

PHARMACEUTICALS AT A REPUTATION STANDSTILL

HOW TO ESCAPE REPUTATION MEDIOCRITY

INDUSTRY REPTRAK®: U.S. PHARMACEUTICALS
STAKEHOLDERS: GENERAL PUBLIC

November, 2014



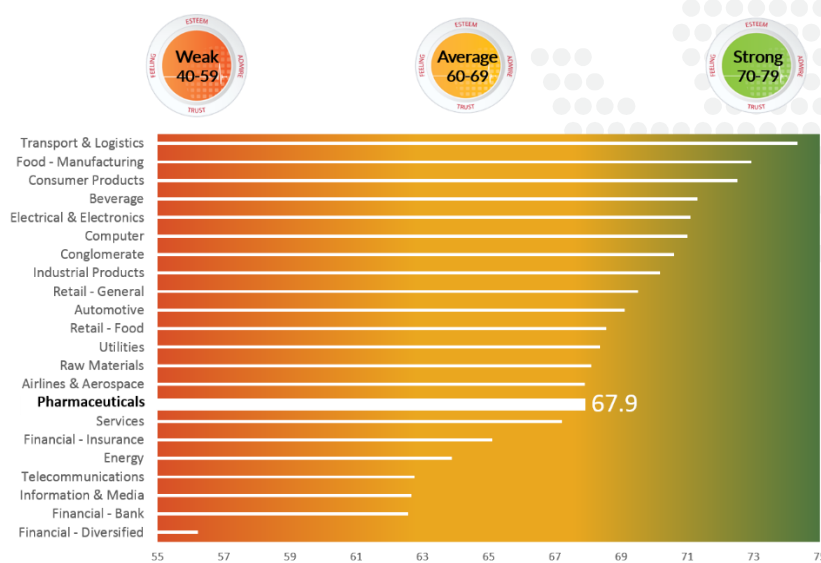
The U.S. pharmaceutical industry has had an Average reputation for the past four years. In order for the industry to make the leap from the Average to Strong reputation, it needs to perform better in the three most important reputation drivers.

67.9

2014 U.S. Pharma Industry
RepTrak® Pulse Score

Reputation is an emotional bond that ensures a positive relationship between a company and its stakeholders. To capture this bond, RI measures respondents' trust, admiration, esteem and good feeling to form a single score, the RepTrak® Pulse.

Figure 1. 2014 U.S. Industries RepTrak® Pulse Ranking



Source: Reputation Institute, November 2014



2014 RepTrak® Ranking – Pharmaceutical Industry (U.S.)

Reputation Institute collected data on 14 pharmaceutical companies in the U.S. in 2014. The 2014 RepTrak® ranking on the right lists the 14 companies based on their RepTrak® Pulse received from the general public in the U.S.

2014 U.S. RepTrak® Ranking: Pharmaceutical

Company	Rank
Bayer	1
Sanofi (former Sanofi-Aventis)	2
Amgen	3
Abbott Laboratories	4
Novo Nordisk	5
AstraZeneca	5
Bristol-Myers Squibb	7
Omnicare	8
Pfizer	9
Novartis	10
Roche	11
Eli Lilly	11
GlaxoSmithKline	13
MSD (Merck Sharp & Dohme)	14

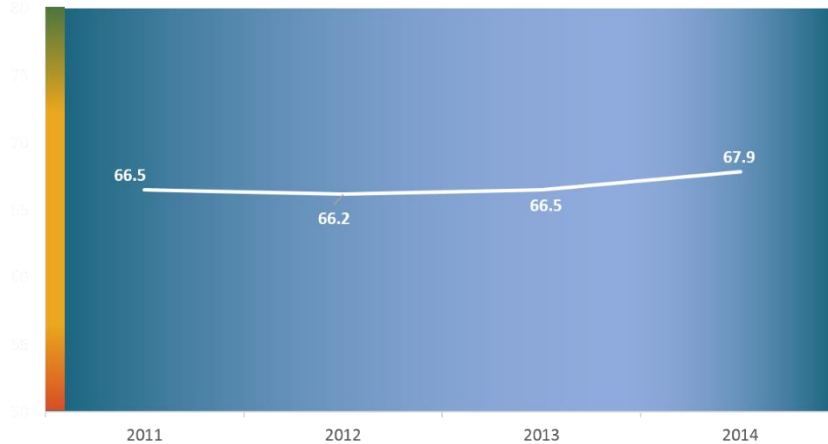
Source: Reputation Institute, November 2014

In the 2014 U.S. RepTrak® Pulse Study, the pharmaceutical industry received an Average RepTrak® Pulse score of 67.9, which ranked it 15th out of 22 U.S. industries. A RepTrak® Pulse score of 67.9 places the pharmaceutical industry squarely in the Average reputation range, close to the technology, airlines and utilities industries. In order for the pharmaceutical industry to raise its overall corporate reputation from Average to Strong (a RepTrak® Pulse score of 70-79), it needs to improve its reputation in the three most important reputation dimensions in the pharmaceutical industry – citizenship, governance and products & services.

Reputation over time

As depicted in Figure 2, the RepTrak® Pulse of the pharmaceutical industry has been exceptionally stable between 2011 and 2014, with a slight RepTrak® Pulse rise in 2014.

Figure 2: 2011-2014 U.S. Pharmaceutical Industry– RepTrak® Pulse



Source: Reputation Institute, November 2014

Reputation Drivers for U.S. Pharmaceuticals

RI's 2014 U.S. RepTrak® study indicated that in the pharmaceutical industry, the general public gives the most importance to a company's citizenship, governance and products. Table 1 reveals that these three dimensions account for up to 50% of a company's reputation.

Table 1. Dimensions Importance for U.S. Pharmaceuticals

Dimension	Weight	Rank
Citizenship	18.3	1
Governance	16.9	2
Products & Services	15.2	3
Workplace	14.7	4
Leadership	12.0	5
Performance	11.7	6
Innovation	11.2	7

Source: Reputation Institute, November 2014

Company Ranking

- Strong Reputation (70-79)
 - Bayer
 - Sanofi
 - Amgen
 - Abbott Laboratories
- Average Reputation (60-69)
 - Novo Nordisk
 - AstraZeneca
 - Bristol-Myers Squibb
 - Omnicare
 - Pfizer
 - Novartis
 - Roche
 - Eli Lilly
 - GlaxoSmithKline
- Weak Reputation (40-59)
 - MSD (Merck Sharp & Dohme)

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Bayer – The 2014 US Industry Leader

- Bayer ranks 1st in the pharmaceutical industry with a very Strong RepTrak® Pulse score, which is significantly higher (>3.1 points) than second-ranked Sanofi.
- Why is Bayer's reputation so much higher than its competitors? Based on RepTrak® data, Bayer is viewed as a genuine company that meets the needs of its clients. Moreover, the general public characterizes the company as reliable, honest and concerned. As a result the public supports the company by recommending it to others and buying its products.
- Bayer was not always on the top of the list. In fact, Bayer had an Average RepTrak® Pulse in 2012. That same year it had dimension scores in the average range in governance and citizenship, but still held a solid score due to its strong performance in products & services. Bayer moved up the reputation scale from Average to Strong in 2013, when its governance, citizenship and products & services scores each improved by at least four points. In 2014, Bayer has strong dimension scores in the three most important dimensions of reputation for the pharma industry – citizenship, governance and products & services.

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