



2018 Healthcare Sector

2018 Edelman Trust Barometer

The firm's 18th annual trust and credibility survey. Research conducted by Edelman Intelligence, a global insight and analytics consultancy.

Methodology

Online survey in 28 markets

18 years of data

33,000+ respondents total

30-minute survey

All fieldwork was conducted between October 28 and November 20, 2017

▲ General Online Population

- 7 years in 25+ markets
- Ages 18+
- 1,150 respondents per market

▲ Informed Public

- 10 years in 20+ markets
- Represents 15% of total global population
- 500 respondents in U.S. and China; 200 in all other markets
- Must meet four criteria:
 - Ages 25-64
 - College-educated
 - In top 25% of household income per age group in each market
 - Report significant media consumption and engagement in business news and public policy

▲ Mass Population

- All respondents not including Informed Public
- Represents 85% of total global population

On the cover, from top right: U.S. President Donald Trump, during a press conference on the American Healthcare Act: Jabin Botsford/The Washington Post via Getty Images; Inauguration Day protest, Minneapolis, Minnesota: Fibonacci Blue/ Flickr; Xi Jinping, President of China, in Beijing: Feng Li/Getty Images; Ken Frazier, chairman and chief executive officer of Merck & Co: Andrew Harrer/Bloomberg via Getty Images; Cover of TIME, December 18, 2017, U.S. Edition, Volume 190 Number 25-26: © 2017 Time Inc. (All rights reserved. TIME and the TIME logo are registered trademarks of Time Inc. Used under license.); Barack Obama with Melinda and Bill Gates at the 2017 Goalkeepers conference: Jamie McCarthy/Getty Images for Bill & Melinda Gates Foundation; The National Health Services in London: Jack Taylor/Getty Images



Navigating a Polarized World: Edelman Health

Edelman's Trust Barometer saw major fluctuations in trust across the 28 markets we study in 2018, including a global 2-point decline in trust in Healthcare. While this decrease may seem minimal at first glance, trust in the Healthcare sector also declined in 17 markets, indicating that all is not as calm as it may seem on the surface.

This year, the informed public's trust in healthcare declined in 16 out of 28 countries studied, including several markets with double-digit drops across this

population. This includes the U.S., Germany, France, Canada, South Africa and Colombia.

This means health companies may be losing the faith of more educated consumers, particularly in countries where many industry leaders are headquartered and have their largest presence.

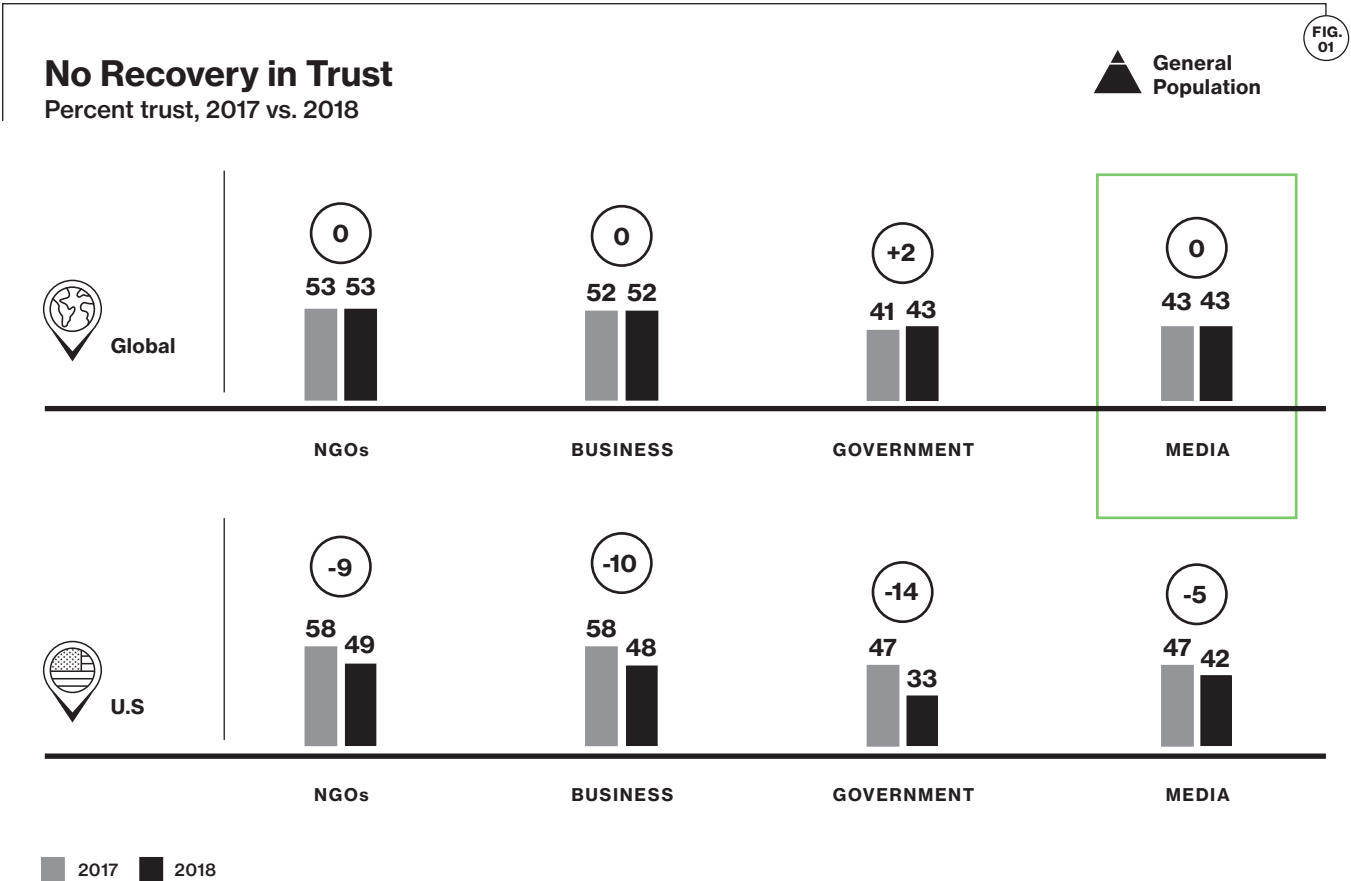
To regain footing from this year's global 2-point drop in trust among the general population, the Health industry must address the demands of an increasingly global yet polarized world.

The State of Trust

On its surface, trust appears to be stable across all institutions studied in the Edelman Trust Barometer – although there has not been a recovery of trust from the previous year’s declines.

However, a closer look reveals that this apparent stability masks a great deal of volatility. Take for example the U.S., where the trust decline among the country’s general population is the steepest recorded in Trust Barometer history.

For the first time, media is now the least trusted institution globally.



The Polarization of Trust

Aggregate percentage point change in trust in the four institutions, and change from 2017 to 2018



Trust in Health

Mirroring the findings of trust across the institutions in the Edelman Trust Barometer, Healthcare saw major fluctuations in trust across markets.

Case in point – while a global 2-point decline in trust in Healthcare may seem minimal at first glance, there were notable market-specific drops in both Healthcare as a sector and the five sub-sectors we study, which are Pharma, Biotech / Life Sciences, Consumer Health, Insurance and Hospitals / Clinics.



FIG. 03

Global Trust in Health and Sub-Sectors Seems Stable, But Notable Changes at the Market Level

Percentage point change from 2017 to 2018

	Global		U.S.	
HEALTHCARE SECTOR	▼ -2	63	53	▼ -9
 HOSPITALS & CLINICS	▲ +3	72	70	▼ -1
 BIOTECH & LIFE SCIENCES	▼ -1	62	55	▼ -7
 INSURANCE	▲ +1	58	46	▼ -9
 CONSUMER HEALTH	0	56	56	▼ -7
 PHARMACEUTICALS	0	55	38	▼ -13

Healthcare is always a local experience – availability of care, treatments, insurance and more varies considerably by market. However, we hypothesize that several events with a truly global footprint may have negatively impacted global trust in Health this year:

The Blame Game

The blame game about the rising cost of healthcare has spread throughout many countries and may have the unintended effect of lowering trust across the entire industry. No health sub-sector is coming out ahead in this ongoing argument, and instead it has served to amplify that healthcare costs are rising with no solution in sight.

High Cost of Drugs

While this issue is hottest in the U.S., six-figure drugs have become routine and government bodies in other markets are flat-out rejecting coverage of certain drugs for their citizenry due to fears of bankrupting health budgets.

Access to Care

In developed and developing markets alike, we believe trust is impacted by local access to care. This is an area that touches all major actors in health, from the drug makers that provide new treatments, to the insurance systems that pave access to them, to the doctors and hospitals that prescribe them to patients.

Patients Left Out

Many health companies were broadly painted as selling products at the expense of the patients who use them this year. The public, on the other hand, is increasingly looking for “whole person” solutions to manage their health, meaning not only products but also holistic approaches and tools to maintain wellbeing. Many sub-sectors are still missing the opportunity to join this movement. Conversely, sub-sectors more associated with the real people on the frontlines of patient care, like hospitals, saw a global increase in trust.

Health Sub-Sector Data

Globally, we saw the four-year trend of increasing trust continue in all Health sub-sectors, with the notable exception of Pharma. Conversely, the U.S. saw the largest trust declines across Health sub-sectors studied since 2015.

KEY	GLOBAL 4-YR TREND	U.S. 4-YR TREND
HOSPITALS / CLINICS	+9	+5
CONSUMER HEALTH	+3	0
BIOTECH / LIFE SCIENCES	+4	+3
HEALTH INSURANCE	+7	-1
PHARMACEUTICALS	0	-11

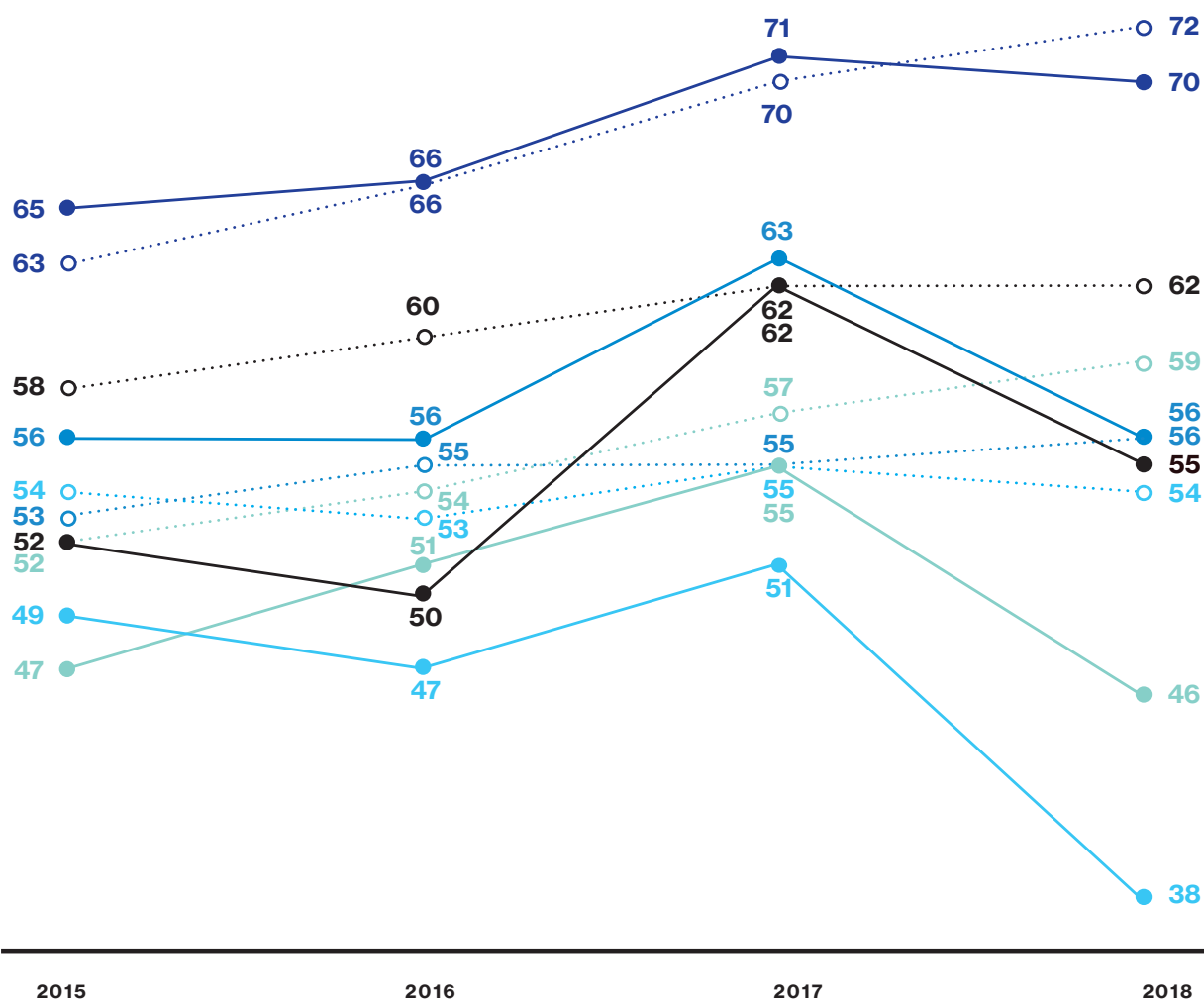
GLOBAL 4 - YR TREND U.S. 4 - YR TREND

Largest Trust Decline in U.S. Health Sub-Sectors Since 2015

Percent trust in the health sub-sectors, 2015 to 2018

General Population

FIG. 04



Global Trust in Pharma Unchanged, But Several Markets Have Double-Digit Shifts

Globally, Pharma remained in neutral territory this year with a Trust score of 55.

Pharma has the largest gap among the Health sub-sectors between the most trusting country (Indonesia, with a score of 85) and the least (Germany, with a score of 30).

The least Healthcare-trusting countries, Germany, France and the U.S., also saw the biggest drops in trust this year, a red flag given they are among the largest markets for and often home to pharmaceutical company headquarters.

▼ -13

United States: Pharma industry blamed for high cost of drugs and aggressive marketing of opioids as addiction reaches epidemic levels.

▼ -12

Germany: Headlines on drugs as health system cost drivers fuel ongoing pricing concerns, in addition to perception that Pharma is primarily concerned with profit.

▲ +14

Japan: Promising advances made in to country's historic drug lag, including a new oncology treatment launched by a Japanese pharma.

▲ +11

South Korea: Pharma's adoption of anti-corruption regulation and marketing reform garnered public approval.

Biotech / Life Sciences Loses One Point Globally, Trust Varies Locally

Despite the 1-point decline in trust this year, Biotech is the second-most trusted Health sub-sector, with a global score of 62.

It has also historically had higher trust than Pharma. We believe perception that Biotech is more innovative has kept it distinct from Pharma – Edelman's 2018 Trust Barometer found people perceive a focus on R&D, innovative science and medicine as key attributes of Biotech and Life Sciences companies much more so than their Pharma counterparts.

Even these positive qualities are not enough to safeguard Biotech from declines in trust. This year there were declines in 14 markets, compared to 6 last year – showing that the growing polarization we are seeing in trust across Healthcare has not spared Biotech. Losing even one point is a warning sign. Despite having opinions about the differences between Biotech and Pharma, it is important to keep in mind that in markets such as the U.S., UK, Germany and Japan, roughly a quarter of all survey respondents indicate that they do not know the difference between the two.

▼ **-14**

Canada: Increased scrutiny on the high prices of biologics, in addition to media reports questioning safety and quality of patient support programs and facilities.

▲ **+8**

Singapore: Good public sentiment toward a growing presence of established and start-up biotechs, furthering country's goal to be a main hub for R&D.

Global Trust in Consumer Health Unchanged, Notable Declines and Gains Locally

Consumer Health has made slow yet steady gains across the years we have studied it in the Trust Barometer. However, with a score of 56 that has not moved since last year, Consumer Health must pick up the pace to move into the trusted zone.

Consumer Health is just one point ahead of Pharma, making it the second least trusted sub-sector globally. There were also several notable market fluctuations in trust in this sub-sector, the most dramatic being Japan, which jumped 21 points and moved into trusting territory for the first time ever. On the other side is Germany, which remained among the least trusting markets and fell 12 points this year.

▼ -12

Germany: No perceived differentiation from Pharma, despite easier access and deeper brand awareness, furthered by acquisition speculation for several market-based Consumer Health divisions.

▼ -11

Canada: Media questioned the science behind vitamin claims and physicians debated responsible use of acetaminophen, adding to growing skepticism.

▼ -11

Colombia: Trust in Consumer Health negatively impacted by infighting between government, health system and private health companies.

▲ +21

Japan: Market expansion of highly effective OTC products, particularly those produced by Japanese companies.

Global Trust in Hospitals & Clinics Continues to Climb, Few Declines in Trust Locally

Hospitals / clinics on the frontlines of delivering care have consistently been the most trusted sub-sector in healthcare for multiple years.

This year, the only country to distrust Hospitals is Russia, and trust has increased in 16 out of 28 markets.

We believe the continued and growing levels of trust are due to:

Benefit of Real People

As opposed to other segments of the healthcare industry where employees are many steps removed from the patient or consumer, hospitals and clinics have a human face and real people on the frontlines of treatment and care.

Patient Relationship

Hospitals/clinics have always had a trust advantage given their direct and often ongoing relationship with the patient, and with even greater numbers of people able to receive care now, we believe trust has risen along with access.

Access to Care

Developing markets have seen an increase in the availability of local hospitals and clinics in 2017. This not only leads to better care, but also to more local nursing and hospital support staff jobs as facilities open. Digital health tools are now spreading further within rural areas as well, reducing the barrier of having to travel to a doctor's office for non-life-threatening situations.

Trust has increased in

16/28
markets

Health Insurance Gains One Point Globally, Moving Toward Trust

Health Insurance has steadily gained its footing in trust globally, and since 2015 has moved from the least trusted sub-sector now to middle of the pack in Healthcare.

As one of only two sub-sectors of Health to see an increase in trust this year, this one-point increase stands out. However, with 10 countries distrusting Insurance, 12 trusting it and another six countries still in the neutral middle, local experience and nuance cannot be discounted as insurers look to advance trust.

Interestingly, we found countries that had higher trust in government also had higher trust in Health Insurance – these countries include China, the UAE, Singapore, India and Indonesia – which is not surprising given the close association between the two with government-sponsored healthcare. Our hypothesis is that markets' trust in local health systems helped to increase global trust scores overall, despite notable fluctuations across countries.

▲ **+15**

Japan: High public approval of government's announced plans to reduce drug prices and simplify medical expenses.

▲ **+10**

Malaysia: Private insurers launched B2C campaigns focused on customer health, in addition to cost-saving measures introduced by the Ministry of Health.

▼ **-16**

Colombia: Reports uncover that \$160 million in tax dollars was embezzled by health system officials.

▼ **-9**

United States: Uncertainty over the Affordable Care Act raged and several private insurers dropped out of markets, in addition to ongoing war of words on drug pricing.

Navigating Trust in a Polarized World

To regain footing from this year's 2-point drop in trust, the Healthcare industry must address the demands of an increasingly global yet polarized world.

Rather than participating in the blame game, which we posit hurts trust in all associated with healthcare rather than clearing any one group from perceived responsibility or wrongdoing, organizations may advance trust by showing that they are part of the solution. This means addressing both unmet patient needs and the costs of care.

High Cost of Healthcare: Pharma Takes Bulk of Blame, Yet All Health Companies Must Address

FIG. 05

14 out of 28 markets say Pharma most to blame



PHARMACEUTICALS



GOVERNMENT INSURANCE COMPANIES

5 out of 28 markets say Hospitals most to blame



HOSPITALS & CLINICS



MIDDLEMEN



PRIVATE INSURANCE COMPANIES



DOCTORS



OTHER / I DO NOT BELIEVE THE COST OF HEALTHCARE IS THAT HIGH

0 out of 28 markets say Biotech most to blame



BIOTECH & LIFE SCIENCES

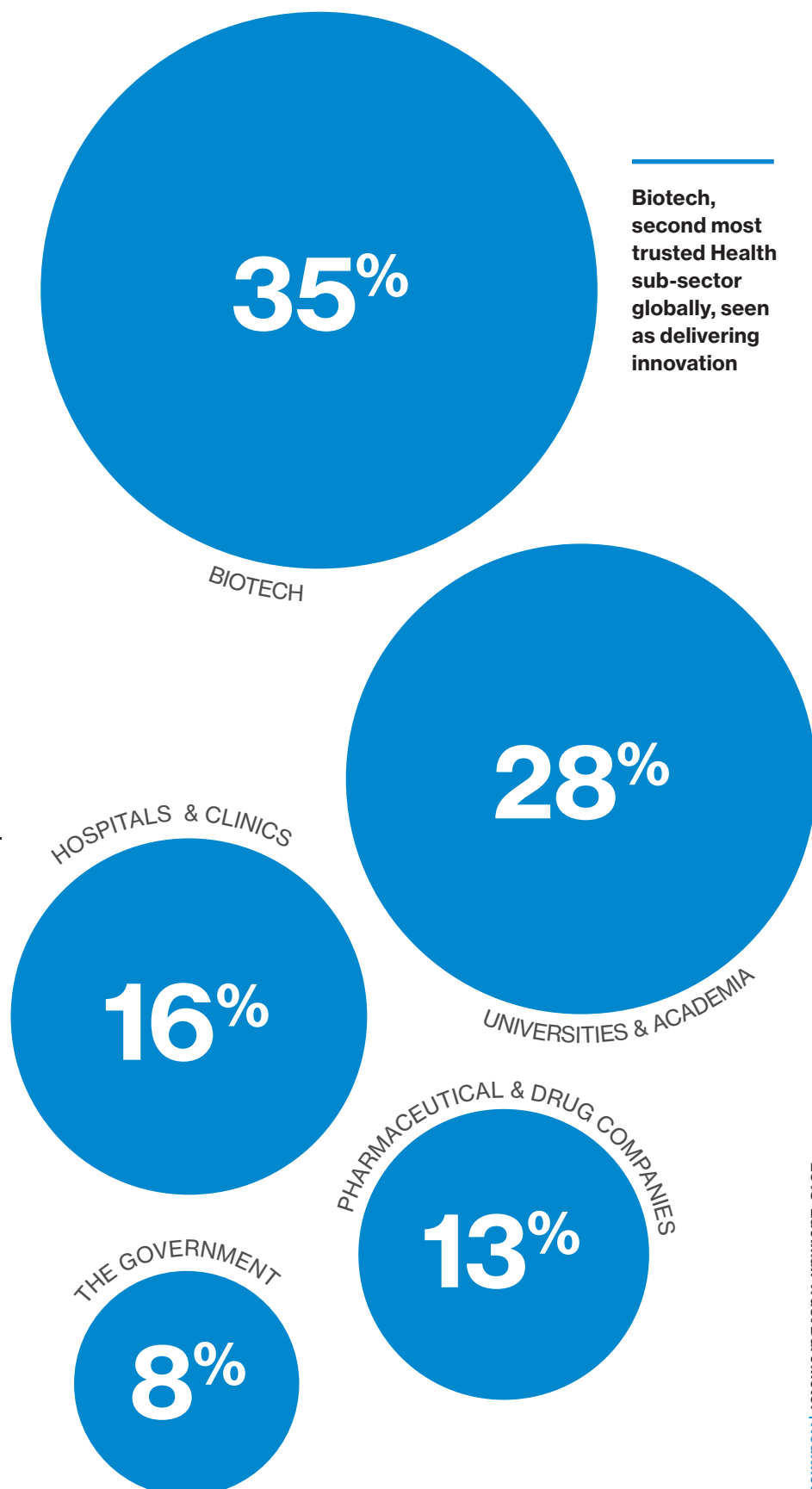
Be the Lab, Not the Sales Force

Our data show that while people tend to trust the Health sub-sectors they associate with promising innovation, goodwill may evaporate at the prescription counter.

Health companies must double down on messaging around benefits and innovation or run the risk of their benefits to society being overpowered by the pricing outrage cycle. This includes focusing messages around R&D, innovation and hard science – versus profits, sales and marketing.

Biotech Seen as Delivering Advances Followed by Universities / Academia and Hospitals / Clinics

FIG. 06



Treat the Whole Person

Patients are looking to health companies to build and create solutions beyond the products they sell.

Our data also show the general population has generally positive sentiment toward the future of health technology. While developing new treatments is expected of the health industry, providing holistic wellness and disease management solutions will further build trust.

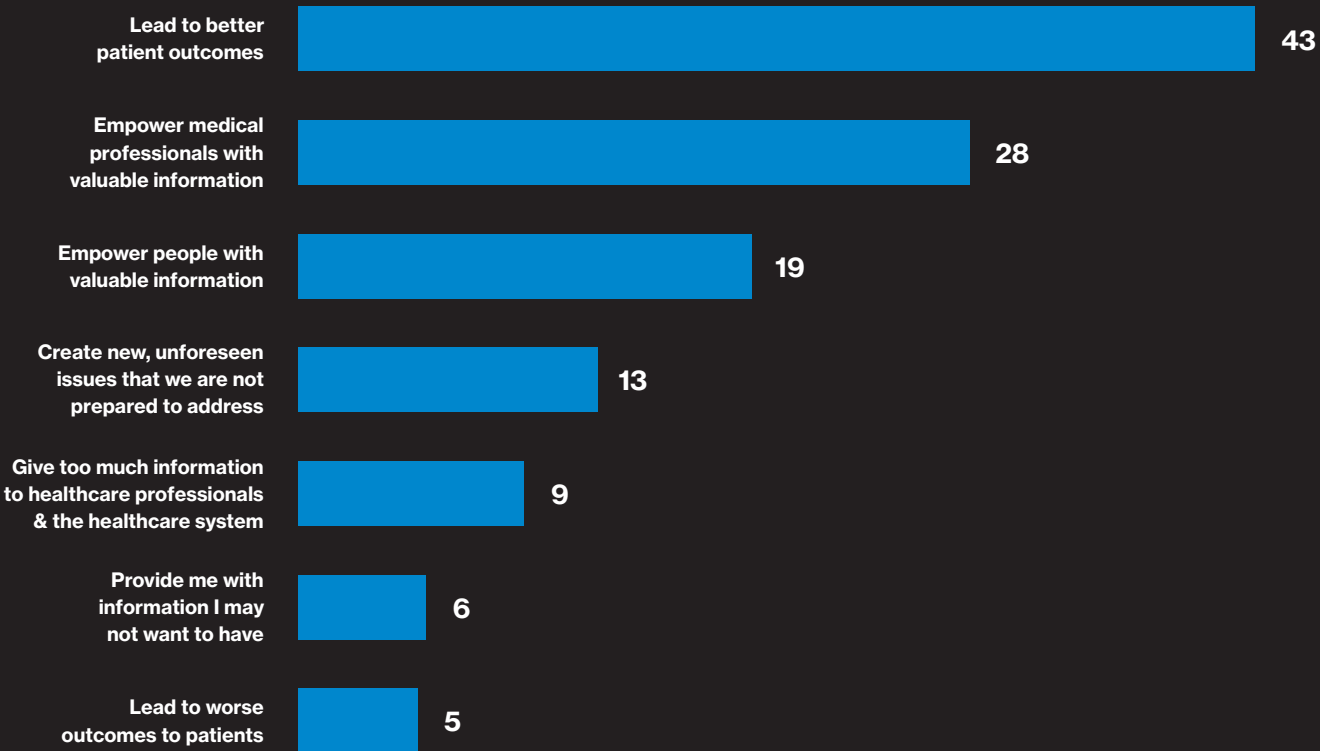
68% Agree

I would trust a pharmaceutical, drug or biotech companies more if it also provided information, tools and support to help me manage my disease.

Share Your Vision for Health Tech and its Benefits

How is the application of technology to healthcare most likely to impact healthcare in the next 5 years?

FIG. 07



Every Healthcare Company Needs to be a Publisher

For the first time, media is now the least trusted institution. With this year's rise of disinformation and uncertainty about what is true, the media is now distrusted in 22 of 28 markets.

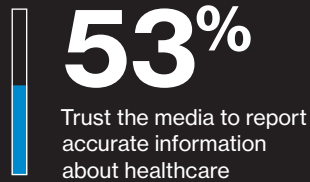
This changing media landscape has created a situation where people are not confident that they can tell the difference between what is real and what is fake.

This year we have global data that show content provided by health companies is viewed as credible, while only 53 percent trust health news reported by the media. This is a clear opportunity for health companies to leverage their own media channels and share their stories through interactive, creative content.

Health Company Consumer Information Seen as Credible, Trust in Accuracy of Media Lower

FIG. 08

Trust in Media



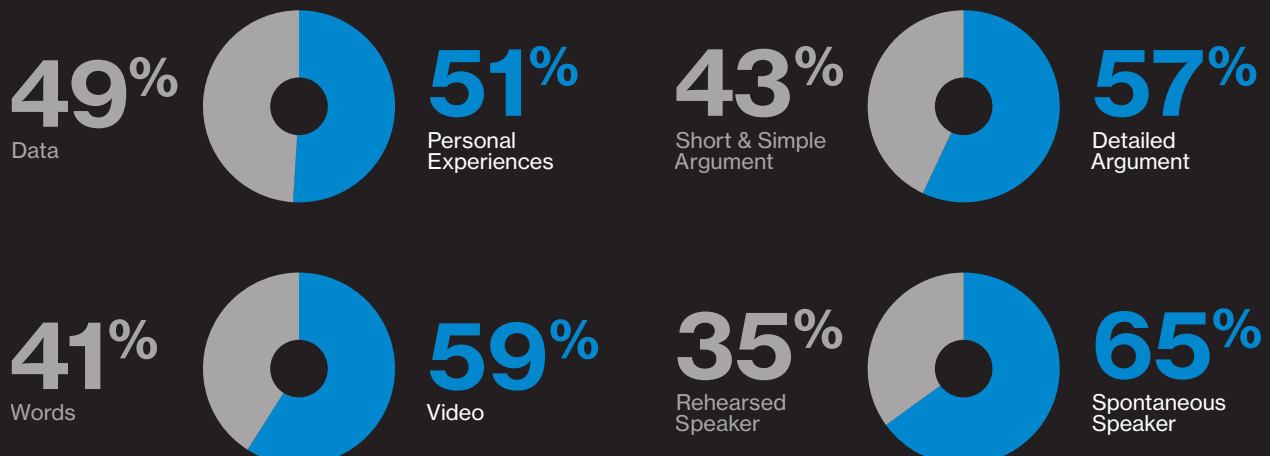
Credibility of Health Companies



Present Content in Multiple Formats

Which do you believe is giving you the truth?

FIG. 09



Use a Chorus to Tell the Story

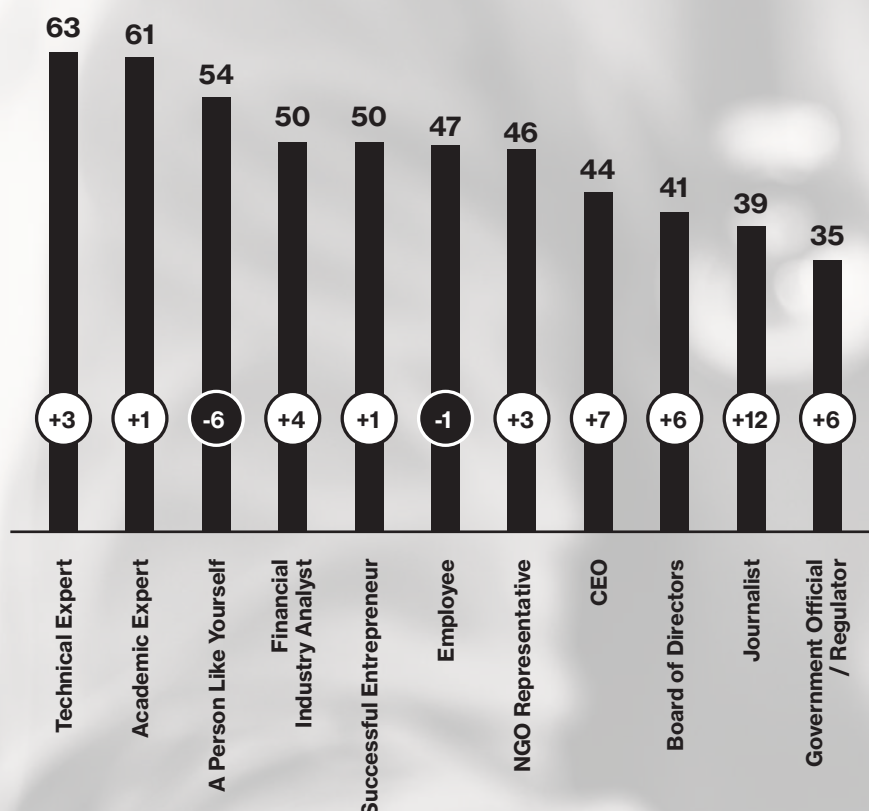
The Healthcare industry can move toward trust by activating both their experts, a spokesperson group that is once again viewed as credible, and their employees, who can speak to company news in authentic and local voices.

Companies must also re-engage their former champions and look to win back the trust of the more informed public, as our data show double-digit drops in trust across this population, particularly in markets like the U.S., Germany, Canada, France and Colombia.

Voices of Authority Regain Credibility

Percent who rate each spokesperson as very/extremely credible, and change from 2017 to 2018

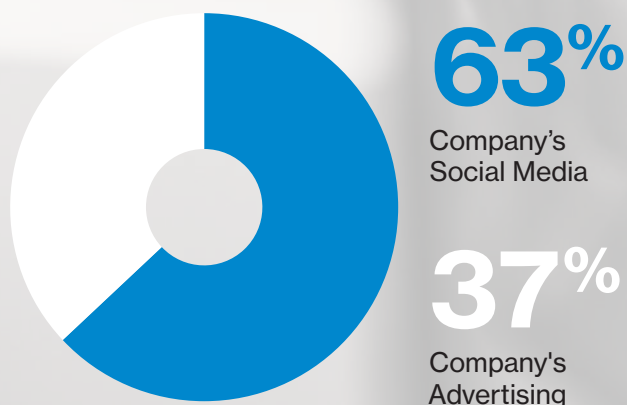
FIG. 10



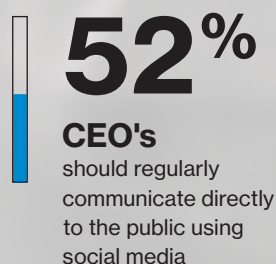
Engage in Conversation Across the Business

Which is more believable about a company?

FIG. 11



Percent who agree:



Localize & Humanize Your Approach

Despite the global footprint of many healthcare companies, communications and activities must be tailored locally – by country and by audience, meeting local standards and local expectations. One size does not fit all in global communications.

Healthcare companies should also look to those trusted within the industry – like hospitals and clinics – and determine how they may establish a more personal connection with patients. For example, humanizing what happens in the laboratory by showcasing the real scientists behind a breakthrough, or creating a campaign where patients are heard and can contribute rather than just feeling they are simply the target of promotions for a new drug.

About Edelman

Edelman is a leading global communications marketing firm that partners with many of the world's largest and emerging businesses and organizations, helping them evolve, promote and protect their brands and reputations. Founded in 1952 by the late Dan Edelman, the firm remains an independent, family-run business.

Edelman was awarded the Grand Prix Cannes Lion for PR in 2014; six Cannes Lions in 2015; and the Grand Prix in the Titanium category in 2016. The firm was named "2016 Global Agency of the Year" by the Holmes Report, and one of Advertising Age's "Agencies to Watch" in 2014. In 2015, Edelman was among Glassdoor's "Best Places to Work" for the fourth time.

Edelman owns specialty firms Edelman Intelligence (research) and United Entertainment Group (entertainment, sports, lifestyle), a joint venture with United Talent Agency.

Visit edelman.com for more information.



Richard Edelman
and Dan Edelman