

PR REPORT

# TRUST & CREDIBILITY

Reversing pharma's ragged reputation is no easy task. But good intentions abound. **Ben Comer** reports on AstraZeneca's attempts to put transparency at the center of its efforts to build corporate trust and also gain ground in the cholesterol drug market

If the medium is literally the message, as media theorist Marshall McLuhan famously decreed, then pharmaceutical industry communicators may want to consider etching their messages on glass. That may be an impractical solution, but the demand for industry-wide transparency is generating radical changes in the way companies disseminate information and interact with the public.

Whether it is government officials issuing mandates, bloggers and reporters expressing skepticism or stakeholders and patients seeking greater access to financial and clinical data, the need for clarity has reached unprecedented levels.

Leslie Pott, senior director, corporate communications, commercial at AstraZeneca, posits transparency as playing a crucial role not only in terms of the financial bottom line, but also in providing better patient health. "It is important to be open about how we conduct our business, and what we are doing to help people both inside and outside of the lab," she explains. She should know. AstraZeneca has taken the helm on this issue in recent years, and has profited as a result. AstraZeneca posted a 5% growth in 2007, at a time when other industry leaders came in at a loss.

## When clarity meets opportunity

Transparency isn't the only factor contributing to success, but it's easy to find a correlation. Take Crestor (rosuvastatin calcium), a statin, for example. In 2005, the FDA rejected a petition from Public Citizen arguing that the drug should be withdrawn from the market. Despite this favorable ruling, many patients and physicians were concerned about the drug's safety. AstraZeneca's response to the controversy was to create an external website, updated weekly, that published adverse event reports, and compared them with data on other statins currently in the market. "The brand has been on a bit of a rollercoaster ride, because there was information

PHOTO: SABINA PIERCE



**AstraZeneca's Julia Walker (left), senior director, brand corporate affairs, and Leslie Pott (right), senior director of corporate communications, commercial**

that was misconstrued in the early days after the launch,” says Julia Walker, senior director, brand [including Crestor] corporate affairs, cardiovascular and design for launch at AstraZeneca. “There were some false or misleading claims made about the brand in terms of safety and efficacy. But we were transparent, so we made sure that people from patients to physicians had access to all of the safety data and clinical trials. We had reason to do it, and we did. My view is that it paid off.”



**“Companies are trying to go above and beyond what is appropriate in terms of transparency”**

—Lisa Davidson, Porter Novelli

In January 2008, Merck and Schering-Plough pulled ads for Vytorin in the wake of its ENHANCE study. In February, Pfizer halted its Lipitor campaign after government officials questioned Robert Jarvik’s role in the ads. Walker says AstraZeneca’s strategy was in place prior to ENHANCE and the Lipitor ad gaffe, and had seen signs of an uptick.

Crestor’s sales were up 30%, to \$1.7 billion, in 2007, with market share increasing to 14.3%, according to IMS Health. Lipitor, still the undisputed leader of the category, held 67.3% of the market share in 2007, a loss of 7%, according to the IMS data.

“Back in November, Crestor had a new indication, which was to slow the progression of atherosclerosis,” Walker says. “From November all the way to February, when the DTC ads went live, we had been working [on brand-imaging] and had begun to see those messages resonate with physicians and across the marketing mix. We were talking about the disease — atherosclerosis — and it made a difference with people’s attitudes and the reception of Crestor, so we really didn’t have to change anything [post-ENHANCE]. If you go back to when Crestor was in development, you had three other statins withdrawn, and that affected us negatively, but that’s just the way the market goes.”

A Crestor/JUPITER study at the end of March was halted early after Crestor demonstrated “unequivocal evidence of a reduction in cardiovascular morbidity and mortality,” according to a company statement.

**Clearing a path to success**

How exactly does pharma become more transparent? A recitation of the word itself won’t work, and online communications—blogs and social media—aren’t necessarily answers unto themselves.

“Taking a neutral tone in a blog is boring,” says Peter Pitts, director of Center for Medicines in the Public Interest and SVP for health affairs at Manning, Selvage & Lee. “Pharma needs to find its voice online: who they are and what they’re offering. That’s tough to do with the current regulatory climate, since [government] officials’ response to questions that arise in developing interactive digital content tends to be ‘no.’”

Financial data seems to bear out that sentiment, given healthcare

**Cholesterol drugs market, 2007**

	Rank	2007 Total \$	2007 % Market Share	Total Growth Over 2006
<b>Reductase inhibitors</b>		12.4 billion	100.0	-27
Lipitor (Pfizer)	1	8.2 billion	67.3	-7
Crestor (AstraZeneca)	2	1.7 billion	14.3	30
simvastatin	3	1 billion	8.7	-30
lovastatin	4	318 million	2.6	14
Zocor (Merck)	5	239 million	2.0	-93
<b>TOTAL OTHERS</b>		<b>605 million</b>	<b>5.0</b>	<b>-61</b>
<b>Cholesterol reducing combination drugs</b>		2.6 billion	100.0	30
Vytorin (Merck/Schering Plough)	1	2.5 billion	94.2	92
Advicor (Abbott)	2	154 million	5.8	8
Pravigard (Bristol-Myers Squibb)	3	1 thousand	0	0
<b>Cholesterol Absorption</b>		1.9 billion	100.0	100
Zetia (Merck)	1	1.9 billion	100.0	100

Source: IMS Health, IMS National Sales Perspectives January 2008

was the only industry in the US to decrease online spending in 2007.

Despite obstacles online, Helen Ostrowski, chairman of Porter Novelli, says “No company on the planet can afford to ignore the new communication pathways and the people that are participating in them. The advent of social media and technology in general is creating an enormous need for transparency. Companies have to be more authentic, because they’re increasingly held to a higher standard.”

Ostrowski recognizes that new digital pathways open the door for “people with an ax to grind,” for instance, and also a shift in the way PR is assessed. “With new government regulations, PR is being considered an extension of marketing,” she says. “If you’re a pharma company sponsoring a blog, and people weigh in, talking about side effects, then that has to be reported to the FDA.”

Lisa Davidson, partner at Porter Novelli and head of healthcare clients, says companies “are trying to go above and beyond what is appropriate in terms of disclosure and transparency.”

Simply acknowledging the challenges of Web 2.0, and Web 1.0 for that matter, may be the place to start. “The world is getting smaller and smaller and we are finding that what happens in Japan, within minutes, is hitting wires all over the world, so we’re incessantly addressing issues, and working very closely with our global colleagues,” says Walker.

Johnson & Johnson’s corporate blog, JNJ BTW, presents itself as “a three-dimensional view” of the company. According to Ostrowski, J&J



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“went about it carefully, with an internal launch to get comfortable with the technology, and then launched it externally. When they decided to sue the Red Cross, the blog became a great way to speak on and debate the issues raised in an authentic way.” Some people aren’t so sure.

“We’re certainly watching what others are doing—we’re aware of the Johnson & Johnson blog. We’re also trying to determine if there is actually value in that kind of dialogue,” says Pott, noting that messages a company would like to send out in a blog might not be the ones people necessarily want to hear, given the online traction of negative events. “At the same time, we don’t ignore it. We’re having conversations with the major bloggers regularly, so we’re monitoring it and participating in the conversation because it’s going on whether we’re there or not. It’s just a matter of when we talk about brands, we can’t necessarily get too involved, and we have to make sure we’re reporting any issues that we see or addressing anything that’s inaccurate, but we could drive ourselves crazy trying to do that,” she says.

Unanswered questions about product communications online will continue to present a problem. By the time regulatory protocol is set for a given online vehicle, the vehicle changes. One way PR professionals are bypassing potential danger zones online and offline is to renew the focus on disease states, which educates patients and provides context for other product messages. “What [AstraZeneca PR] is trying to do is create an environment where a disease is understood and recognized and known, so that when an ad is heard by a patient, there is a context in which to hear the messages,” says Walker.

Disease-state communications, although helpful in the long term according to Pitts, don’t always end up being the focus of a sales and product driven industry. “When the industry launched new self-regulatory criteria and guidelines, companies paid lip service to disease-awareness communications versus DTC advertising. But what happens when the bottom line needs to be protected is disease communications are the first thing to get chopped.” Management should be looking at “the long term effect of short term goals,” adds Pitts.

#### A matter of trust

Transparency and trust have a symbiotic relationship in creating a positive corporate image. As pharma companies continue to become more transparent, either by choice or by law, public trust will progressively follow. At least that’s what Edelman’s 2008 Trust Barometer seems to indicate. “The 2008 Trust Barometer shows that there’s an imperative for business leaders [to take the reins],” says Nancy Turett, global president of health at Edelman. “There is no one ‘king of trust’ institution any longer.” According to the data, “opinion elites” ages 25 to 34, view business magazines as the single most credible source for

#### Measuring PR’s ROI

Measuring ROI in public relations isn’t as easy as reading sales metrics, partly because there isn’t one single metric to use, explains Pott. “[AstraZeneca] has a team that is measuring our ROI across the board...whether it’s reputational, by looking at the Dow Jones visibility index...and external accolades, or internally.” Employees at AstraZeneca make up a significant block of stakeholders, notes Pott, enabling the company to “measure employee engagement and morale through large market surveys on a global level, as well as poll surveys that we do at a functional level to identify what’s going on in the organization and what we need to address. We’re sitting there crafting those messages, right along with our business partners.”

“More and more, you’re seeing marketers have a better understanding of what we do,” says Walker. “PR professionals [at AstraZeneca] are allied to brands before Phase IIB, so we have R&D PR who support very early development, and it starts there, and moves all the way through the organization.” Brand messaging begins at the top, and Walker and Pitt both agree that PR must start early and continue throughout the life of the brand. That wouldn’t be possible without access to senior executives. “One of our senior leaders, David Nicoli, reports directly to the CEO and sits on his team, so it starts there,” says Pott. “We have a scorecard, and a component of that is corporate reputation, which is effected by all that we do. I have a senior manager and director sitting on leadership teams throughout the commercial organization, listening to the issues and being a business partner, with helpful information so [strategies and messages] are being presented at the same time rather than the tag-along of say, ‘oh yeah, I think we have to communicate this,’ which has happened in the past.”

### Global trust by industry sectors

How much do you trust business in each of the following industries?

Technology 77%	Banks 56%
Biotech/life sciences 77%	Pharmaceuticals 56%
Automotive 62%	Consumer packaged goods 55%
Health Care 61%	Entertainment 53%
Retail 59%	Media Companies 46%
Energy 57%	Insurance 45%

Source: 2008 Edelman Trust Barometer  
(Responses from 850 opinion elites ages 35-64 in 18 countries)

information about a company. Wikipedia came in second. The gap between trust in business and government was at an all-time high, with business being trusted “to do what is right” 58% of the time. Government is trusted 39% of the time. “The pharma industry is trusted at about 50%. That isn’t enough for an industry providing products and services that aren’t elective, but necessary as a social responsibility,” says Turett. “The role of public relations and communications needs to move from a single department to a core competency—and that includes CEOs and other executives. Basic insights about the outside world and the ability to communicate in terms of a relationship, rather than in terms of business transactions, are necessary in the new healthcare environment.” Turett says pharma companies should utilize online media by informing the public about the good things they do, since healthcare is elemental to life. “Public awareness of education and patient support programs that pharma provides have tremendous value. Right now, in most cases, those programs aren’t connected to the company name, and the public-at-large isn’t aware of them.”

Edelman’s 2008 Trust Barometer report offers the following tips to help healthcare companies move their PR strategies forward:

- Use communications to improve business.
- Connect corporate brand with product brand and marketing programs. Companies will improve the likelihood of reaping the benefits of the good things they do by linking corporate and product brands.
- Reveal your future-oriented, inner-tech self.
- Treat employees as the company ambassadors they are. Employees know the companies they work for best.
- Make communications a strategic business skill of today’s senior manager. Managers need to have a fluid understanding of the changing environment and strong communications skills.
- Connect health officers and scientists with the larger public. Academics and doctors are among the most trusted spokespeople for any company.
- Invite input of opinion leaders who may have dissenting views. Put a priority on engaging, even partnering with, third-party groups that may not be aligned with corporate thinking.
- Connect with the younger generation.
- Communicate through all media, and be the media. Stories travel quickly between mainstream and social media. ■

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