

STATE OF THE BIOPHARMACEUTICAL INDUSTRY: U.S. REGION 2014

*A comprehensive evaluation of the
biopharmaceutical industry's reputation in the United States*

STUDY APPROACH

health care opinion leaders



A segment of the general public who are most informed and active around health care issues

n=751

health care providers



A representative sample of physicians (both general practitioners and specialists) and nurses

n=303

policy leaders



Senior legislative officials, senior staff at regulatory bodies and NGOs representing health professionals, patients and issues

n=100

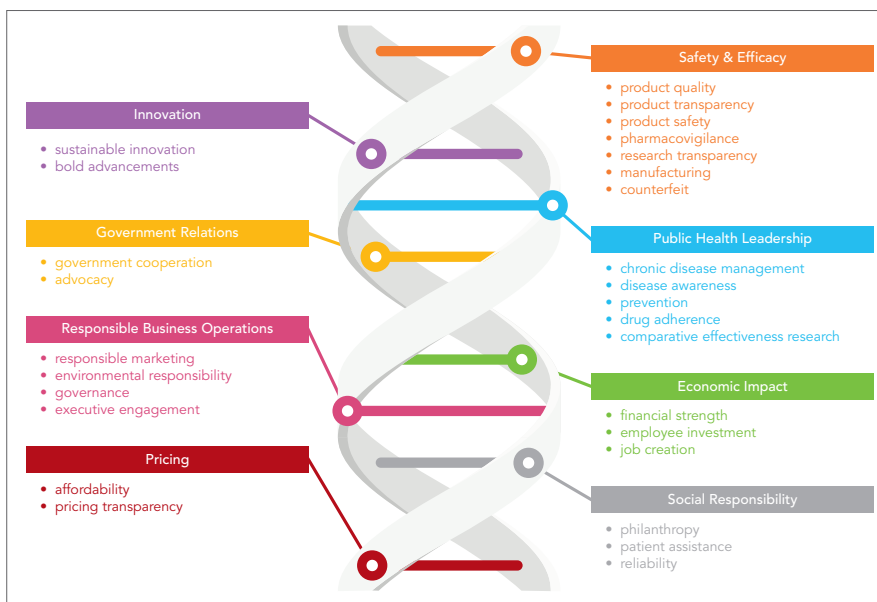
payers



Pharmacy/medical directors at public and private plans

n=100
(1/2 public, 1/2 private)

REPUTATION MODEL



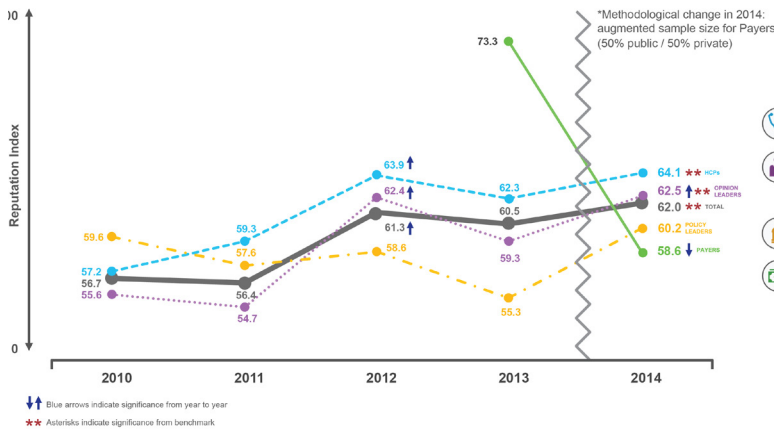
The foundation of APCO's ROR Indicator is a robust model that measures the extent to which stakeholders believe the industry – and its individual companies – is meeting its unique and specific expectations. The model is based on more than 10 years of extensive qualitative and quantitative research in the sector that identifies the drivers that define the "reputation DNA" of the biopharmaceutical industry.

The model is comprised of 54 stakeholder-defined attributes. Correlations between these attributes are organized into 28 reputation drivers (first-order factors). Additionally, relationships between the reputation drivers reveal eight broader dimensions of reputation (listed

alphabetically): *Economic Impact, Government Relations, Innovation, Pricing, Public Health Leadership, Responsible Business Operations, Safety and Efficacy, and Social Responsibility.*

The model retains its ability for year-to-year comparison by reflecting changing priorities and evaluations of the biopharmaceutical industry according to key stakeholder groups.

REPUTATION INDEX SCORES



The Reputation Index score is a reliable measure of the industry's overall reputation that takes into account both the performance scores and the impact scores of the factors.

The U.S. biopharmaceutical industry's reputation has shown significant improvements from the 2010 benchmark, registering the highest Reputation Index scores to date (62.0). This is driven primarily by positive trends among Health Care Professionals (64.1) and Opinion Leaders (62.5). A decline in Payers' 2014 Reputation Index score is reflective of a methodological change to include a more robust sample of public and private payers, as well as a changing environment.

REPUTATION MATRIX

Alignment: The matrix reveals opportunities to enhance alignment and lead to overall reputation improvement.

Safety, Efficacy & Innovation: The industry's core assets continue to be defined by the functional attributes of its products (*Product Safety, Manufacturing and Product Transparency*) and *Innovation*. Strong, stable performance ratings, coupled with high impact over time, continue to reinforce the salience of these expectations in articulating the industry's value. However, a continued demand exists to address concerns about the way the industry engages with the scientific community and builds trust (*Research Transparency*).

Responsible Business Operations: Stakeholder perceptions around the industry's commitment to *Responsible Marketing* persist, despite considerable improvement over the past five years. Enduring questions about the industry's motives – particularly around marketing to physicians – continue to elevate the importance of *Responsible Business Operations* in defining the industry's reputation.

Government Relations: Concerns about the way the industry uses its influence to interact with policy leaders and public health experts (*Advocacy*) continue to weigh down the industry's reputation, but also offer an opportunity to clarify engagement. Ratings on *Government Cooperation* remain neutral with middling importance.

Social Responsibility: The importance of *Social Responsibility* has intensified over time, especially among Policy Leaders and Payers, but remains a performance weakness. *Social Responsibility* expectations reflect a broad notion about the industry's role in access (*Patient Assistance*) and availability of medicines (*Reliability*), as well as traditional notions around *Philanthropy*.

Public Health Leadership: Registers net positive ratings, though its overall impact on reputation continues to be offset by competing expectations. Messaging around *Chronic Disease Management, Disease Awareness* and *Comparative Effectiveness* can help boost reputation, though critical vulnerabilities around how the industry interacts with various stakeholders must first be addressed for the public health value message to break through.

For more information, please visit www.rorindicator.com, or contact:

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