RepTrak

Now what?

Pharma in the "Post-Pandemic" phase.

2022 Pharma Update Report

Before March of 2020, few people would have predicted that an industry more likely to get "boos" than "cheers" would be placed front and center on the global stage. We watched and waited for the Pharmaceutical industry to solve a problem that hadn't arisen for nearly 100 years. Pre-pandemic, the public had felt betrayed by the industry; with medication prices spiking and general skepticism rising, folks were looking to more holistic approaches outside of traditional medicine. When the world-wide impact of COVID-19 was realized, Pharmaceutical companies who had been steadily operating out of the mainstream eye suddenly became household names. Brands like Pfizer and Moderna were turned into viral TikTok trends by younger generations, vaccination cards became proud declarations and fashionable accessories, and the return to in-person conversations were initiated with questions like "what vaccine did you get?". While the ethical debate of government imposition and vaccine shortages in poorer countries accompanied the rise of Pharma's seeming popularity, the industry's presence was nonetheless felt on a global scale.

We all heard a lot of opinions about Pharma during this time. And here at RepTrak, we measure these insights and fluctuations and turn them into actionable insights. Through a combination of machine learning (ML), AI, and natural language processing (NLP), our reputation intelligence platform combines and analyzes millions of perception and sentiment data points—coming from online surveys, mainstream media, social media, business data, and additional third-party sources from respondents all over the world.

Consider it "always-there," unbiased, ongoing, near-real-time reputation intelligence that never ends.

Our data from 2020 showed us that *Pharma was hot*; and in our 2021 Pharma Report, we saw that Pharma's reputation continued to climb during the first half of 2021.

Pharma Reputation Score Q4 2020 U.S.

66.9

Pharma Reputation Score Q1 2021 U.S.

70.3

▲ 3.4 points

| POOR 0-39 | WEAK 40-59 | AVERAGE 60-69 | STRONG 70-79 | EXCELLENT 80+ |

That
PHARMA
is so hot right now

In Q1 of 2021, the U.S. Pharma Reputation Score jumped from Average to Strong, aligning with the initial roll out of vaccines in America. Last year's report questioned if this 3.4-point increase had the potential to continue to rise as the vaccinated population grew. At the time, we noted with a rise comes the potential for a hard fall...

Back to our regularly scheduled programming.

In June '21, we saw the beginning of the end for Pharma's reputation high coming "out of" the pandemic.

Pharma Reputation Score 2021 U.S.
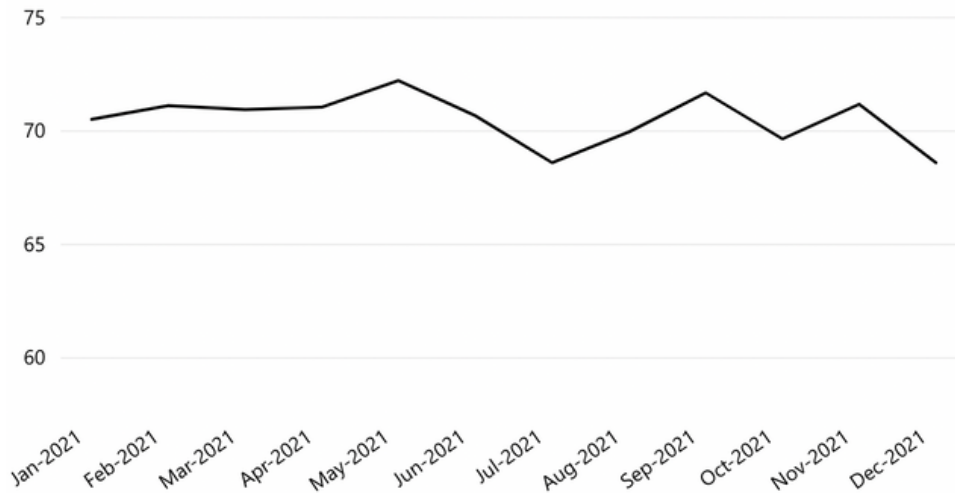
We watched Pharma with optimism during the first half of 2021, but the industry's Reputation Score trended down overall, resulting in a 2.71% decrease between January 2021 and December 2021. The steep fall began in June, decreasing by 2.9% (2.1 points) in just six months.

R_T Doctor's Note

Remember that while a 2.1-point drop might not seem significant at first, historical RepTrak data warns us that a 1-point drop often results in a 4-5% drop in support.

While COVID-19 wasn't completely out of site, the summer of 2021 presented those who were vaccinated with plans and opportunities that hadn't been possible the year before. Although people could receive as many as four shots, the "vaccine and done" mentality returned Pharma companies to the background—while re-gravitation toward other industries appeared to pique interest, such as in the Transportation Industry for example.
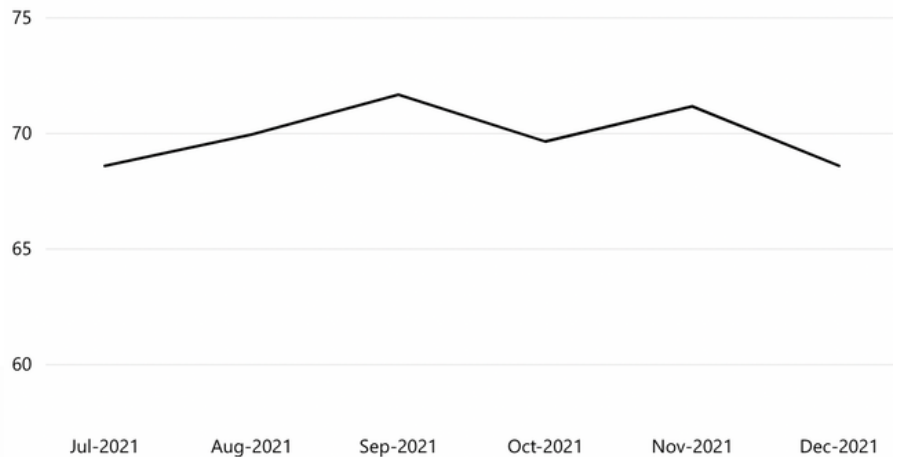
Transportation Reputation Scores over Q3 & Q4 2021 U.S.

Transportation Reputation Score Q3 & Q4 2021 U.S.

70.6
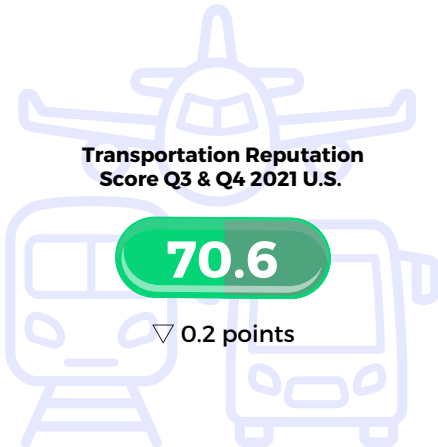
▽ 0.2 points
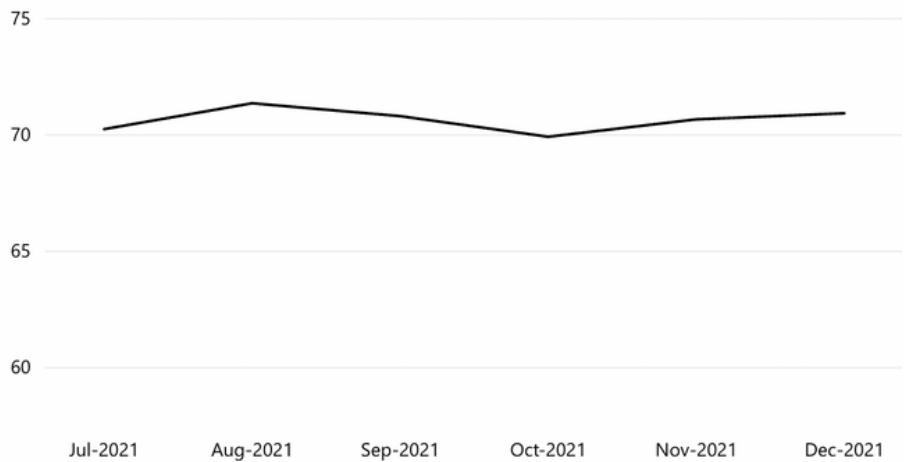
In the second half of 2021, we saw the Transportation industry **begin to recover** from the halting COVID stronghold. Reputation Score trended up, resulting in a 0.97% increase between July 2021 and December 2021. While Pharma (who had been the prior year's savior) had a much larger and significant decrease YoY.

Pharma Reputation Scores over Q3 & Q4 2021 U.S.

Pharma Reputation Score Q3 & Q4 2021 U.S.

69.9

▼ 1.2 points

R
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Prescription

For Your Company

xxxxx We're seeing this upward trend for the Transportation Industry continue into 2022.
We're prescribing our Q1 Data Dose to boost your reputation knowledge.

At RepTrak, we don't only see Reputation Scores. Our data dives deeper to evaluate stakeholder perceptions, which we then categorize as our *7 Drivers of Reputation*. These Drivers reveal what a stakeholder thinks about a company—encompassing what the public typically considers when formulating and interpreting reputation.
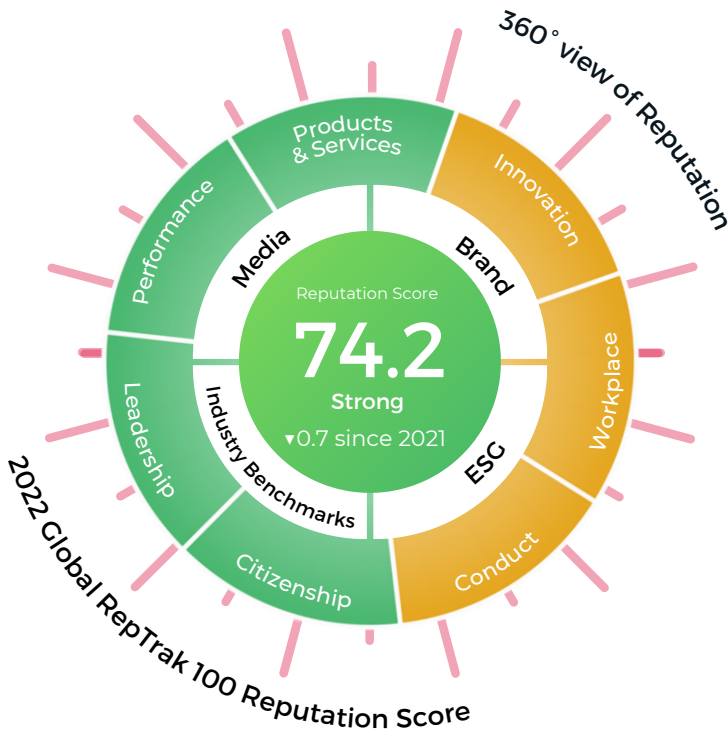
Pharma Driver Scores Q3 & Q4 2021 U.S.

Driver	Score	Change
Products/Services	73.3	▼ 0.9
Innovation	72.0	▼ 0.6
Workplace	70.1	▼ 1.2
Conduct	67.9	▼ 1.1
Citizenship	70.3	▼ 1.3
Leadership	71.6	▼ 1.2
Performance	75.8	0.0

Notably, the second half of 2021 saw Pharma's Driver Scores decrease across the board.

Conduct, Citizenship, and Leadership had some of the largest point-drops; with Conduct entering the Average range—dropping 1.1 points.

Conduct

Measures a company's ethical behavior, transparency, and fairness.

Citizenship

Measures a company's efforts in making the world a better place.

Leadership

Primarily points to the effectiveness of how a company is managed.

That June, New York Attorney General Letitia James announced that her office had reached yet another multi-million dollar settlement with one of the largest drug manufacturers of opioids in the country for its role in fueling the States' opioid crisis. Mallinckrodt is one of five drug manufacturers to settle claims in recent years. Additional names included Purdue Pharma, and its family owners the Sacklers, Janssen Pharmaceuticals and its affiliates which include its parent company Johnson & Johnson—a prominent player in the COVID-19 vaccination roll-out.

Those that weren't tuned into these breaking legal headlines may have been reintroduced to Pharma's reprehensible past by watching Hulu's miniseries, Dopesick, which premiered in October '21. The show received award-winning praise for its portrayal of America's opioid crisis. Pharma's short-lived triumph over COVID doesn't seem enough for the public to sing their praises in the long run.

Pharma Burnout

The unpredictable culture storm that boosted Pharma's reputation at the beginning of the pandemic has fizzled out in the first half of 2022—their Scores are down across the board. We've warned that high Scores aren't a permanent stamp of approval, but a call to action. And Pharma's actions going into the "Post-Pandemic" phase haven't earned them those lasting highs.

Reputation Scores by Industry Q1 & Q2 2022 U.S.

| Industry	Score	Change ▼	Companies
Health Care Equipment & Services	70.0	N/A	8
Semiconductors & Semiconductor Equipment	71.3	N/A	10
Automobiles & Components	72.1	0.0	8
Pharmaceuticals, Biotechnology & Life Sciences	67.6	▼ 2.9	8
Consumer Durables & Apparel	72.1	▼ 2.2	8
Media & Entertainment	63.0	▼ 1.7	8
Diversified Financials	66.9	▼ 1.5	8
Technology Hardware & Equipment	71.0	▼ 1.5	8
Food, Beverage & Tobacco	71.3	▼ 1.4	8
Software & Services	71.6	▼ 1.3	8
Banks	62.2	▼ 1.2	8
Transportation	69.5	▼ 1.2	8
Capital Goods	72.7	▼ 1.1	8
Insurance	67.0	▼ 0.8	8
Telecommunication Services	63.7	▼ 0.8	8
Retailing	70.0	▼ 0.7	8
Household & Personal Products	72.6	▼ 0.6	8
Consumer Services	70.2	▽ 0.4	8
TOTAL	69.2	▼ 0.9	146

Pharmaceuticals, Biotechnology & Life Sciences has an Average 67.6 with a significant **decrease of 2.9 points.**

Overall, in the United States, Pharmaceuticals, Biotechnology & Life Sciences had the largest YoY decrease **out of any industry.** As the conversation shifts from COVID to Monkeypox, the public is experiencing a Pharma burnout. They're exhausted by the prominent role Pharma has played in their lives for the past two years, and the industry hasn't afforded stakeholders a reason to let them stay top of mind. Despite the fact that the U.S. doesn't have enough Monkeypox vaccines to go around, the collective "not again" sentiment is backfiring for Pharma—regardless of the inherent need for the industry to continue rolling out yet another vaccine.

According to the CDC (Centers for Disease Control and Prevention), **48.6% of the U.S. population relies on at least one prescription drug in a 30-day period.** Though the purse strings may be tightening with economic inflation and a looming recession, many stakeholders continue to depend on Pharma's products for everyday needs. RepTrak data shows us that Products & Services consistently ranks as the most important Driver. Despite the call to lower the cost of prescription medication, Pharma's Products and Services driver started trending up in March 2022, rising by 4.1% (2.9 points) in three months. Even in the wake of an inflated economy, stakeholders seem more concerned with how the industry is treating people than they are with actual products.

Pharma Driver Scores Q1 & Q2 2022 U.S.
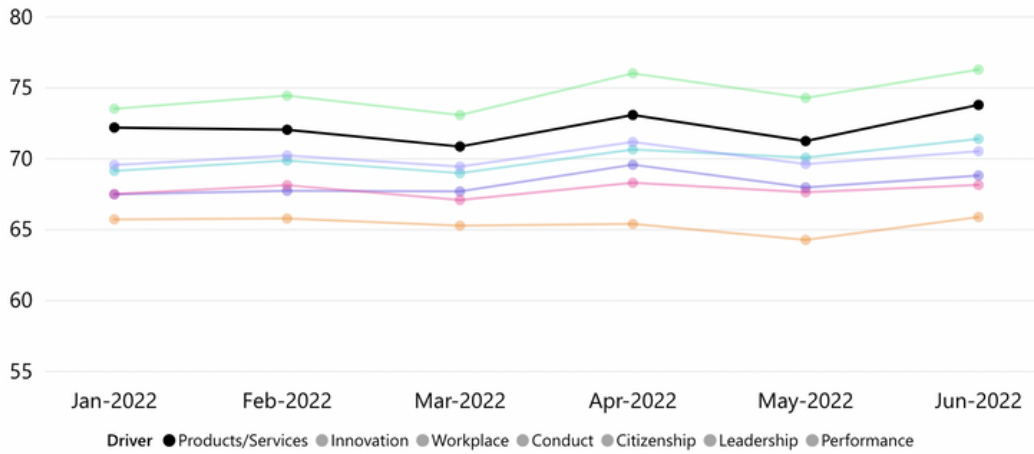
R_{**T**} Prescription

For Your Company

xxxxx Understanding 360° of Reputation is fundamental to your company's health.
For more on the 7 Drivers of Reputation, watch our **VIDEO**.

Pharma Driver Factor Scores Q1 & Q2 2022

Workplace		
Equal opportunities workplace	69.6	▼ 1.4
Rewards employees fairly	67.3	▼ 2.0
Concerned for employee well-being	68.4	▼ 1.9
Conduct		
Fair in doing business	67.2	▼ 1.5
Ethical	66.6	▼ 2.6
Open and transparent	62.8	▼ 3.5
Citizenship		
Environmentally conscious	65.3	▼ 2.9
Positive influence on society	69.7	▼ 2.5
Supports good causes	68.9	▼ 2.0

When we look at Pharma's Driver Factors, we see that the industry's weakest pain points have to do with Workplace, Conduct, and Citizenship. Pharma's largest Reputation Driver decrease cites its Openness and transparency with a 3.5-point drop and the lowest Score at 62.8.

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Our data shows that in 2022, stakeholders are more concerned with how the industry is operating rather than what products they receive in the end. If Pharma wants to be back on top, they'll need to prove to the public that their life-saving products aren't the only thing they're delivering on. Stakeholders are holding every industry accountable in all facets. From a Pharma Burnout to a Workplace Burnout, the public is tired of untrustworthy companies perpetuating pre-pandemic modes of operation. Like we always say, "saying and doing the right thing is good business." For an industry notoriously operating with the perception of corporate greed behind them, they need to prove they've changed their ways.

It's a statement we've heard over and over again, but until the public is shown it's true, they will skeptically await a Pharma encore.

HOW REPTRAK CAN HELP

RepTrak tracks corporate reputation objectively and in-near-real time, meticulously monitoring your Reputation Drivers, ESG Drivers, Brand, Media interactions, industry benchmarks, and more– so you know how your efforts and communication impact your broader reputation.

To schedule your demo today, visit reptrak.com.

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