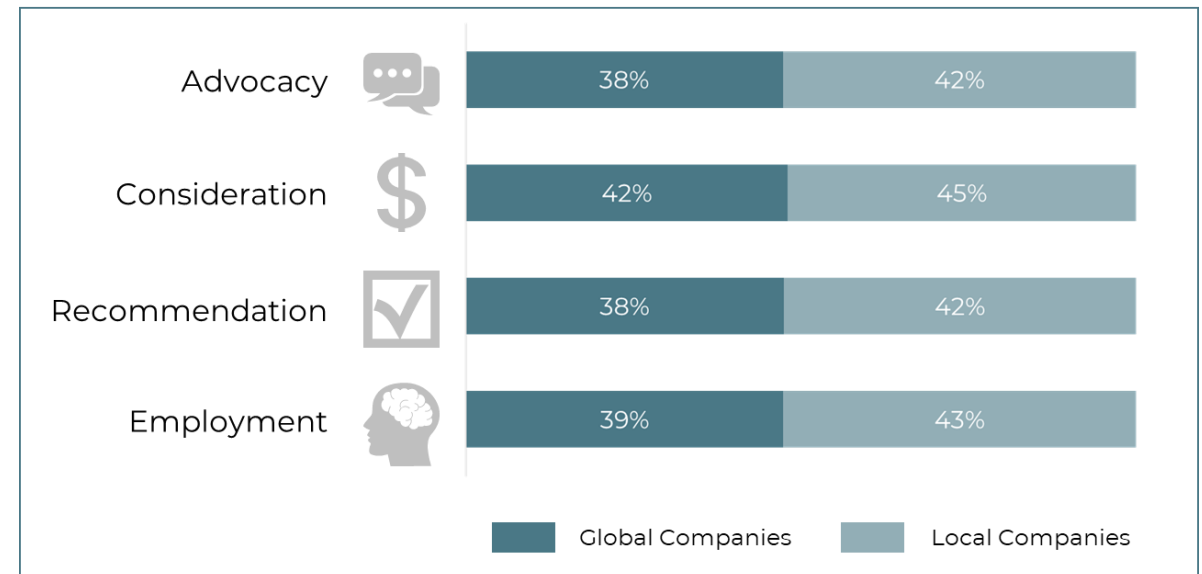


Small Pharma companies tend to have strong reputations in their home markets, while Big Pharma companies often experience poorer perceptions and lower engagement levels in their countries of origin compared to abroad

While differentiation is not as important a reputational driver as relevance, it does provide a clue to what could help Big Pharma's reputation: it might be a narrower focus on a certain therapeutic area or a specific problem they solve, or it could be a more local positioning. It may be closer ties with the local communities, or a more appealing purpose. We cannot say with conviction what it is, but something seems to make local pharma companies more distinctive than global ones, and as such more trusted and liked.

For Big Pharma the lesson to learn is this: as they work on clarifying their relevance, they should aim to do so in a distinctive way. Perhaps they can take a leaf out of Small Pharma's book in a bid to become not only more trusted and liked but also more preferred as an employer, as well as more considered and recommended as a provider of medicine.

Willingness to Support Small vs. Big Pharma



COVID-19

COVID-19 Impact



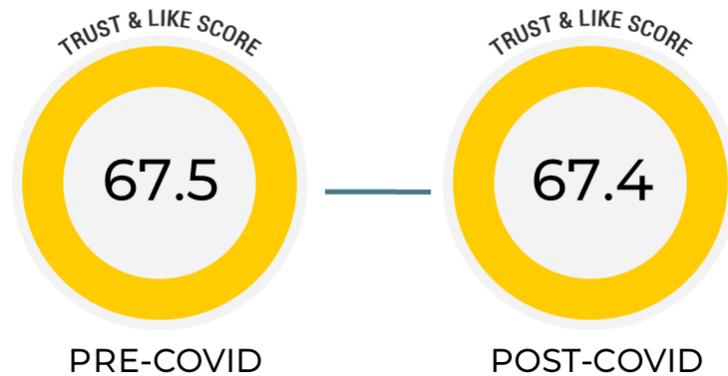
The Coronavirus crisis invaded our lives in early 2020 with the force of a global tsunami, wreaking physical, emotional and financial havoc on people and societies worldwide. Among other things, it also impacted public perceptions of the pharma sector – a sector that suddenly became the centre of attention and a beacon of hope for billions around the world. But what exactly was that reputational impact?

In order to be able to answer that, we went back into fieldwork in April-May 2020 and measured public perceptions of the 14 global companies in the 17 markets. What we first found indicated there was no real impact on perceptions when averaged out globally.

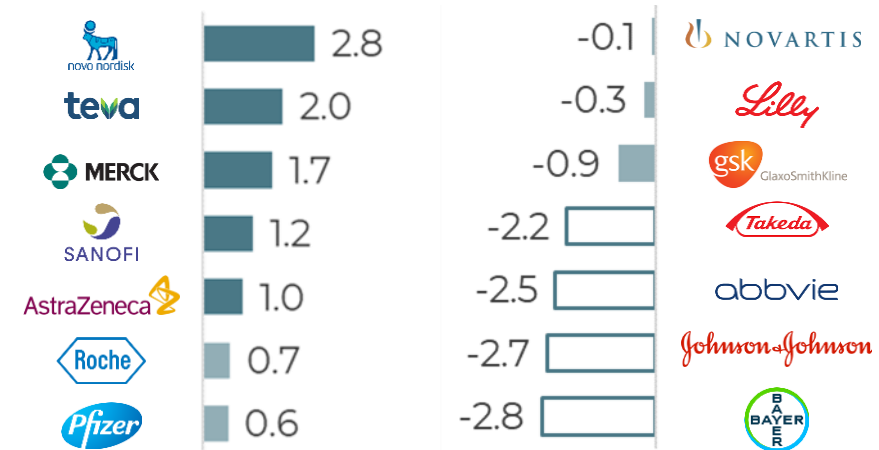
This was surprising, as other recent studies suggest the pharma sector was one of those whose reputation was benefitting from the Coronavirus crisis.

Breaking down the average score by company, it became clear that the reason was that while some pharma companies were affected positively, others were impacted negatively, with an impact close to zero on balance.

Reputation of Top 14 Global Pharma Companies



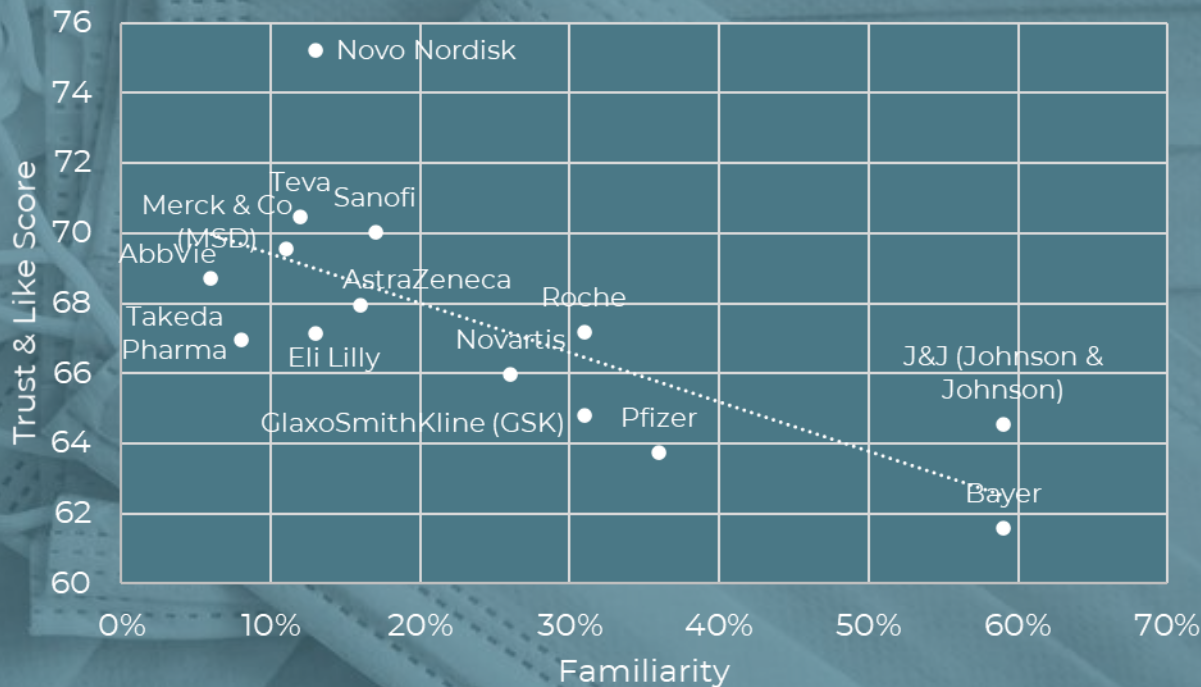
Changes in Trust & Like Score after the COVID crisis



It is difficult to say why companies like Novo Nordisk and Teva were so positively impacted, while Bayer, AbbVie and J&J experienced the reverse.

Could it be that some responded to the crisis better than others? Possibly. But familiarity probably plays a role here too. Comparing the 14 global companies in terms of how well-known (“Familiarity”) and how reputable (“Trust & Like Score”) they are, an inverse relationship emerges: the more well-known the companies, the less trusted and liked they are, and vice versa.

When we do this calculation post-COVID, we see this inverse relationship becoming even stronger.



So to some extent, while individual actions and behavior by the Big Pharma companies may have contributed to the way their reputation changed post-COVID, the well-known companies seem to have become even more distrusted and disliked, whereas the little-known ones experienced the opposite.

This correlation between familiarity and reputation indicates a general trend whereby the more people know about pharma companies, the less they like them – a tricky pattern indeed when it comes to the implications for corporate communications.

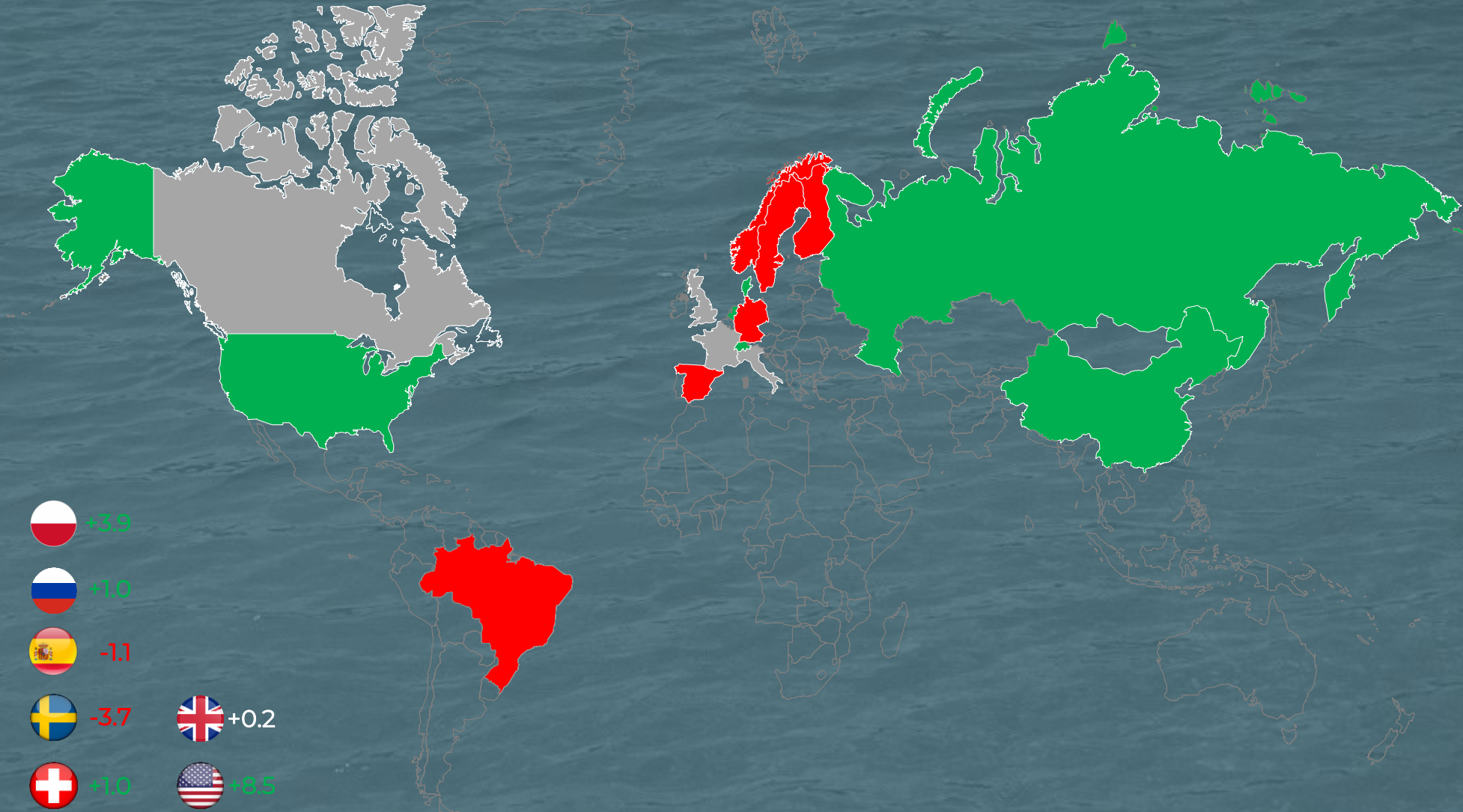
But in our opinion the implied conclusion is that more, rather than less communication is needed: the reason the reputation of well-known companies suffers is that people hear about these companies chiefly through third parties: the media, the regulator, governments, experts and organizations like consumer advocacy groups and NGOs.

If that knowledge were shaped more directly by the companies themselves, there is a good chance this pattern would reverse.

Post-COVID Trust & Like Score vs. Familiarity of the Global Pharma Companies

Another way of splitting the impact of the Coronavirus on scores is by country – and here we find a similar pattern, with some countries experiencing a big rise in Trust & Like Score as an average of all 14 companies, while other countries see a large drop.

Changes in Trust & Like Score after the COVID crisis



-3.9	+0.9	+3.9	
+0.1	-2.1	+1.0	
+1.2	-0.7	-1.1	
+1.2	+1.0	-3.7	+0.2
-1.5	-6.4	+1.0	+8.5

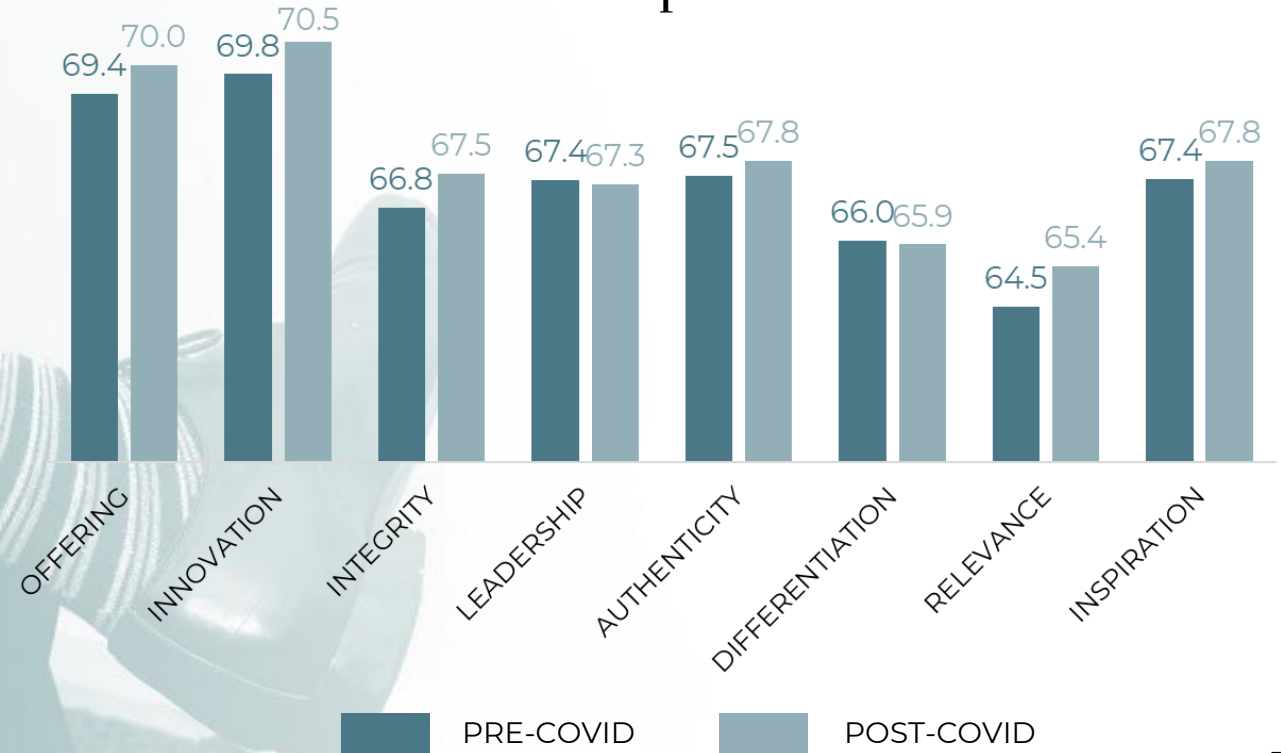
In this analysis, the impact on scores is much greater – from an uptick of nearly 9 points in the US to a drop of over 6 points in Norway. There does not appear to be a pattern that correlates with the way countries handled or experienced the crisis: countries like the US and Brazil both suffered greatly and failed to respond early enough, but they show opposite impacts on the reputation of Big Pharma.

Similarly, Norway and Poland are both countries that managed to stem the flow early on, but the reputational impacts in these countries lie at opposite ends of the spectrum. Also, there appears to be no correlation between the reputational impact and the country's healthcare system or people's reliance on the state.

In summary, it is evident that the public reacted differently to different companies in different countries, but the net result is close to zero. Does this mean that on average the sector was not really impacted by COVID-19? Not exactly.

United States is the country where the reputation of the pharma industry increased the most during the pandemic, from 69 to 77 in average Trust & Like Score

Global Reputation Dimensions



Looking further into the change in the scores of other parameters before and after the Coronavirus struck our collective consciousness in mid-March this year, the pattern is more consistent: six out of eight rational perception parameters increased in score on a global average basis for the 14 Big Pharma companies. And which parameter changed most of all? You guessed it – Relevance.

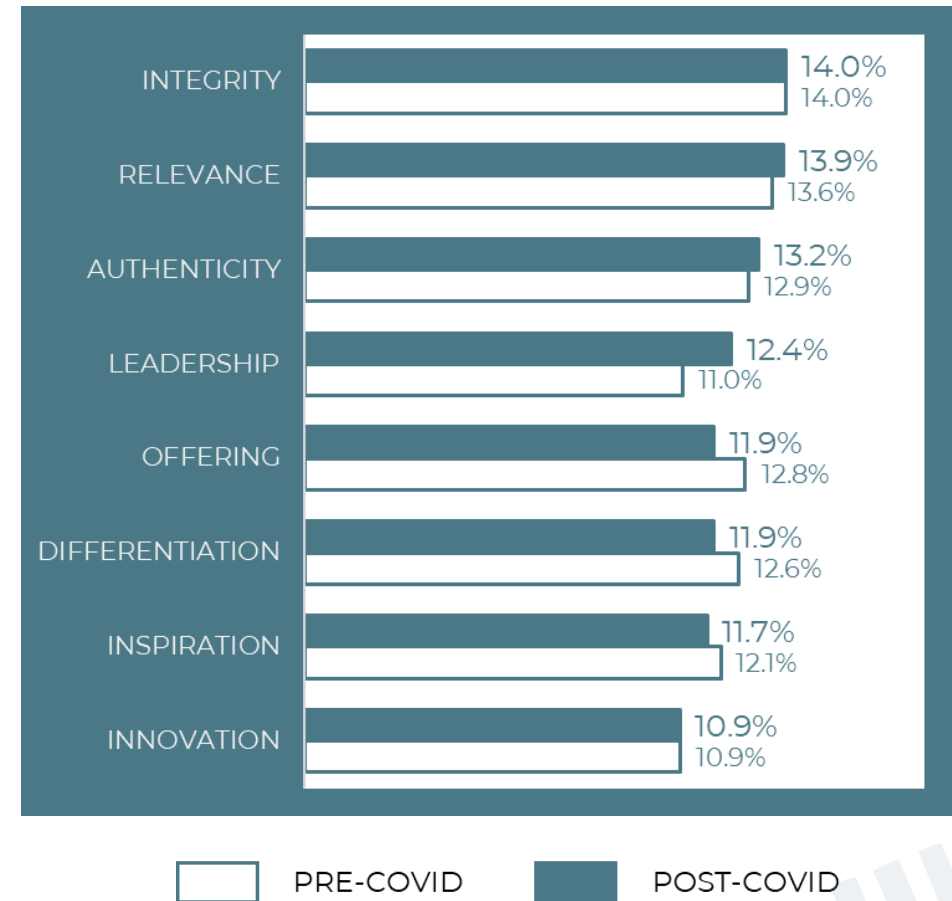
This shows that while reputational levels stayed the same on average, rational perceptions of Big Pharma clearly improved throughout the Coronavirus crisis, and people now seem to be more appreciative of these companies' innovation and responsibility – and can relate more easily to what they stand for.

And that is the most important conclusion to this COVID analysis: if Relevance is indeed the big “missing link” in the story of Big Pharma reputation, the Coronavirus seems to have given these companies a chance to reinforce and redefine it, and in doing so has possibly provided them with a new lease on life.

That point is brought home further still in the light of another pre- and post-COVID analysis, that of reputational drivers. As shown before, a driver analysis reveals which rational perceptions have the biggest impact on the Trust & Like Score, and in turn on people's behaviour towards companies.

And comparing these drivers as they relate to the 14 global companies before and after the outbreak of COVID reveals that, if anything, Relevance is now even more important.

Global Reputation Drivers



The COVID crisis has undoubtedly had many impacts on the sector in general, but if one thing is clear it is this: overall, the crisis has had a positive impact on people's perceptions of Big Pharma, in a way that presents an opportunity to reset the troubled relationship between the sector and the public worldwide.

Summary

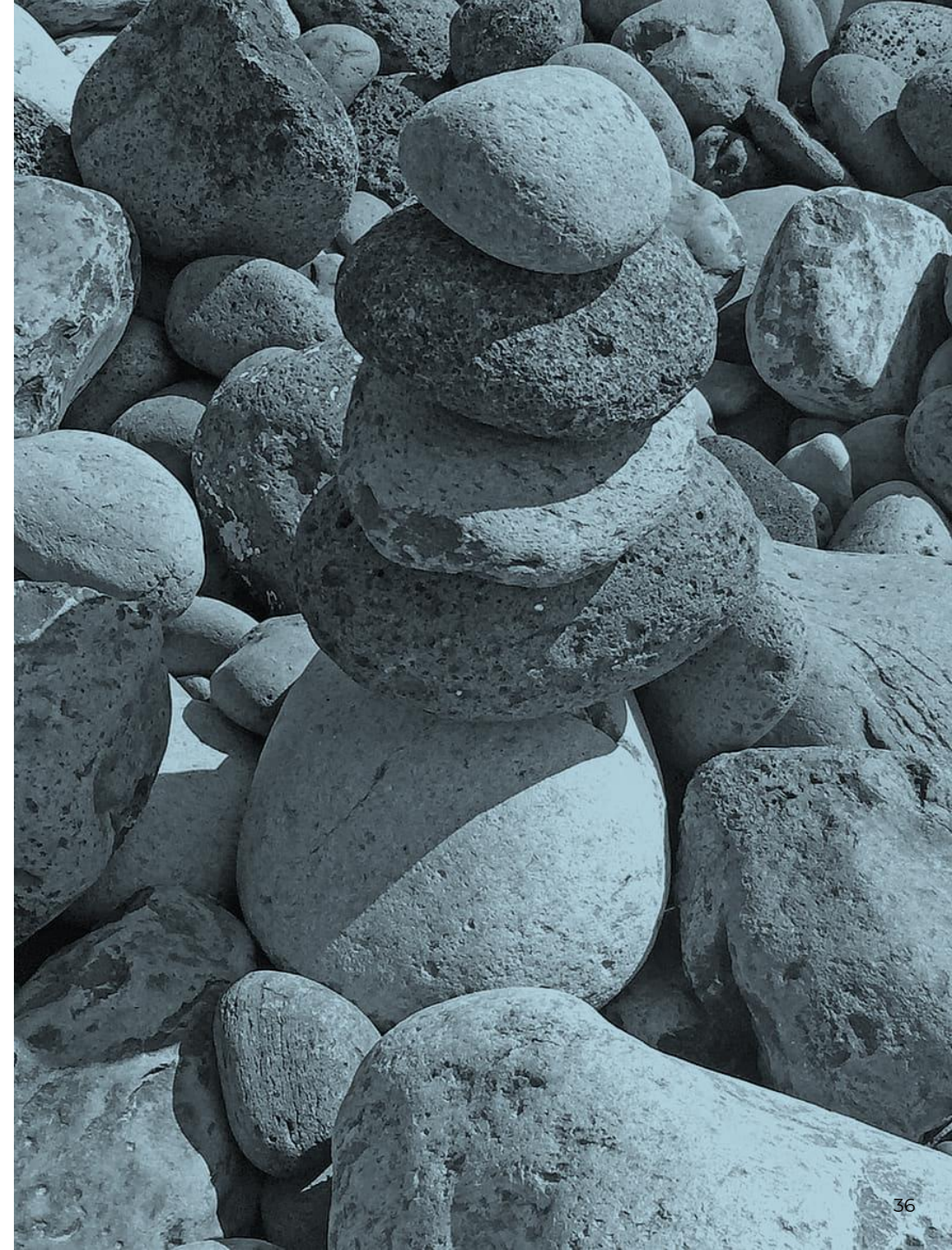
If anything, this study shows that the reality of the global pharma sector's reputation is more nuanced, and in fact more positive, than expected. Public perceptions of pharma companies around the world are generally improving year-on-year, and the views of many segments and countries are in fact very favorable.

This is not to say that pharma, and particularly Big Pharma, does not suffer from a perception issue. It does – particularly in Europe and especially among older people. This issue is one of a lack of Relevance and Differentiation. In other words, it's a problem of identity. And when it comes to identity, COVID-19 plays a very important role.

On 23 April 2020, David A. Ricks – the CEO of Eli Lilly – said the following while speaking on the company's first-quarter conference call:

“With the world in dire need of COVID-19 drugs and vaccines, the biopharmaceutical industry has a once-in-a-generation opportunity to reset its reputation.”

This study shows how right Mr. Ricks is. The pharma industry is in dire need of reminding people what it stands for, and COVID-19 has given it a rare opportunity to do so. If it does indeed take this opportunity to prove its relevance, a whole new relationship with society may follow – one that sees patients, employees, physicians, organizations and governments being more supportive and less critical. One that solidifies the sector's legitimacy, ensures its future success and enables it to fulfil its true role – improving lives and livelihoods.





Study Background

Study set-up

The study is based on Real-time Brand & Reputation Tracker (RTT), which measures public perceptions of companies around the world. RTT has been conducted by Caliber since 2016 and is answered daily by thousands of people from all over the world through a digital questionnaire distributed online (CAWI).

This report is based on results collected in 2019-2020.

Data collection is fully automated by Caliber and is effected through dedicated respondent panels, which are managed by Caliber's partners. All partners are carefully selected and follow ESOMAR quality and integrity guidelines for panel studies.

The representativeness of the sample in this study is achieved solely by setting demographic quotas. There is no weighting of raw data or finalized results.

Selected companies

This study focuses on the global pharmaceutical sector, represented through the countries that were part of Caliber's Brand & Reputation Tracker in 2019 and 2020.

The world's 14 largest pharmaceutical companies have been selected on the basis of turnover and market share, and measured across the 17 countries.

In addition, up to 5 local companies have been selected in each country, provided they hold a significant market share.

Target group and sampling

The target audience for this study is the population aged 18 to 75 from: Brazil, Canada, China, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, the UK and USA.

In each country, the respondents are randomly selected, and the sample is representative of the national population in terms of gender and age distribution within the 18- to 75-year age group, as well as geographically (regions/states) within the countries.

A total of 47,524 responses were submitted in the study, distributed across 13,623 unique respondents.

To qualify for participation, respondents must demonstrate sufficient knowledge of the companies they are asked to rate.



The model

We at Caliber structure our thinking around brand and reputation management through the Corporate Character model. We see a strong Corporate Character as being reflected and validated through positive perceptions, attitudes and emotions towards the company on the part of its stakeholders.

1. Information and experience

Stakeholder perceptions of a company are shaped through three main areas of interaction: direct experiences (e.g. buying and using the products, dealing with customer service, working for the company or visiting its offices or stores), the company's own communications (PR, marketing, reporting etc.) and third-party information (such as media, expert opinions and word of mouth).

2. Reputation

Reputation (rational perceptions) serves as the foundation for general acceptance of the company by its stakeholders, and provides it with a licence to operate. In other words, a strong reputation builds consideration. This type of rational perception is often referred to as "table stakes" – every company is expected to fulfil them to a certain minimum degree.

3. Brand

Brand (attitudinal perceptions) helps distinguish the company from the competition and gives stakeholders the desire to engage with it. In other words, a strong brand builds preference.

4. Trust & Like Score

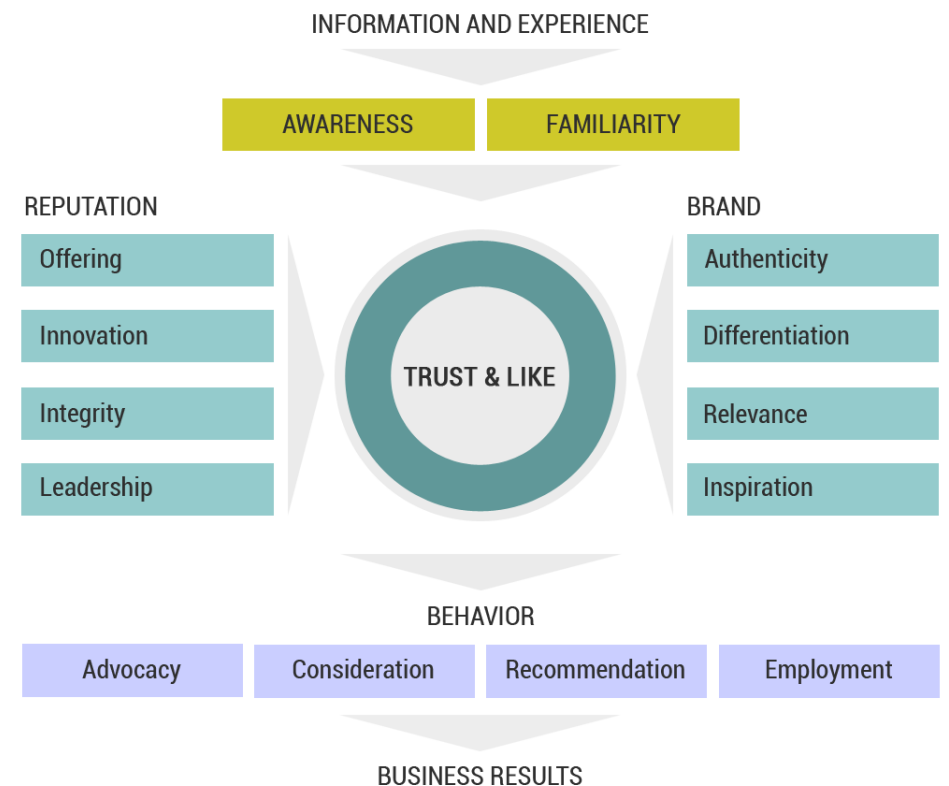
Together brand and reputation influence the extent to which people trust and like the company (emotional bond) – they are the sign of strong and lasting character.

5. Behavior

It is the sense of trust and affection that drives actions and stakeholder behavior (e.g. buying products and services, recommending the company to others, investing in it, working for it and advocating on its behalf).

6. Business results

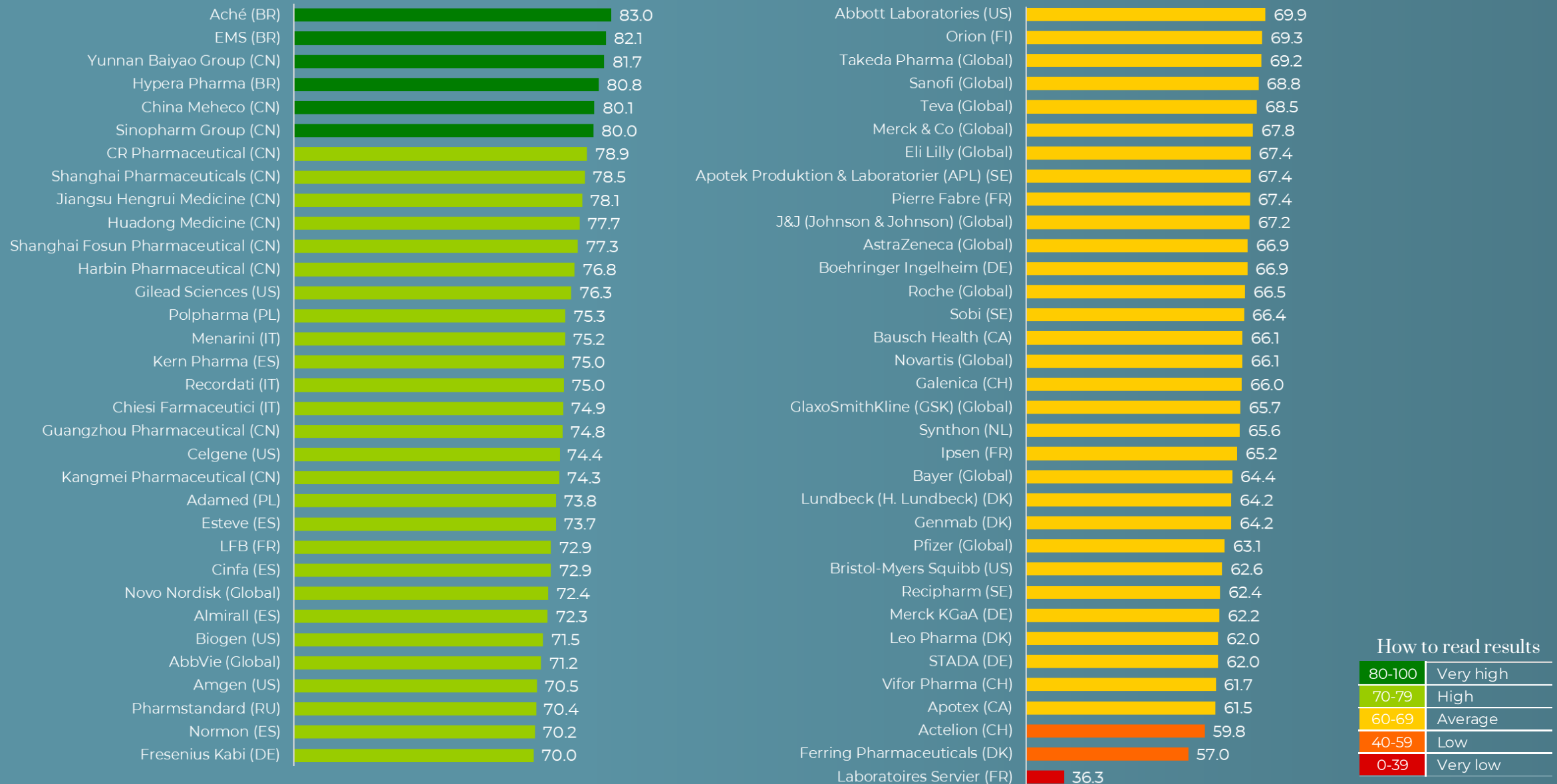
Positive stakeholder behavior enables the organization to achieve its business results (meet commercial goals, enter new markets, successfully release new products etc.).



Company List

339	MUENCHEN	2	1950
933	BERLIN-TEGEL	2	1950
8260	FRANKFURT	2	2000
5525	BUDAPEST	2	2005
1508			2010
3248	ISTANBUL	2	2040
939	HURGHADA	2	0205
2378	IZMIR	1	0320
	FUERTEVENTURA	2	0325

List of Companies Surveyed: Trust & Like Score



How to read results

80-100	Very high
70-79	High
60-69	Average
40-59	Low
0-39	Very low



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