Best Pharma Brands

InterbrandHealth

Contents

Change or be changed

I'm Jane Parker, the CEO of InterbrandHealth, and I'm excited to share our inaugural Best Pharma Brands report with you.

What is Best Pharma Brands?

Best Pharma Brands is a Top 10 ranking of global biopharmaceutical brands, designed to measure the contribution of the corporate brand to business results. It's a data-driven, science-driven report for a data-driven, science-driven industry, powered by the opinions of 1,900 healthcare professionals from around the world.

Best Pharma Brands is the first report of its kind for the industry, and, in addition to providing an important benchmark, it reveals valuable data that can help change the market conversation and shed new light on the value that the industry offers. It also considers the attitudes and behaviors of healthcare professionals, the gatekeepers of health and wellness, to provide insights into the industry as a whole.

More than a ranking, Best Pharma Brands offers actionable insights from InterbrandHealth's proprietary Brand Strength model. Brand Strength can help a company to diagnose its strengths and weaknesses relative to brand performance and steer an enterprise towards using its brand as an asset to drive tangible business growth.

Why biopharma should pay attention

This is a difficult world for biopharma. To be blunt, the industry is misunderstood, and nobody wants to be misunderstood. But, more importantly, the true value of biopharma is being lost, and, for an industry that has such significant contributions to make, that's unacceptable.

Leading companies are clearly starting to appreciate the value of their corporate brand as a powerful business asset. It's early days, but we're seeing strong evidence that the corporate brand is being used to make a tangible difference in loyalty, choice, and, most importantly of all, in helping people see the value that the company is bringing to the world.

Leading companies are recognizing how to leverage their brands in mergers and acquisitions (M&A) by judging potential acquisition targets, focusing their businesses through divestitures, and attracting potential partners through the lens of their underlying brand strategy.

Leading companies are recognizing that Corporate Citizenship (approach to CSR) initiatives not only deliver on biopharma's ultimate promise as an industry, but also create a greater connection and understanding with key stakeholder groups.

The challenge of authenticity, in truly living the brand rather than talking about it, is a call to action for our industry. If your company doesn't know what it stands for, then how could it possibly hope to communicate its value to the marketplace?

Companies that seize the opportunity of leveraging their brands as true assets for their businesses, that get clear about their focus, and express their value, are gaining leadership status.

A call to action

Best Pharma Brands reveals an opportunity for biopharma, but the time to act is now. The corporate brand in biopharma is currently an undervalued asset with huge potential to ignite change—not only for individual companies, but for the industry as a whole, something the leaders on the Best Pharma Brands ranking are beginning to discover.

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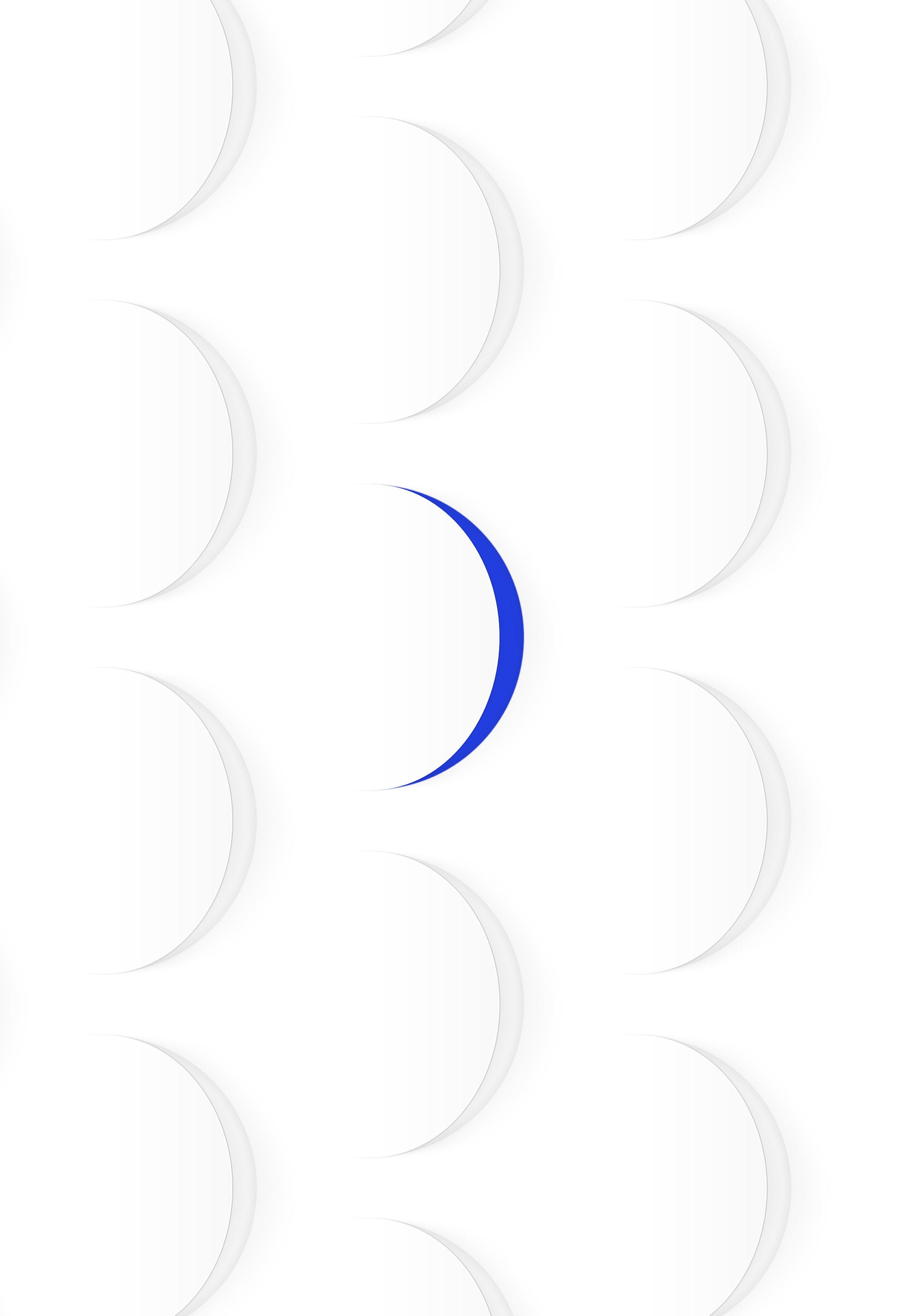


Best Pharma Brands ranking

Introducing the top 10

01
Pfizer

Brand value
USD $19.985B

02
The Roche Group

Brand value
USD $15.479B

03
Merck & Co., Inc.
Kenilworth, N.J., U.S.A.

Brand value
USD $13.880B

04
Janssen

Brand value
USD $13.866B

05
Novartis

Brand value
USD $13.496B

06
Amgen

Brand value
USD $13.461B

07
Gilead Sciences

Brand value
USD $13.361B

08
Novo Nordisk

Brand value
USD $10.206B

09
AstraZeneca

Brand value
USD $8.123B

10
GSK

Brand value
USD $6.778B

01 Pfizer

Brand value
USD $19.985B

With a brand value of USD $19.985 billion, Pfizer is the highest-ranking company in the Best Pharma Brands report. Headquartered in New York City, Pfizer is one of the world's largest biopharmaceutical brands.

Pfizer's corporate brand exerts an above average influence in driving choice for healthcare professionals (HCPs). Pfizer's expertise extends to a number of therapeutic categories including immunology and inflammation, cardiovascular and metabolic diseases, oncology, vaccines, neuroscience and pain, and rare disease. HCPs believe that this breadth of expertise across therapeutic areas drives Pfizer's ability to deliver a broad array of healthcare solutions that exceed expectations. Pfizer's global presence and legacy of dependability earned the company an impressive overall Brand Strength score, which exceeds that of its peers.

In November 2015, Pfizer entered into a definitive merger agreement that will combine the company with Allergan. How the merger of these two biopharmaceutical companies unfolds—and its impact on Pfizer's brand—will be worth monitoring throughout 2016.

02 The Roche Group

Brand value
USD $15.479B

F. Hoffmann-La Roche & Co. was founded in 1896 in Basel, Switzerland, and remains headquartered there today. In 2009, the Roche Group acquired San Francisco-based biotechnology company, Genentech, becoming the world's largest biotechnology brand. The Roche Group is also the world's largest provider of in-vitro diagnostics. Genentech, a member of the Roche Group, retained its brand in the United States of America. The Roche brand family (Roche and Genentech corporate brands) ranks #2, with a brand value of USD $15.479 billion. The Roche Group's key areas of focus include oncology, neuroscience, infectious diseases, immunology, and ophthalmology.

The Roche brand family exerts a greater than industry average influence in driving choice for healthcare professionals (HCPs), who acknowledge the company's focus on personalized medicine, facilitated by the Roche Group having pharmaceuticals and diagnostics under one roof. The company is viewed as highly committed to collaboration in research and scientific discovery. The Roche Group's dedication to science and discovery is seen by HCPs as the engine that drives the company's standing as an industry thought leader.

A commitment to making a difference in both patient lives and the healthcare ecosystem at large is what distinguishes the Roche brand family. HCPs recognize the Roche Group as a company that looks to engage with a range of stakeholders, such as payers, governments, and policymakers, in an effort to improve patient outcomes.

03
Merck & Co., Inc.
Kenilworth, N.J., U.S.A.

Brand value
USD $13.880B

Merck & Co., Inc., Kenilworth, N.J., U.S.A., known as MSD outside the United States of America and Canada, ranks #3 with a brand value of USD $13.880 billion. The company operates in more than 140 countries.

Its corporate brand exhibits an above average impact on healthcare professional (HCP) decision-making relative to its peers, driven by a legacy of making significant contributions to healthcare. The HCPs surveyed view Merck & Co., Inc., Kenilworth, N.J., U.S.A., as a thought leader in the industry and a go-to source for expert knowledge.

The company focuses on a range of targeted therapeutic areas including diabetes, cardiovascular disease, infectious diseases, Alzheimer's disease, and oncology. Merck & Co., Inc., Kenilworth, N.J., U.S.A., also operates a large animal health business.

The company is celebrating its 125-year anniversary in 2016 and is dedicated to reinforcing its reputation as an innovative and life-changing healthcare company, while focusing the company on its inventions of the future.

04
Janssen

Brand value
USD $13.866B

Janssen: The Janssen Pharmaceutical Companies of Johnson & Johnson ranks #4 with a brand value of USD $13.866 billion. Janssen focuses on five therapeutic areas: cardiovascular and metabolism, immunology, infectious diseases and vaccines, neuroscience, and oncology.

The Janssen corporate brand performed well above the industry benchmark in its impact on healthcare professional (HCP) decision-making; our hypothesis is that this may be driven by Janssen being part of the Johnson & Johnson family of Companies.

Janssen's mission is to, "Transform individual lives and fundamentally change the way diseases are managed, interpreted, and prevented." HCPs confirmed that Janssen is delivering on this promise, recognizing the company for delivering outstanding healthcare solutions, using a patient-centric approach.

Janssen is viewed as a company that consistently focuses on and invests in building strong relationships with HCPs while continually pushing the boundaries of what is possible in healthcare. Today, Janssen also gets recognition from HCPs for its dedication to science and discovery research in service of improving patient outcomes.

05 Novartis

Brand value
USD $13.496B

Novartis, based in Basel, Switzerland, ranks #5 with a brand value of USD $13.496 billion.

The company develops therapies across several areas: cardiovascular and metabolic, eye care, immunology and dermatology, neuroscience, and oncology. Novartis strengthened its oncology portfolio during the past 12 months in a deal with GSK (GlaxoSmithKline), through which Novartis acquired GSK's oncology products and research and development (R&D) and, in turn, sold GSK the bulk of its global vaccines business.

The Novartis corporate brand has an above average bearing on healthcare professional (HCP) decision-making; Novartis aims to provide solutions that address the evolving needs of patients worldwide. For HCPs, Novartis leads the industry with its proactive and innovative approaches to comprehensive health solutions. The survey respondents attribute significant value to the company's comprehensive approach beyond clinical therapies, incorporating information technology and non-traditional innovations and partnerships, including collaborations with companies like Google, which appear be driving choice for Novartis.

06 Amgen

Brand value
USD $13.461B

Amgen ranks #6 with a brand value of USD $13.461 billion. Headquartered in Thousand Oaks, CA, Amgen launched in 1980 as one of the world's first biotechnology companies. The company focuses on therapeutic areas of high, unmet medical need in oncology/hematology, bone health, nephrology, neuroscience, inflammation, and cardiovascular disease.

Amgen's corporate brand has a strong influence on driving decisions among healthcare professionals (HCPs) and, with the exception of Pfizer, it outperformed all peer companies in overall Brand Strength. The company gets high marks from HCPs for its excellence in niche therapy areas and has demonstrated its ability to push the boundaries of what constitutes value today. The survey respondents also attach high significance to Amgen's dedication to addressing unmet medical needs through research and development (R&D) and its expertise in specific therapeutic areas.

Amgen often collaborates with other industry leaders such as Merck & Co., Inc., Kenilworth, N.J., U.S.A., known as MSD outside the United States of America and Canada; Roche; and Novartis to speed the development of high-impact drugs, and the success of these partnerships is evident in HCPs' perceptions of the brand. In addition, the groundbreaking programs Amgen pioneered in anemia seem to have been the bedrock of the company's approach to adding value in the marketplace. The strategy has proven effective, as HCPs are strongly inclined to choose Amgen, in large part, as a provider of valuable services and programs, which it currently builds around its product offerings.

07 Gilead Sciences

Brand value
USD $13.361B

Gilead Sciences, the youngest biopharmaceutical company on the ranking, was founded in 1987 in Foster City, CA. Gilead ranks #7 with a brand value of USD $13.361 billion.

The company's mission is to advance the care of patients suffering from life-threatening diseases. The primary therapeutic areas of focus include HIV/AIDS, hepatitis B and C, hematology, oncology, cardiovascular disease, inflammation, and respiratory disease.

Gilead's brand has a high degree of relevance among healthcare professionals (HCPs), who consistently acknowledge the company's expertise in its core therapeutic areas. HCPs also highlight Gilead's drive to address unmet medical needs through a relentless commitment to science and discovery research.

Gilead's reputation for being at the forefront of cutting-edge research continues to grow with the company's savvy acquisition of clinical leaders like Pharmasset. This acquisition, which cost Gilead USD $11 billion, resulted in the first curative therapies for hepatitis C. These bold plays in the market inspire HCPs to rank Gilead as exceeding expectations on the delivery of unique healthcare solutions. In addition, Gilead is being recognized for its legacy in HIV therapies and for offering valuable services and programs to patients that complement its leading therapies.

08 Novo Nordisk

Brand value
USD $10.206B

For more than 90 years, Novo Nordisk has led the advancement of diabetes care. Headquartered in Denmark, the company ranks #8 with a brand value of USD $10.206 billion. In addition to focusing on metabolic diseases, Novo Nordisk targets hemophilia, growth hormone therapy, and hormone replacement therapy.

Novo Nordisk's brand performance is a true reflection of the company's mission to prevent, treat, and cure diabetes, and to improve the lives of those with chronic conditions, as well as its standing as a category leader in diabetes care. As Novo Nordisk continues to deliver on this heritage, the corporate brand performs well above the industry average in its ability to impact healthcare professional (HCP) decision-making.

HCPs recognize Novo Nordisk for its dedication to improving the lives of patients living with chronic diseases. HCPs acknowledge that the company consistently delivers healthcare solutions that exceed expectations, while offering supportive services along with its products. Novo Nordisk is also viewed as a prominent thought leader and go-to source of information on metabolic diseases.

09
AstraZeneca

Brand value
USD $8.123B

London-based AstraZeneca ranks #9 with a brand value of USD $8.123 billion. AstraZeneca's key areas of focus include cardiovascular and metabolic diseases, oncology, respiratory, inflammation and autoimmunity, infection, and neuroscience.

AstraZeneca's mission is to, "Make a meaningful difference to patient health, founded on innovative science and scientific leadership." Healthcare professionals (HCPs) acknowledge AstraZeneca's strong market presence and legacy as a leader in the pharmaceutical sector. The HCPs surveyed were driven to choose AstraZeneca based on the company's reputation for investing in building strong relationships. HCPs also believe that the company has a high degree of scientific expertise and a strong focus on improving patient outcomes.

In 2015, AstraZeneca reaffirmed its promise of growth by staving off a takeover by Pfizer and bolstering its cardiovascular, metabolic, and respiratory disease franchises through making a series of savvy acquisitions itself.

10
GSK

Brand value
USD $6.778B

Created in 2000 by a merger of Glaxo Wellcome and SmithKline Beecham, London-based GSK (GlaxoSmithKline) ranks #10 with a brand value of USD $6.778 billion. GSK is made up of three world-leading businesses: Pharmaceuticals, Vaccines, and Consumer Healthcare. The Pharmaceutical business develops and makes medicines to treat a broad range of acute and chronic diseases and has leading global positions in respiratory disease and HIV with a portfolio of innovative and established medicines. The company focuses on respiratory illness and HIV, but also markets therapies that address cardiovascular, metabolic, and urological diseases.

GSK's longevity, along with its diversity in the pharmaceutical sector, has engendered favorable perceptions of the brand among healthcare professionals (HCPs). The data illustrate that HCPs associate GSK with a breadth of expertise across multiple therapeutic areas and that GSK exhibits thought leadership in its field. GSK's strength lies in harnessing its science and expertise to address both HCP and patient needs.

Over the past 12 months, GSK completed a three-part transaction with Novartis to consolidate its portfolio and hone its category expertise. GSK acquired Novartis's global vaccines business (excluding influenza vaccines), sold its marketed oncology portfolio to Novartis, and partnered with Novartis on a new consumer healthcare venture.

Using your corporate brand to stand out, and stay ahead

Brand defines measurable value

Brand impacts decisions

In the biopharmaceutical space, corporate brands are increasingly having a greater impact on the decisions that healthcare professionals (HCPs) make. Leading the way are companies that are using their corporate brands to imbue their actions with meaning, drive understanding, and improve business performance. Others are becoming lost in an increasingly fragmented marketplace.

Brand influences revenue and establishes value

The role of the corporate brand in biopharmaceuticals is measurably increasing. A 2013 InterbrandHealth study demonstrated that a corporate brand's influence on an HCP's decision to prescribe or recommend a medication was approximately seven percent. This year that influence has increased substantially to almost eleven percent, representing a fifty-seven percent increase in impact.

This increase is an unprecedented upsurge in the influence of the corporate brand for the industry. When evaluated within the context of a company with a market capitalization of more than USD $100 billion, even a one percent increase in the corporate Role of Brand represents not millions, but billions of dollars in brand value.

Business models have changed dramatically in healthcare, yet companies in our industry have been resistant to adapt. Today, many of the world's leading biopharmaceutical companies continue to leverage a product-focused brand strategy, primarily driven by a desire to mitigate risk and to improve individual product P&Ls. Given the increasing role that corporate brand plays in HCP decision-making, it will benefit companies to re-evaluate traditional approaches and to begin to deploy their corporate brands to create deeper, more robust connections with their customers.

In an increasingly complex market, brand is too valuable an asset to ignore any longer

The complexity of the healthcare space suggests that a single corporate brand strategy is unlikely to fit all markets. Research indicates that important distinctions exist across geographic and therapeutic areas.

These variations not only tell a story about market dynamics, but also highlight opportunities for companies to adapt and reallocate investments that maximize return on investment (ROI).

How to manage a global brand considering regional needs

In established regions like the United States of America and Europe, the role of the corporate brand in a decision to

What is Role of Brand?

Role of Brand measures that portion of a decision to recommend that can be attributed to the corporate brand, relative to other factors such as: product efficacy and safety, product formulation, other product features, and/or reimbursement. Being able to isolate and quantify the Role of Brand allows us to better measure its impact on the business itself.

prescribe or recommend aligns with the industry average. But that's not the case elsewhere.

In Japan, for example, it appears that the Role of Brand is on par with the industry average, but within the country itself, the role of corporate brand for Japanese biopharmaceutical companies actually exceeds industry benchmarks, even outperforming other multi-national organizations. However, the Role of Brand score drops to the industry average because, outside their home market, these companies have struggled to translate their culture into a brand strategy that resonates with international HCPs, thereby limiting their opportunities.

The fast growing economies behave differently. In Brazil, the role of the corporate brand is approximately fourteen percent. At the other end of the spectrum is China, with the role of the corporate brand hovering around nine percent. Even though both countries are considered emerging markets, there are clear distinctions attributable to different purchase behaviors and resulting in a billion-dollar variance.

In Brazil, efforts are actively underway to develop local expertise in biopharmaceuticals. As a result, the government has been courting global entities to establish important academic and economic inroads. The government also established the Popular Pharmacy Program, which gives customers discounts upwards of ninety percent on medicines when purchasing in bulk. These activities, which are actualized through the corporate brand, have broken down barriers between companies and customers. As a result, corporate brand is stronger than ever in influencing prescribing behavior in this market.

Companies operating in China must learn to navigate a different landscape. Local companies are fragmented as a result of a market that is challenged with transparency, government incentives, and corporate support of R&D. Notably, China operates a model where physicians control the distribution; hospitals and clinics specify the direct purchasing of the medicines from the hospital or the prescribing physician themselves. This makes it more difficult for the corporate brand to affect physician prescribing patterns and behaviors, reducing its influence and role.

More innovation, more corporate brand influence

Not surprisingly, there is also variation in the influence of the corporate brand across different therapeutic areas, ranging from approximately ten percent in women's health to thirteen percent for infectious diseases. Today the pressure is high for biopharmaceutical companies to tackle significant and challenging diseases for very specific, under-met patient populations. Data show that companies that can deliver true innovation versus 'me too' offerings are rewarded with favorable HCP perceptions. Subsequently, their corporate brands have a greater influence on the prescribing decision for those stakeholders.

For example, the role of the corporate brand is highest in infectious diseases, an area that has seen recent advancement and true curative therapies. The role of the corporate brand in oncology also reflects this general trend. The influence of the corporate brand in infectious diseases and oncology is compelling enough to warrant a re-evaluation of product-focused branding strategies. By elevating the conversation of innovation beyond a single product to the corporate brand, companies can begin to engage HCPs across their entire portfolios.

In contrast, biopharmaceutical companies have traditionally invested strongly to create women's health franchises. However, data from Best Pharma Brands indicate that the role of the corporate brand in women's health is lower than the industry average. These results raise questions of whether these strategies are paying off.

The time to act is now

Based on the results of the Best Pharma Brands study, it is clear that the biopharmaceutical industry is waking up to the growing importance of the corporate brand. Moving forward, a strong corporate brand is an asset that will help define market leadership.

Though companies should leverage stronger connections to their stakeholders to drive customer choice and loyalty, the data suggest that companies should be discerning in where they invest. Corporate brand investments should be made in markets or therapeutic areas where role of brand is the highest and where the company has key assets to credibly deliver on its promise to customers. Shifting investments in this way not only puts more dollars in areas with a higher probability of ROI, but also reduces expenditure that could potentially be invested elsewhere.

Biopharmaceutical companies that are clearly expressing their true value through their corporate brands are already beginning to rise to leadership positions and are pulling away from the pack. Those that fail to do so run the risk of being misunderstood by the market and potentially being left behind.

Untapped value in M&A

Mergers, acquisitions, and divestitures continue to accelerate in healthcare

As the role of the corporate brand becomes an increasingly meaningful choice driver and connector, its value to the bottom line becomes more apparent. Has the time now come to seriously consider the strategic role corporate brand can play in optimizing the potential value of a merger or acquisition?

Can brand be the difference?

Potential for corporate brand in M&A

In 2015, mergers and acquisitions (M&A) in the biopharmaceutical industry were robust. In the first half of 2015, deals were nearly three times higher than in 2014, at USD $221 billion, according to KPMG. This upward trend in M&A shows no sign of slowing. Market analysts predict biopharmaceutical mergers and acquisitions will reach more than USD $230 billion in 2016–2017.

In light of this surge, business leaders need to understand how the role of their own corporate brands and their future M&A targets' brands can generate value for their corporations.

Corporate brands are the basis of an emotional connection between a company and its customers. They create a different kind of value for customers: How the company delivers on its promise to people and to the world. The corporate brand can be a strong predictor of customer loyalty and indicator of a company's ability to withstand market changes. Internally, a strong brand that defines and drives employee behaviors can have a significant impact on how change needs to be managed.

Cross-industry studies suggest that seventy percent of major acquisitions fail to deliver maximum value to shareholders. Could sound brand management be a missing and overlooked piece in the M&A puzzle?

Unlocking the potential of brand equity in M&A

Allergan's story exemplifies how M&A can unleash the potential of strong brand equity.

Based on data from Best Pharma Brands, Allergan is one of the most authentic and well understood corporate brands in the industry. It's clear that stakeholders value the company's brand promise: To improve the day-to-day life of its patients and lead the industry in its therapeutic areas of focus.

Initially, Allergan's strong product brands attracted attention from other companies. However, the strength of the Allergan corporate brand was recognized when, in early 2015, Actavis completed a deal acquiring Allergan for USD $66 billion, and simultaneously announced the company's intent to adopt "Allergan" as the name of the newly formed enterprise.

Chief Executive Officer Brent Saunders remarked, "We are convinced that the Allergan name will provide an umbrella of exceptional brand equity for an expanded and even more relevant global brand pharmaceutical portfolio. And it will communicate unequivocally what we stand for in the brand pharmaceutical space."

Though Saunders acknowledged the heritage and perception of Actavis as a global leader, galvanizing around the stronger Allergan brand allowed the corporation to align under a single strategic vision and operate with one culture.

This, of course, made the new company a very desirable target for acquisition, particularly for Pfizer. In November 2015, Pfizer purchased Allergan, recognizing the potential financial and brand value that the company could bring to its enterprise. This acquisition became the largest deal in the pharmaceutical industry and the third largest deal across all industries.

Which brings us to today: Two strong brands. One Company.

The authenticity of the Allergan brand is clearly a meaningful asset, and, under the strong protection and market presence of Pfizer, should be able to continue to evolve. Meanwhile, through the transaction Pfizer can reinforce its geographic reach and continues to differentiate from its competitors. Could Allergan be the acquisition that sparks a different approach?

Either way, the future brand strategy for M&A will be an interesting one to watch.

Consolidating brand equity to strengthen brand in non-traditional deals

In March 2015, Novartis acquired GSK's oncology business for USD $16 billion and, at the same time, transferred a portion of its vaccines business to GSK for USD $7.1 billion so both companies could refocus their core businesses. The overall value of the assets swapped was evaluated at a total of USD $20 billion, USD $3.1 billion less than what both companies invested in the deal.

Despite the undervaluation of the asset transfer, Novartis and GSK both recognized the overall value of consolidation, and the benefits of refocusing on their key business segments. The necessity of this transaction is clearly indicated in the Best Pharma Brands study: Both the Novartis and GSK brands scored lower than their peers on brand consistency.

The Novartis-GSK transaction underscores the fact that large deals are not solely based on the assets' value anymore; the perceived strength of the brands under consideration plays an increasingly important role in M&A discussions.

Understanding corporate brand strength to optimize your M&A strategy

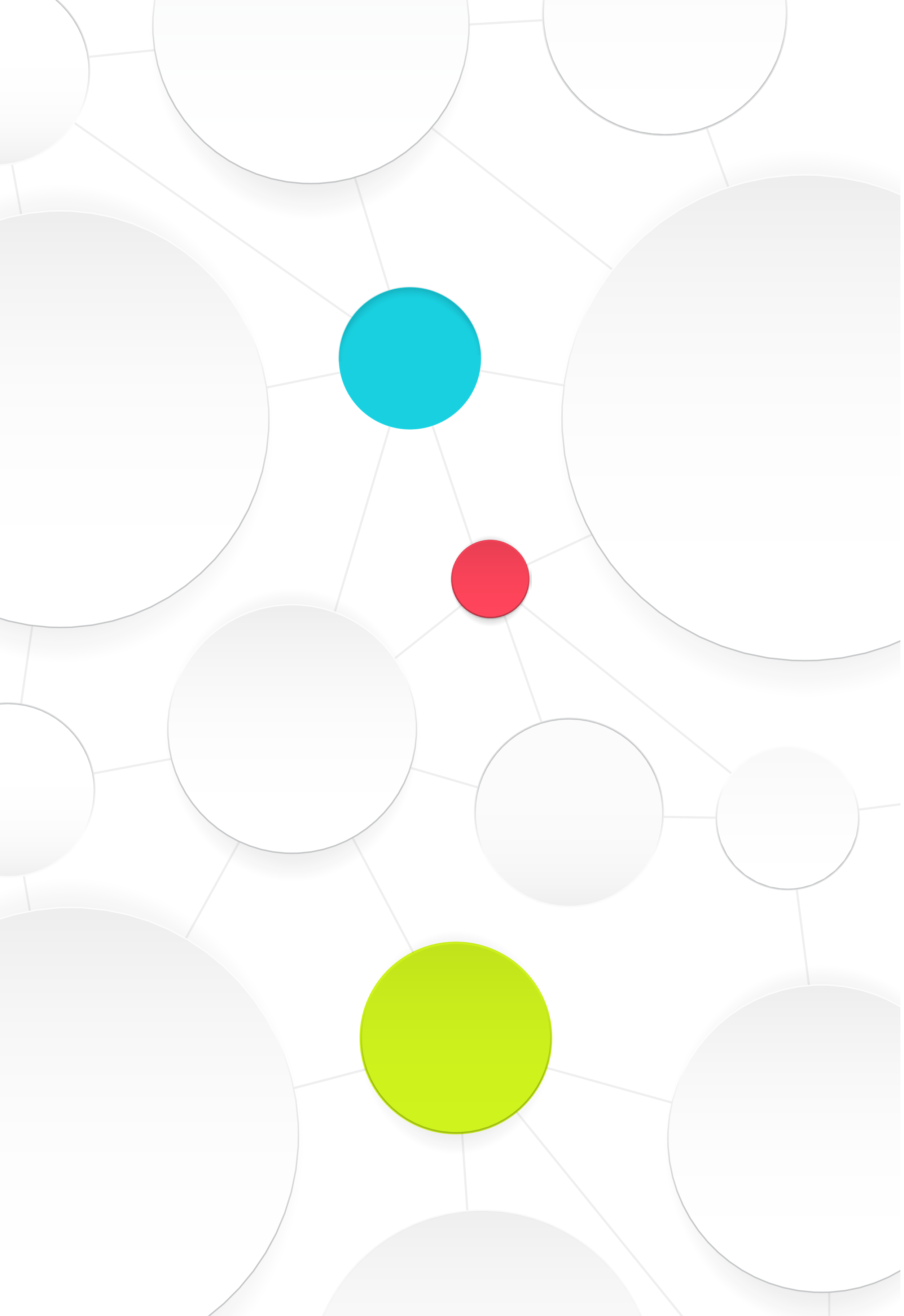
Pursuing an M&A strategy based on acquiring strong product brands, and relying on their dependable return on investment, could logically lead to stagnation in research and development (R&D).

Leading brands are taking a bigger picture view. They're seeing the value that brand brings to discovery, and using their corporate brand to make a promise to the market upon which they commit to delivering on in order to succeed.

Defining the future role of corporate brand in M&A

M&A continues to reshape the healthcare industry. Of the most valuable brands in the biopharmaceutical industry, as defined by Best Pharma Brands, the top 5 companies were also at the origin of the largest deals closing this year.

In order to make the most of the rising M&A trend, it is critical for companies to understand how the brand can help gain the attention of the right partners, inspire evaluation of potential deals, and optimize the value of existing assets to generate maximum value for shareholders.



Keeping your promise

The value of keeping your promise: corporate citizenship in biopharmaceuticals

If you still think Corporate Citizenship (CC) is only another tool in your public relations arsenal, it is time to reconsider. Best Pharma Brands found that Corporate Citizenship plays a bigger role than previously believed, and has evolved from just a tactic to manage corporate reputation to a strategic tool that can drive a healthcare professional's (HCP) choice of a biopharmaceutical company and position that company for leadership, now and into the future.

Defining corporate citizenship

At InterbrandHealth, we define CC as how well a company treats its operational ecosystem; this includes: employees, customers, regulating bodies, the communities it serves, and ultimately, the larger environment it shares with the whole planet. Across industries, companies that prioritize CC are seen as inspiring leaders, and their activities bolster perceived value to customers. InterbrandHealth believes that CC should be an extension of a corporation's business and brand strategies. As such, there is no one-size-fits-all approach. The activities a company undertakes in pursuit of CC can and should be an extension of its individual mission and values.

Bigger than charity

For years, audiences have expressed more favorable impressions of corporate brands that engage in CC activities than those which ignore them. While that preference has been measurable for consumer brands, what is less clear is the degree to which CC influences HCP decision-making. Data from Best Pharma Brands shed light on this association and its implications for the industry.

The study demonstrates a strong correlation between a company's overall ability to deliver on its corporate brand promise and an HCP's likelihood to recommend the company to a peer or colleague. In turn, a strong relationship between CC efforts and their alignment with an organization's brand promise positively influences company preference among HCPs and affects perceptions of the company's authenticity, enhancing its position as a leader in its category.

The findings are logical: Stakeholders are more likely to trust and recommend a brand that they see as authentic. This synergy is particularly significant in healthcare because it suggests the importance of a biopharmaceutical company connecting on an emotional level with its professional audiences. This is a significant change from past perceptions within the industry when it was assumed that HCPs were driven to choose a company based on the functional attributes of its individual products.

Changing perceptions, changing behaviors

The purpose of the biopharmaceutical industry, at its core, is fundamentally to do good. These companies have the potential to cure diseases, improve quality of life, and create a healthier world, but more often than not, biopharmaceutical companies are not being recognized for these advancements.

Biopharmaceutical companies have a heritage in Corporate Citizenship, but, despite this reality, audiences are not always aware of the investments biopharmaceutical companies are making to improve global health standards. Without awareness, companies risk being overlooked for their commitment to healthcare and the communities they aim to serve.

This has major implications for the future of the industry: Can more biopharmaceutical companies strategically leverage their CC activities to help drive business impact, create differentiation, and generate recognition for their commitment to the greater good?

Act on your promise

When a purpose is the greater good, the stakes are high. This means CC is a key business asset that must be an extension of the corporate brand itself. Companies that invest in their brand and CC activities will be seen as pioneers and leaders in their field, one step ahead and looking to lead by more than just profits. Altering audiences' perceptions is the first step to reclaiming the core mission of doing good for the world's population. Though currently underutilized, CC is a crucial tool, and when leveraged, it has the power to engage audiences, influence perceptions, and change the course of healthcare.

Leading the way with corporate citizenship

With a heritage in Corporate Citizenship, biopharmaceutical companies continue to be leaders in these activities relative to other industries represented on the Fortune Global 500 list. According to research conducted by the economic consulting firm, Economic Policy Group (EPG), half of the top U.K. Corporate Citizenship spenders and a third of U.S. spenders are biopharmaceutical companies.

Methodology

Brand Valuation

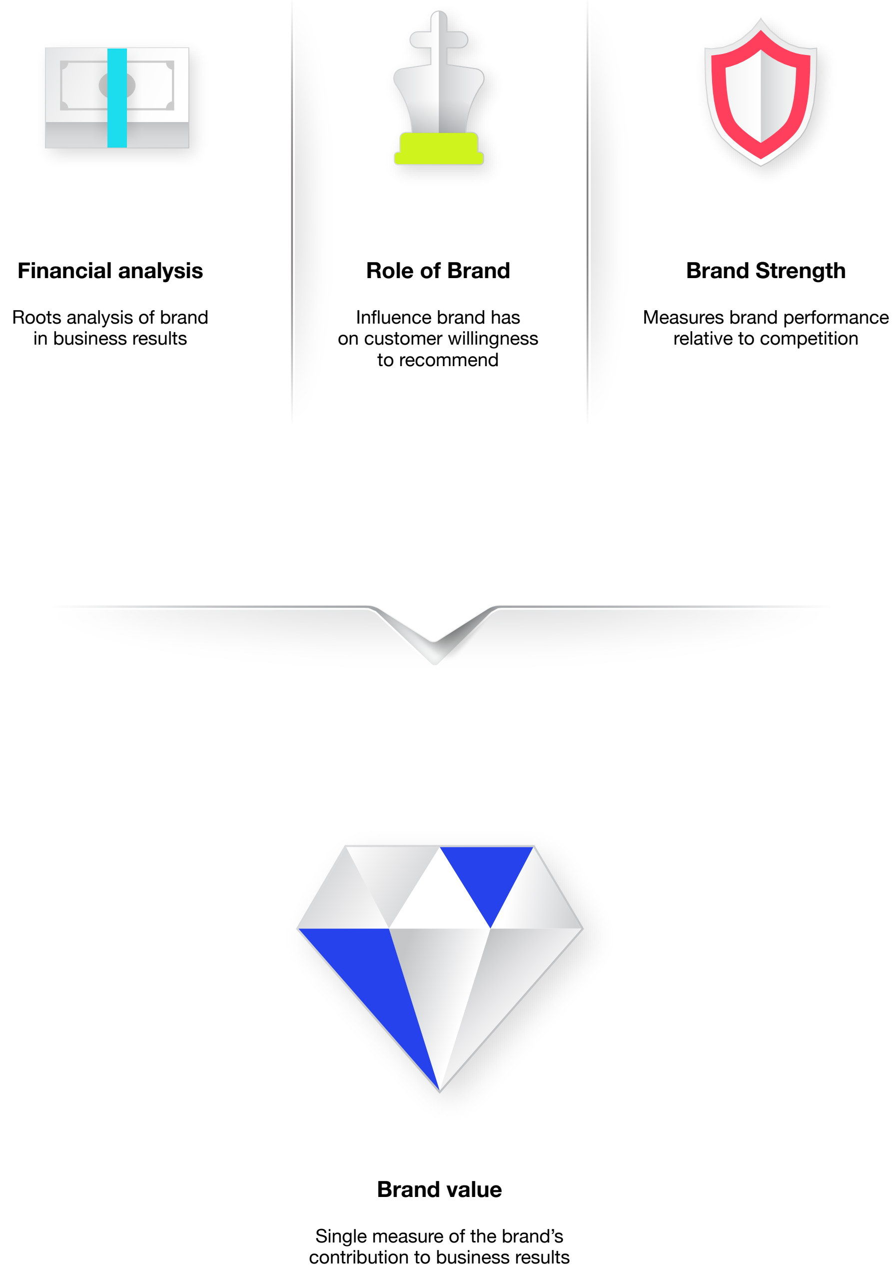
Interbrand’s Brand Valuation methodology seeks to provide a rich and insightful analysis of your corporate brand—providing a clear picture of how your brand is contributing to business results today—together with a road map of activities to ensure that it is delivering even more tomorrow.

A strategic tool for ongoing brand management, Brand Valuation brings market, brand, competitor, and financial data into a single framework that assesses the performance of a brand, identifies areas for improvement, and quantifies the financial impact of investing in the brand.

Best Pharma Brands criteria for inclusion

There are several criteria for inclusion in the InterbrandHealth Best Pharma Brands report, the first biopharmaceutical company ranking of its kind. A brand must be an established biopharmaceutical company with a global presence. In measurable terms, this requires that:

- The parent company generates revenue from the sale of prescription products
- The corporate brand has generated global awareness among healthcare professionals (General Practitioners, Specialists, Pharmacists, Nurses, Policymakers, and Payers) and is the primary, external-facing manufacturer brand
- The parent company is publicly traded and there is sufficient publicly available financial data that indicate the ratio of revenues generated from prescription drug sales
- The company keeps an active pipeline of potential future prescription medicines that generate a positive forecast for longer-term economic profit



Brand value

In 1988, Interbrand pioneered Brand Valuation, harnessing our deep understanding of the impact strong brands have on the key stakeholder groups that influence business performance—namely, current and prospective customers, employees, and investors. Strong brands influence customer choice and create loyalty; attract, retain, and motivate talent; and lower the cost of financing. Our Brand Valuation methodology has been specifically designed to take all of these factors into account.

Interbrand was the first company to have its methodology certified as compliant with the requirements of ISO 10668 (requirements for monetary Brand Valuation) and has played a key role in the development of the standard itself.

There are three key components analyzed in all of Interbrand's brand valuations: the financial performance of the branded products or services, the role the brand plays in purchase decisions, and the brand's competitive strength.

Financial analysis

This process measures the overall financial return to an organization's investors, or its 'economic profit.' Economic profit is the after-tax operating profit of the brand minus a charge for the capital used to generate the brand's revenue and margins. InterbrandHealth considers revenue generated from prescription drug sales for the financial analysis. Revenue from the sale of consumer or over-the-counter health products, medical devices, diagnostics, and animal health products is excluded from this analysis.

Role of Brand

Role of Brand measures the portion of a prescribing decision that can be attributed to the corporate brand, relative to other factors (e.g., product efficacy and safety, product formulation, other product features, and/or reimbursement). The Role of Brand Index quantifies the corporate brand's influence as a percentage. The Role of Brand Index for Best Pharma Brands is calculated from data generated from a global online survey of healthcare professionals (HCPs) only, as they are the primary decision makers in a prescribing context.

Brand Strength

Brand Strength measures the ability of the corporate brand to create loyalty and, therefore, sustain demand and profit into the future. Brand Strength is based on an evaluation of ten factors that Interbrand believes make a strong brand. These factors are: Clarity, Commitment, Protection, Responsiveness, Authenticity, Relevance, Differentiation, Consistency, Presence, and Understanding. Performance on these factors is evaluated relative to other brands in the biopharmaceutical industry. The Brand Strength analysis delivers an insightful snapshot of the strengths and weaknesses of the brand and is used to generate a road map of activities to enhance the value of the brand in the future. Scores for the external Brand Strength factors are calculated from the data generated from a global online survey of HCPs. Scores for the internal Brand Strength factors are generated from publicly available data and InterbrandHealth's expert assessment.

Internal Factors

- Clarity
- Commitment
- Protection
- Responsiveness

External Factors

- Authenticity
- Relevance
- Differentiation
- Consistency
- Presence
- Understanding

Social media signal

Crimson Hexagon

Financial Data: Global Data and company annual reports

GlobalData

Data collection for global online survey

Hall & Partners

About InterbrandHealth

InterbrandHealth is the only full-service branding consultancy with an exclusive focus on health, and the global center of excellence for all health business at Interbrand. For more than 35 years we have combined strategy, creativity, and analytical rigor to help companies grow and achieve leadership positions in their industries.

As the leaders in Brand Valuation and the publisher of the annual Best Global Brands report, Interbrand has pioneered the idea that brands have a tangible value as business assets.

As part of Interbrand and the Omnicom Group Inc. (NYSE: OMC), we provide service and support in all key global markets. For more information, please visit us at InterbrandHealth.com and follow us on Twitter, LinkedIn, and Facebook.

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