Search

Log in | Membership | Advertise | eKnowledgeBase



GET THE NEW FUTURE15: KATALYST BOOK

Redefine your digital future at klick.com/meet-katalyst



Business

Marketing & Advertising

R&D

Therapeutics

Pharmalot

Resources

Horners Prairies of » Jay Ales A Alexandage Carabant South But South Brings Don't Change

J&J Has A New Image Campaign, But Some Things Don't Change

Posted Thu, 04/25/2013 - 8:59am by Ed Silverman

(



In a carefully calibrated maneuver, Johnson & Johnson is trying to overcome the scandals and embarrassments of the past few years by unveiling a new corporate image campaign – its first in more than a decade – at its annual shareholder meeting today.

The effort, of course, is designed to convince the public at large that the healthcare giant has finally turned the proverbial corner after enduring a huge laundry list of product recalls; manufacturing lapses; a consent decree; congressional investigations; managerial

changes; shareholder lawsuits; government probes into drug marketing and damaging revelations about unreleased data on hip implants, among other things.

The campaign is called 'For All You Love,' and features scenes of everyday happiness, according to The New York Times, which was given an advance peek as part of the publicity blitz. There is a father bathing with his baby, a sleeping baby getting a kiss from its mother, a grandfather playing piano with his granddaughter and a teacher playing with her students. Product shots are interspersed throughout (<u>read here</u>).

But while the campaign may suggest J&J has managed to put its problems in the past, in reality, some things do not change that quickly. Earlier this week, J&J issued yet another recall. This time, all 170 batches of cherry-flavored Children's Dye-Free Tylenol Suspension was recalled in South Korea because some bottles contained a higher concentration of the active ingredient than specified on the label (read here).

Meanwhile, the FDA in the state of Maharashtra in India canceled the J&J license to make cosmetics at its plant in Mulund over the use of ethylene oxide, which is a carcinogenic substance, in the sterilization process. Specifically, the issue concerns batches of baby powder that were produced in 2007 and expired

in 2010. J&J failed to conduct mandatory tests, although a spokesman tells The Business Standard there were no complaints or side effects reported (look here).

The mishaps underscore the difficulties, of course, in managing a vast set of companies with quite varied operations around the world. There will always be mistakes and oversights, but J&J (JNJ) has experienced an outsized list of problems that have led to recalls of Tylenol, Motrin, Rolaids, Sudafed and Benadryl; K-Y Jelly; Acuvue contact lenses; syringes; hip replacement devices; the Topamax epilepsy med and glucose meters (which came after a patient death).

The J&J Ethicon unit last year halted marketing of four vaginal mesh implants that have been the subject of lawsuits filed by approximately 1,000 women who claims the products have caused serious internal injuries. And the healthcare giant also had difficulty stocking Tampons and the Nizoral anti-fungal shampoo, the only over-the-counter shampoo used to treat dandruff and psoriasis.

Two of the most contentious scandals have taken place in business units that were headed by Alex Gorsky, who last year was promoted to ceo and chairman. One involved defective hip implants and an effort to downplay failure data that was not publicly released. The other was a widely publicized kickback case involving the Omnicare nursing home pharmacy. At issue were charges Omnicare received kickbacks – in the form of rebates, educational grants and payments for marketing data – so that the J&J Risperdal antipsychotic would be prescribed more often than rivals meds (learn more here).

By early last year, these developments had taken a toll. A corporate reputation poll from Harris Interactive found that J&J ranked 7th, which was the first time that the healthcare giant did not rank in first or second place (see this). Investors, however, have not been deterred. J&J shares have climbed some 39 percent in the past year, as shareholders have decided the promise of product sales and drug pipeline outweigh the recent problems and any ensuing image issues.

Love may help, but money talks.

