

The 2015 Edelman Trust Barometer: A Closer Look at Health



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Introduction

As the global healthcare industry evolves at an ever-increasing pace, trust in the industry and its various stakeholders continues to be at the core of many of the health-related decisions that consumers make on a daily basis. This trust, however, is inevitably influenced by rising drug costs, the availability of new therapies, renewed efforts to curb healthcare spending, public health crises and health system transformations. How are attitudes toward the healthcare industry and its stakeholders changing as a result? Do consumers trust their doctors to provide quality care, pharmaceutical companies to manufacture safe, efficacious and affordable drugs and governments to appropriately regulate the industry?

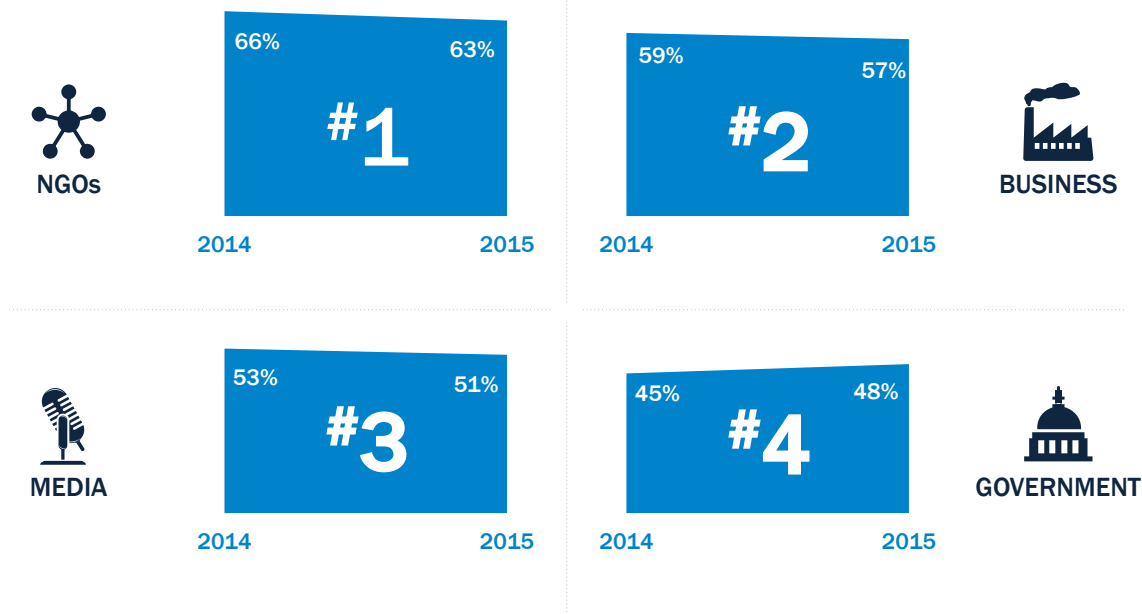
In order to further examine trust through a health lens, the 2015 Edelman Trust Barometer delved into how people in 27 countries viewed the pharmaceuticals, consumer health and biotechnology industries, as well as payers/insurers and hospitals/clinics. The resulting data provide evidence supporting many of the healthcare trends that we have seen play out in the last year. They also point to possible strategies that can help the pharmaceuticals industry, and other health subsectors, prevent the erosion of trust that other institutions and industries are experiencing.

About the Survey Populations:

The Trust Barometer distinguishes between respondents from the general population and respondents from the informed public who are college-educated, in the top 25 percent income bracket for their age group in their country, report regular media consumption and are engaged in business news and public policy.

THE EVAPORATION OF TRUST: NGOS, BUSINESS, MEDIA ALL DECLINE

Trust in the four institutions of government, business, media and NGOs, 2014 vs. 2015:



Global Trust Erodes; Pharma and Consumer Health Remain in the Middle of the Pack

Trust in business, media, and even NGOs suffered over the last year, leaving government as the lone institution to experience a slight uptick in public trust. It was a year of the unexpected and unimaginable – from a disappearing aircraft to a seemingly unstoppable pandemic to a rash of privacy and security breaches. The consequence was the dissolution of confidence and the end of an era in which trust in business had been on a steady and upward trajectory since the end of the Great Recession.

Among both the general population and informed public, India was the most trusting of the pharmaceuticals industry at 79 percent and 88 percent respectively; Germany was the least trusting of the pharmaceuticals industry, with a trust level of 38 percent among the general population and 39 percent among informed publics.

THE TRUST INDEX

Number of truster countries is at an all-time low

2015	
GLOBAL	55
UAE	84
India	79
Indonesia	78
China	75
Singapore	65
Netherlands	64
Brazil	59
Mexico	59
Malaysia	56
Canada	53
Australia	52
France	52
U.S.	52
Germany	50
Italy	48
S. Africa	48
Hong Kong	47
S. Korea	47
U.K.	46
Argentina	45
Poland	45
Russia	45
Spain	45
Sweden	45
Turkey	40
Ireland	37
Japan	37

↓ TRUSTERS
from 30% to
22% in 2015

↑ DISTRUSTERS
from 33% to
48% in 2015

Disparities in Trust Align with Disparities in Health Access and Education

Trust in business declined two percentage points among informed publics, from 59 percent in 2014 to 57 percent in 2015. Among the general population, trust in business remained steady from 2014 to 2015 but was a full eight percentage points lower than the informed publics at 49 percent. Among informed publics, trust in the pharmaceuticals industry remained steady at 59 percent compared with a one percentage point drop among the general population (from 58 percent in 2014 to 57 percent in 2015). For consumer health, trust dropped from 60 percent to 59 percent among informed publics and from 57 percent to 55 percent among the general population.

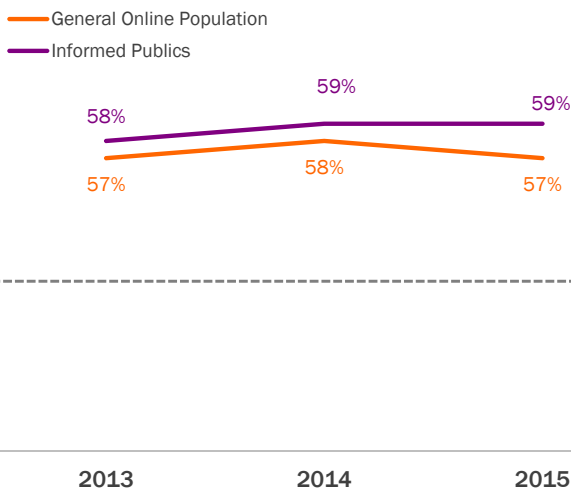
The differing levels of trust in the pharmaceuticals and consumer health industries between the informed public and the general population (see below) are especially

telling when we think about the factors that separate these groups. Wealth disparities in countries around the world follow gaps in access to healthcare. Wealth differences between the informed public and the general population also correlate to differing trust levels. It is important to remember, then, that the continued debate around access today – one readily characterized as a divide between the haves and have-nots – threatens to erode trust further, absent known solutions.

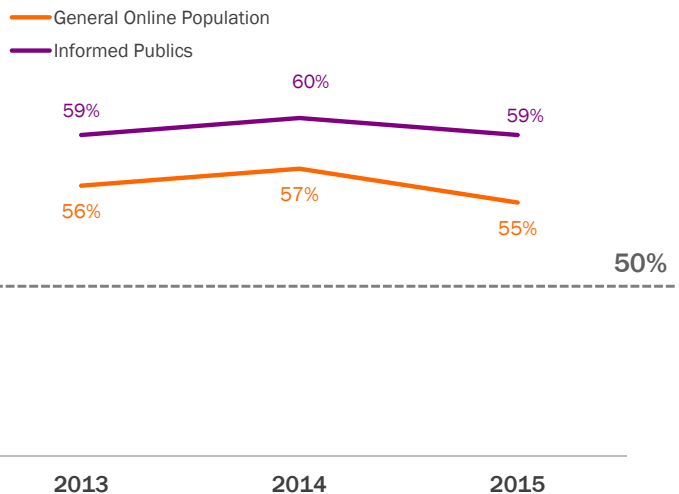
Another differentiating factor between the informed public and general population is education, which is also a contributor to healthcare access. Initiatives that increase access to healthcare through the promotion of patient education and health literacy may pay dividends in the form of increased trust for pharmaceutical and consumer health companies alike.

GENERAL POPULATION IS LESS TRUSTING OF PHARMACEUTICALS AND CONSUMER HEALTH INDUSTRIES THAN INFORMED PUBLIC

Trust in Pharmaceuticals



Consumer Health



Among the general population, trust in the pharmaceuticals industry increased the most in France (41 percent in 2014 to 48 percent in 2015); trust in the pharmaceuticals industry decreased the most in Turkey (49 percent in 2014 to 41 percent in 2015)

Making Health Information Searchable and Shareable

For the first time, search engines are now the most trusted source for general news and information among the informed public, surpassing traditional media by two percentage points. The gap in trust between traditional and digital sources of media is even more pronounced among millennials; 72 percent of millennials say online search engines are their most trusted source of information, as compared to 64 percent among the larger, informed public population.

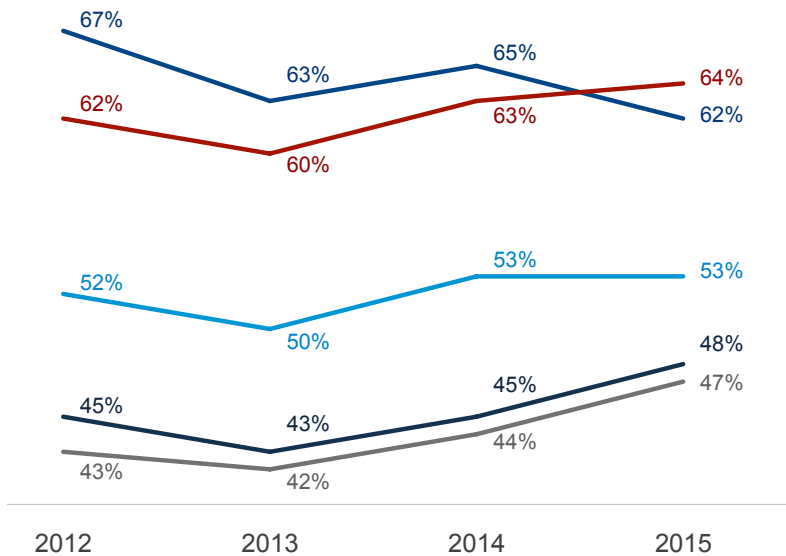
The most obvious implication of the rise of search is the “findability” imperative. Health companies need to make sure

that their content is easily searchable and supported by search engine optimization (SEO). By increasing the amount of online information available on corporate initiatives, disease states, pipeline compounds and clinical trials, especially in a way that is easily searchable, reflecting the language consumers use, pharmaceutical companies and other health stakeholders can take a big step towards addressing the tension arising from a transparency-expecting public's unrequited demand for information.

MEDIA SOURCES: SEARCH ENGINES NOW MOST TRUSTED

Trust in each source for general news and information (20-country global data)

Millennials Are Even More Trusting Of Digital Media



Online Search Engines	72% (+8)
Traditional Media	64% (+2)
Hybrid Media	63% (+10)
Social Media	59% (+11)
Owned Media	57% (+10)

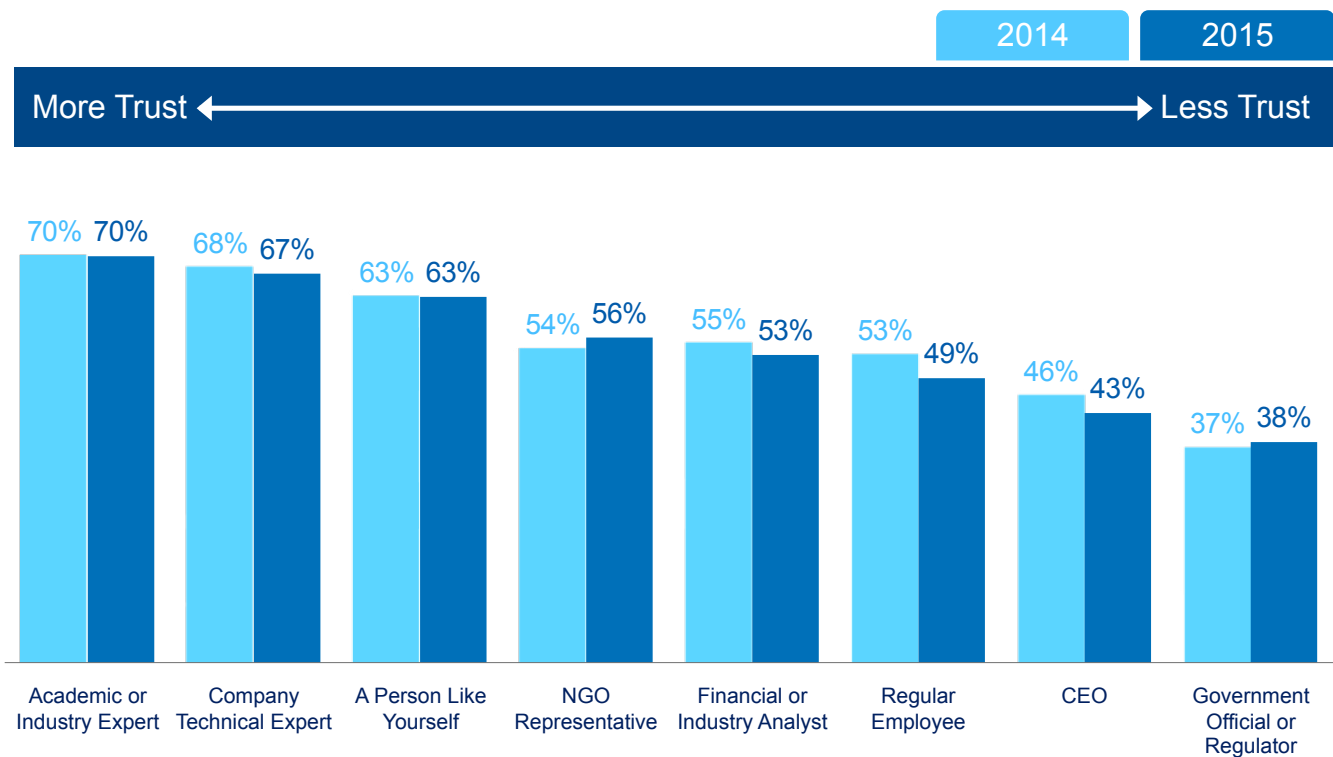
Expanding the Definition of Company Spokesperson

Academics, industry experts, company technical experts and a “person like yourself” remain the most credible spokespersons for business, standing in stark contrast to CEOs, who are now nearly half as trusted, with trust levels at 43 percent. In three-quarters of countries, CEOs are not viewed as credible spokespersons. They rank only above a government official or regulator, having fallen a full nine points from a high in 2011. The trust deficit for CEOs is particularly pronounced in the developed world, where trust levels hover 10 points below the global average. In these countries, 70 percent of respondents do not perceive the CEO to be a believable source of information about a company. The picture is far different in the developing world, where CEO credibility trends 30 points higher, at 61 percent.

The very nature of the pharmaceuticals industry today – one in which pharmaceutical companies are an essential contributor to an innovation ecosystem that is also dependent on academic, healthcare provider, governmental and other collaborations – results in a community of stakeholders available to share and explain news and developments coming from the industry. It is also important to acknowledge the dual role of regular employee and “person like yourself” – one that many involved in health industries play. Among their families and social networks, health industry employees (like employees of any industry) also constitute “persons like yourself.” Ensuring that all employees are steeped in a company’s mission, vision and practices is the first line for communication.

LEADERSHIP: EXPERTS AND “A PERSON LIKE YOURSELF” TWICE AS CREDIBLE AS CEOS

Credibility of spokespersons, 2014 vs. 2015



Trust in the Pharmaceuticals Industry Declines Slightly; Rises Long-Term Relative to Other Industries

Trust in the pharmaceuticals industry has been rising relative to other business verticals and now ranks in the middle in 2015, having comfortably separated itself from industries such as financial services, banks and media. From year to year, trust in the pharmaceuticals industry has tended to move in small increments, in the US and globally, among informed publics and a typically more skeptical general population. But at any point in time, the pharmaceuticals industry has left somewhere between a third and nearly half of its audience in the distruster category, thereby weakening the industry's license to operate and lead.

In 2015, there was a slight one-point drop in global trust of the pharmaceuticals industry, from 58 percent to 57 percent among the general population. In looking across different countries, trust in the pharmaceuticals industry only increased in four of the 27 countries surveyed. Ten of the 27 countries surveyed were labeled as distrusters of the pharmaceuticals industry as a result of having trust levels below 50 percent. India was the most trusting of the industry with 79 percent while Germany was the least trusting with 38 percent.

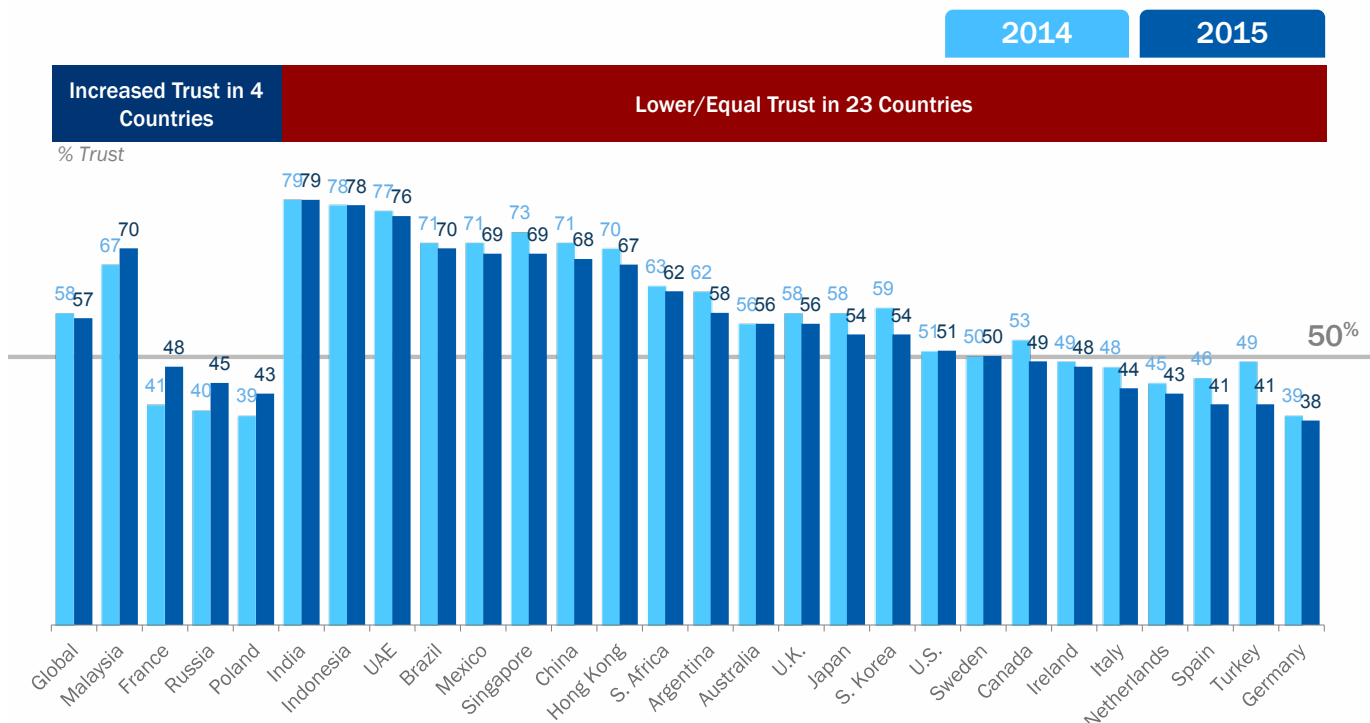
Additionally, the UK was the only European country of the 10 that were surveyed that had over 50 percent trust in the pharmaceuticals industry among the general population. As in years past, the most trusting countries were largely from Asia and Latin America.

In the past year, the pharmaceuticals industry has been faced with an increasingly public debate around the price of, and access to, new and innovative therapies. For many, there is a lack of understanding of the value and related price of new medicines, even when they represent a meaningful improvement in treatment. For some, the price is only relevant in relation to what might be considered the cost to develop an individual treatment; for others, any price that impedes access will be controversial. This does not account for the considerable risks that industry takes in a process where not all promising products are ultimately proven safe and effective. This and other issues put the pharmaceuticals industry in the crosshairs of stakeholders who question their motives and are wary of granting them a license to lead.

TRUST IN PHARMACEUTICALS

FLAT OR DECLINING IN MOST COUNTRIES

Trust in pharmaceuticals industry sector, 2014 vs. 2015



Trust in the Consumer Health Industry Parallels Trust in the Pharmaceuticals Industry

Trust in the consumer health industry, decreasing slightly from 57 percent to 55 percent among the general population globally, continued to generally move in step with the pharmaceuticals industry. While global trust in consumer health was lower than that of the pharmaceuticals industry among the general population, 10 countries did experience an increase of trust in consumer health compared to only four countries that showed an increase in trust of the pharmaceuticals industry. This could be seen by some as a silver lining because it shows that reversing trust in consumer health is not only possible but already happening in almost one-third of the countries included in the Trust Barometer.

The Trust Barometer started to cover consumer health in 2013 in an attempt to examine whether consumers think any differently about companies that make health

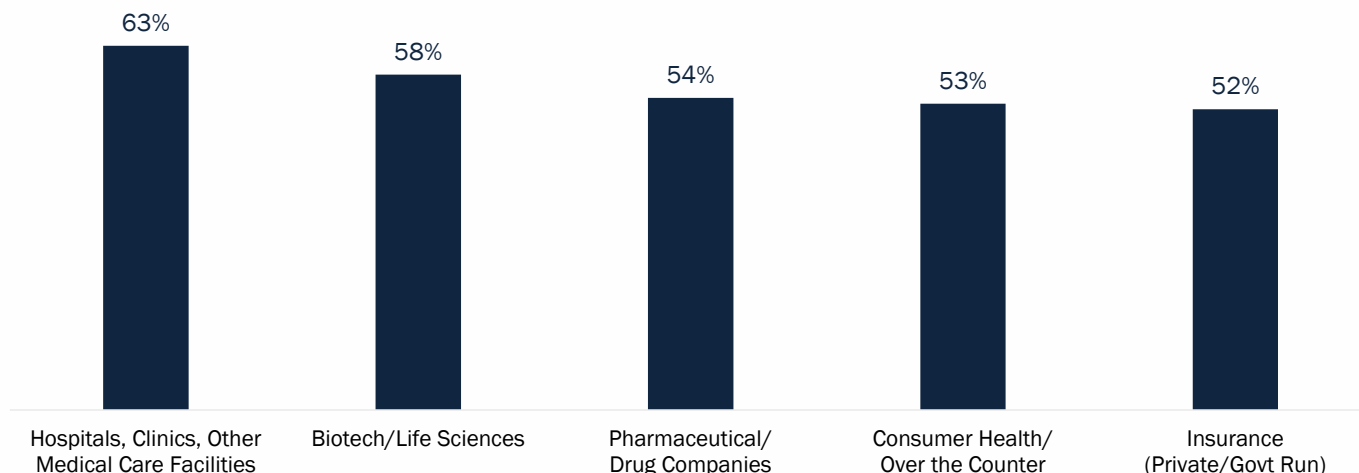
products that do not require the same rigorous testing and strict regulation or healthcare provider approval as the pharmaceuticals industry. As in 2013 and 2014, the hypothesis that consumer health – representing health products that do not require a prescription and of which we generally have a broad selection from which to choose – would be more trusted than the pharmaceuticals industry among the general population was not borne out. During the years of our examination, a spate of recalls making consumer health products suspect, combined with false or misleading claims associated with some supplements and nutrition products, may explain the difference. The alternative is also that the more rigorous testing and regulation associated with pharmaceuticals provides a small trust advantage over consumer health products.

Drilling into Health Subsectors Finds Differences in Health Trust

The 2015 Trust Barometer, in addition to assessing trust in the pharmaceuticals and consumer health industries, also surveyed feelings of trust toward the biotech/life sciences, hospitals/clinics and insurance industries (private/government-run). In looking at the trust levels across all five health subsectors globally, we can see that there is an 11-percent gap between the most trusted subsector, hospitals/clinics at 63 percent among the general population, and

private or government-provided insurance, which was the least trusted subsector at 52 percent of the general population. Insurance was defined as private insurers in the United States and government-run insurance for all other countries. While it is not surprising to find hospitals/clinics at the top, the relative similarity in trust across the health subsectors suggests a possible lack of appreciation of the roles each play within the healthcare industry.

INDUSTRY SUB-SECTORS: HOSPITALS MOST TRUSTED, PAYERS LEAST

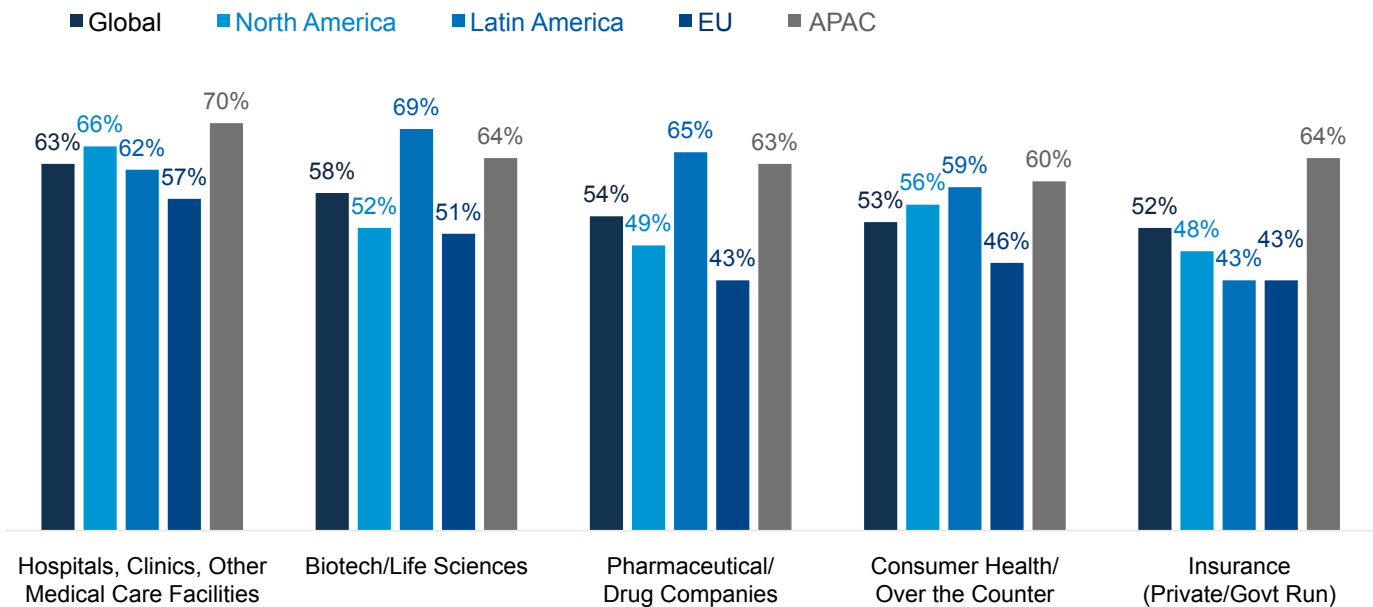


Insurance Least Trusted of Health Subsectors; Hospitals/Clinics Most Trusted

As the gatekeepers for care, insurance was the least trusted of the subsectors examined. The year 2014 was a high-profile year for insurance and other payers as debates over access and drug prices dominated media headlines. Globally, payers – both private and government-run – are faced with the monumental task of reining in healthcare spending and therefore must consider the impact that innovative treatments will have on their bottom line. This may sometimes mean making the unpopular decision to deny coverage for exciting new therapies that also come with a high price tag. The new transparency around these types of decisions that are directly related to the financial sustainability of healthcare surely contributes to consumer perceptions and trust.

On the frontlines of delivering care to both the informed public and general population, hospitals/clinics were the most trusted health subsector globally. Trust, in this case, is aligned with the institutions responsible for delivering the solutions that ultimately improve health. However, a deeper dive into the subsector data across the different regions reveals that this is not the case universally. Interestingly, in Latin America, both biotech/life sciences and the pharmaceuticals industry are more trusted than hospitals/clinics, as well as every other health subsector. Latin America also has a higher trust in the biotech/life sciences and pharmaceuticals industries than every other region, pointing to the region's somewhat unique relationship with the two industries.

TRUST IN THE HEALTH INDUSTRY SUB-SECTORS: TRUST IN INDUSTRY SUB-SECTORS VARIES BY REGION Trust in various industry sub-sectors. global and regional



Of the four regions, Europe was the least trusting of all five health subsectors among the general population (Europe was tied with Latin America as the least trusting of insurance).

As a group, BRIC countries (Brazil, Russia, India and China) had the following trust levels: 63 percent in hospitals/clinics, 65 percent in biotech/life sciences, 63 percent in pharmaceuticals, 58 percent in consumer health and 60 percent in insurance.

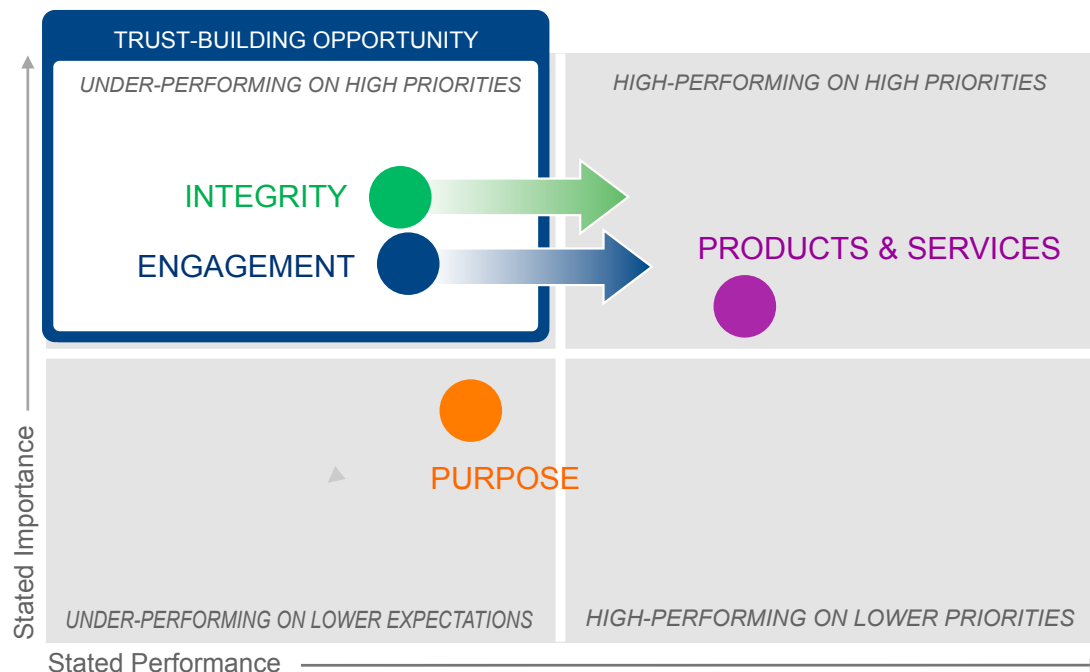
Building Trust in Health

For business overall, trust is built through specific attributes, which can be organized into five performance clusters: integrity, engagement, products and services, purpose, and operations. Of these clusters, the Edelman Trust Barometer reveals that integrity is most important, followed closely by engagement. As in years past, respondents indicated that areas such as excellence in operations or products and services, while important, are simply what are expected of business.

The Trust Barometer also revealed a number of specific behaviors that healthcare stakeholders can focus on to increase trust. By asking respondents about how the health industry performed on key trust-building behaviors, the Trust Barometer was able to identify some of the industry's greatest deficiencies and, more importantly, highlight opportunities for how stakeholders can turn things around.

ENGAGEMENT AND INTEGRITY: PRIORITY AREAS FOR COMPANIES TO BUILD TRUST

Business importance vs. business performance on 16 trust attributes - global:



The three trust-building behaviors where the health industry was found to be lagging behind other industries the most were:

1. **Being transparent in reporting progress on company's social responsibilities**
2. **Protecting customer data**
3. **Embracing sustainable business practices**

These behaviors represent low-hanging fruit for healthcare stakeholders who are looking to advance trust with consumers and patients. By crafting highly visible corporate social responsibility strategies that are easily searchable and

continually reported on, stakeholders can begin to address two of these trust-building behaviors where the health industry is found to be especially lacking. Moreover, as incidents of data theft are increasingly making headlines, healthcare stakeholders that have access to patient data should take the necessary steps to protect the data while also openly communicating with patients about the different safeguards that are in place. This type of open engagement will help to pull back the veil on healthcare stakeholders and demonstrate their willingness to address patient needs.

HEALTH INDUSTRY IS UNDERPERFORMING ON KEY TRUST-BUILDING BEHAVIORS

Importance of behaviors in building trust vs. percent who agree the health industry is performing well against these behaviors



Trust Matters

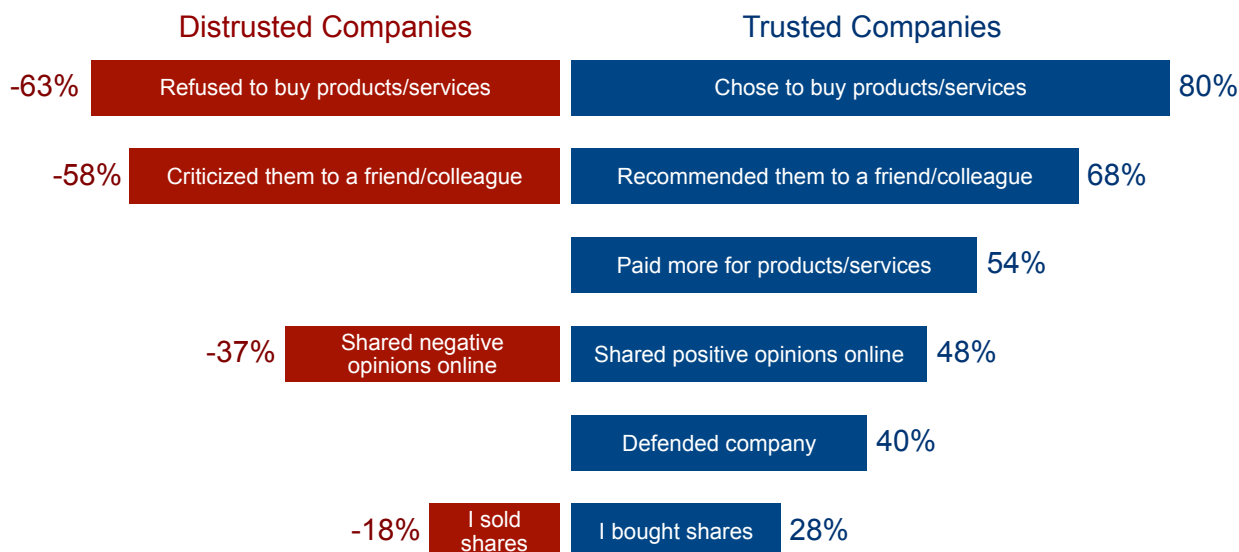
The 2015 Trust Barometer findings clearly reveal that trust carries important implications for future business success. Respondents indicated that trust or lack of trust in a particular company has influenced their behaviors in the previous 12 months. Namely, 80 percent of respondents said that they chose to buy a particular product or service because they trusted the company behind it. Sixty-three percent said they

refused to purchase a product or service because they distrusted a particular company. Just as significant in an age when peer influence is increasingly consequential, 68 percent said that they have recommended a company that they trusted to a friend or colleague, and 58 percent said they shared criticism about a distrusted company.

TRUST MATTERS

Behavior based on trust

Actions Taken Over Past 12 Months – Global



Toward Trusted Innovation

The pace of change has never been faster and innovation has become an even greater imperative for success across all industries, including health. Yet, as demonstrated by the Trust Barometer findings, public trust in innovation is no longer implicit. Innovation on its own is not perceived as an inherent demonstration of forward progress, despite the near reverence for the term. A majority of respondents (51 percent) say the pace of development and change by business and industry in the world is too fast.

Three times as many informed publics believe innovation today is motivated by greed as by making the world a better place – a reality that lies in direct contrast to the informed public's beliefs about the potential for business today. From a health perspective, this may mean that the innovations we are seeing, especially from the pharmaceuticals and biotech industries, are perceived by the public as being more profit-driven and less about treating diseases for the sake of improving health. Nearly half of informed publics cite “contributing to the greater good” as a key driver of their trust in business, while 51 percent assert that business enabling them to be a more productive member of society matters in this regard. A compelling and related finding shows respondents expect more from business than operational excellence, with eight in 10 saying business can take actions that increase profits while also improving economic and social conditions. The implication for health is clear – companies need to make the link between how the innovations they are bringing to the table, by improving health outcomes, can also improve economic and social conditions. To do this, health companies need to focus on creating value narratives that meet this expectation.

Earning the Right to Innovate in Health

The new formula for Trusted Innovation is especially enlightening for a healthcare industry that continues to serve as a breeding ground for countless transformative technological advancements. The ingredients for Trusted Innovation – discovery, benefit, integrity and engagement – must therefore be carefully considered when determining the true value of a new drug, medical device or other healthcare innovation. “New” does not always mean better and there are many actions that health stakeholders can take to ensure the marketplace's acceptance and eventual uptake of their product. With 51 percent of informed publics expressing that the pace of change and development in business is too fast, those in health industries experiencing a dramatic pace of change should proactively engage stakeholders to prepare them for future innovations – in treatment options, in care delivery models, and in new technologies and payment schemes.

Business is society's best hope for meaningful and impactful innovation, but a new approach is needed. Our new era – the era of growing skepticism, rapid innovation and an empowered yet wary citizenry – gives rise to the need for Trusted Innovation.

Here is a new formula:

$$TI = [D + B + I] E$$

Trusted Innovation = [Discovery + Benefit + Integrity] Engagement

Trusted Innovation is the sum of Discovery, plus Benefit, plus Integrity, exponentially powered by Engagement.

Discovery refers to the innovation that business is uniquely positioned to advance. To Discovery, business brings an unrivaled agility and nimbleness, a multi-stakeholder and often global view, founded in specific expertise no other institution can bring.

Benefit is twofold – both personal and societal, referring to the trust that is placed in companies to address individual needs or challenges, as well as larger, macro-issues facing society.

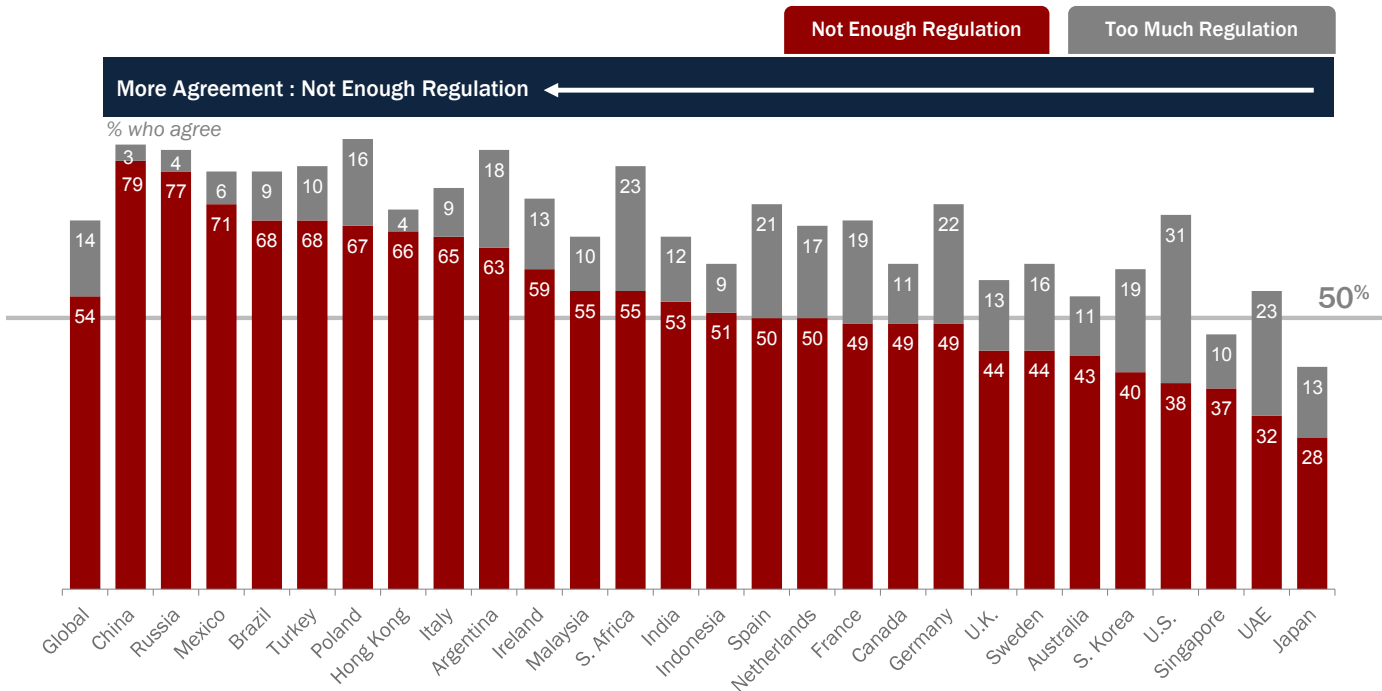
Integrity is the sum of attributes that build trust in any company, chiefly having ethical business practices, managing risk, treating employees well and operating responsibly as a good corporate citizen.

Engagement is the multiplier factor and refers to the transparency and third-party validation that is integral to innovation. As a case in point, eight in 10 respondents say actions such as making test results publicly available for review would boost trust in an industry's ability to adopt new technology change.

Among the general population, 54 percent of respondents indicated that the health industry was not regulated enough and only 14 percent responded that it was too regulated. Results varied across countries – 79 percent of respondents from China called for more regulation and only 28 percent of Japanese respondents agreed. Furthermore, the United States had the highest percentage of respondents (31 percent) who believed that the health industry was already regulated too much. However, the fact that the majority of respondents want a more highly regulated health industry does not mean that private-sector healthcare stakeholders should take a backseat to government. Rather, 73 percent of the general population worldwide thinks that the health industry should be a more active participant in the debate over the health system. This confirms the active role healthcare stakeholders are expected to play in determining how health systems deal with health innovations that are continually coming down the pipeline.

MAJORITY AGREE: NOT ENOUGH GOVERNMENT REGULATION OF HEALTH INDUSTRY

Government regulation of the health industry: too much or not enough



REGULATION: CONSUMERS WANT INDUSTRY ACTIVE IN THE DEBATE

Percent who agree with each statement

69% agree:
When policymakers are developing new regulations, they should consult with multiple stakeholders

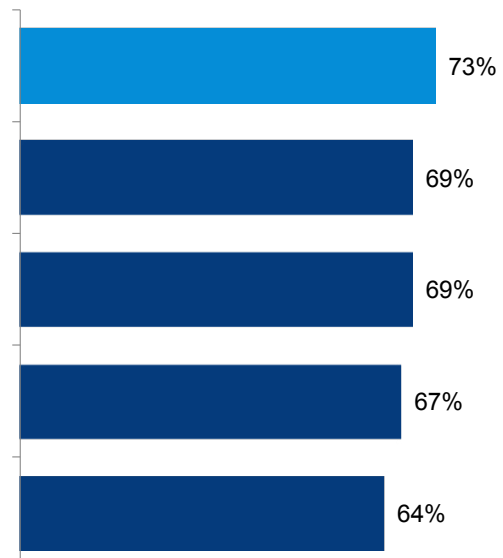
The health industry should be a more active participant in the debate over the health system

The technology industry should be a more active participant in the debate over privacy issues

The food and beverage industry should be a more active participant in the debate over food/nutrition policy

The energy industry should be a more active participant in the debate over energy policy

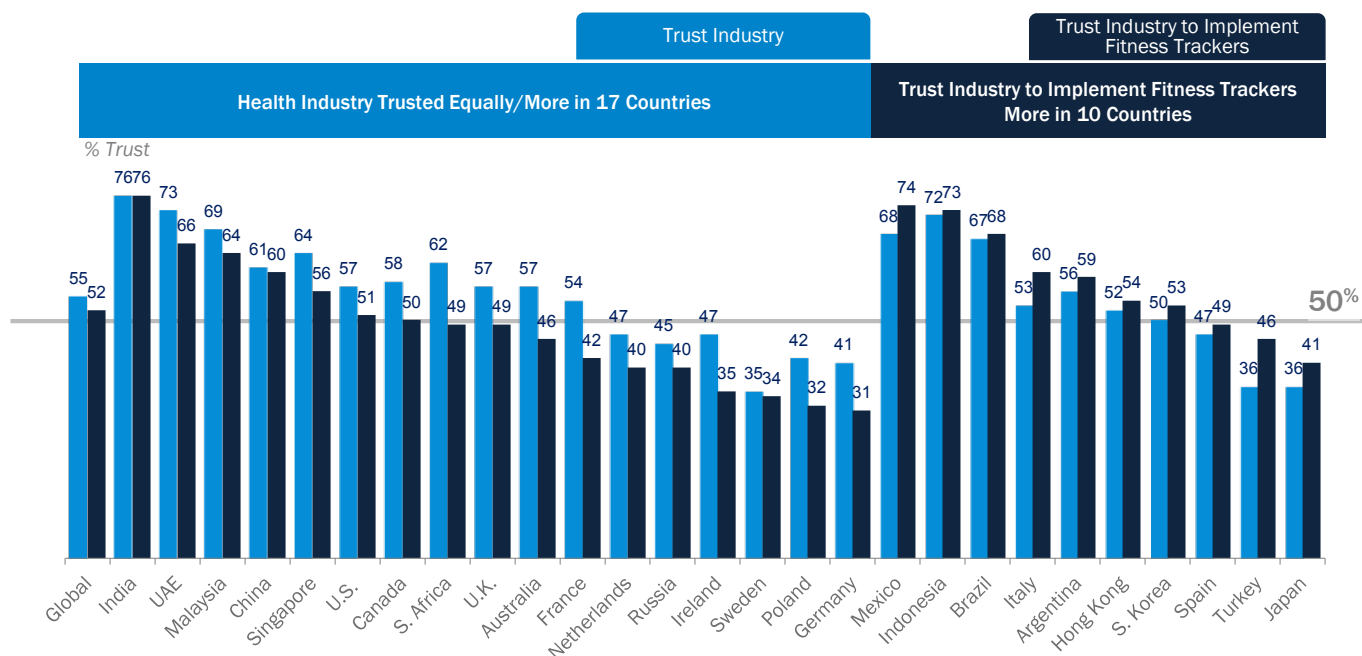
The financial services industry should be a more active participant in the debate over the future of the banking system



TRUST IN INDUSTRY

DOES NOT GUARANTEE LICENSE TO INNOVATE

Trust in health industry vs. trust in industry to implement new development



Trust in the health industry does not guarantee a license to innovate. Electronic fitness trackers, initially seen by many as a product with the potential to truly drive personalized health, were actually shown to be distrusted in about half of the countries surveyed as part of the Trust Barometer. The variation that exists in how different countries perceive a technology like an electronic fitness tracker supports the need for tailored communications and engagement strategies that employ the aforementioned trust-building behaviors. The introduction of an innovation to a market must clearly address the unmet personal and societal needs of that market.

Actions considered central to anchoring the permission to innovate – making test results available for public review, partnering with academic institutions, running clinical trials and partnering with an NGO or government – are core strengths of the health industry. Having already developed these capabilities, healthcare stakeholders are in a prime position to garner the trust that supports the acceptance of future innovations. Bringing a new level of transparency and stakeholder engagement to these strengths is essential to meeting the expectations of healthcare consumers around the globe and to industry's ability to not just operate, but lead.

About the Edelman Trust Barometer

The 2015 Edelman Trust Barometer is the firm's 15th annual trust and credibility survey. The survey was powered by research firm Edelman Berland and consisted of 20-minute online interviews conducted on October 13th – November 24th, 2014. The 2015 Edelman Trust Barometer online survey sampled 27,000 general population respondents with an oversample of 6,000 informed publics ages 25-64 across 27 markets. All informed publics met the following criteria: college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; follow public policy issues in the news at least several times a week. For more information, visit www.edelman.com/trust2015.

About Edelman

Edelman is the world's largest public relations firm, with more than 5,000 employees in 65 cities, as well as affiliates in more than 35 cities. Edelman was named one of Advertising Age's "A-List Agencies" in both 2010 and 2011, and an "Agency to Watch" in 2014; Adweek's "2011 PR Agency of the Year"; PRWeek's "2011 Large PR Agency of the Year"; and The Holmes Report's "2013 Global Agency of the Year" and its 2012 "Digital Agency of the Year." Edelman has been awarded seven Cannes Lions including the Grand Prix for PR in 2014. Edelman was named one of the "Best Places to Work" by Advertising Age in 2010 and 2012 and among Glassdoor's "Best Places to Work" in 2011, 2013 and 2014. Edelman owns specialty firms Edelman Berland (research), Edelman Deportivo (creative), BioScience Communications (medical communications) and agency Edelman Significa (Brazil). Visit www.edelman.com for more information.

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