

Presenting a brand reputation model to increase the brand equity of the pharmaceutical industry

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Abstract

The aim of this study is to present a brand reputation model to increase the brand equity of pharmaceutical industries. The research method is applicable in terms of its purpose, and mixed (qualitative-quantitative) in terms of its implementation method. The statistical population of the qualitative part of the study includes 17 managers and employees of the marketing department of pharmaceutical companies, experts and professors knowledgeable in this field, selected by the snowball sampling method. The statistical population in the quantitative part includes 384 drug consumers. Data collection in the qualitative part is semi-structured interviews and in the quantitative part is a questionnaire. In analyzing the data in the qualitative part, open, axial and selective coding methods were used, and in the quantitative part, structural equation modeling (SEM) was used. The results of the qualitative section showed that five main categories including causal conditions (proven quality, drug safety monitoring system, reliable scientific data), contextual conditions (institutional cooperation, scientific-economic interaction with policymakers, international standards), intervening conditions (geopolitical factors, multi-level competition, technological developments), strategies (scientific superiority, transparency, crisis management, indigenous innovation) and consequences (sustainable trust, market position, scientific credibility and political bargaining power) constitute the body of the brand reputation model. In the quantitative section, the results of the study showed the high validity of the extracted model.

Keywords:
Pharmaceutical brand reputation, brand equity, technological developments, sustainable trust, market position

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Extended Abstract

Introduction

In recent decades, brand reputation has been recognized as one of the most important intangible assets of organizations; an asset that not only affects consumer behavior, but also affects investor decisions, international reputation and even corporate communication policies (Agmeka et al., 2019). Brand reputation is the result of combining the actual performance of the company with perceptions created through formal and informal communication over time. This reputation acquires strategic value when it goes beyond mere customer recognition and develops into sustainable social capital among stakeholders (Ahmadi & Ataei, 2024). In the pharmaceutical industry, the importance of brand reputation is doubly important. On one hand, medicines are a vital commodity with high social sensitivity, and on the other hand, the high level of regulation, intense competition, and the requirement to comply with ethical principles make the trust and credibility of the pharmaceutical brand one of the requirements for business sustainability (Khan et al., 2022). Customers, doctors, regulatory agencies, and investors all make their decisions based on their perception of the reputation of the pharmaceutical company. In such an environment, brand reputation becomes a risk management tool, as brands with higher reputation are more resilient to media crises, consumer dissatisfaction, or ethical challenges (Bentoro et al., 2023). Despite the importance of this concept, studies conducted in the Iranian research literature show that there is no comprehensive and localized model for analyzing pharmaceutical brand reputation. Previous studies have often focused on the quantitative aspects of measuring brand equity and have ignored the qualitative dimensions of reputation, such as scientific trust, interaction with policymakers, or reputation risk management. While more recent international research - such as the study of Meng et al., (2023) - has emphasized the ability of reputation to create competitive difference and its link to organizational innovation, the country's scientific environment still lacks a model that can explain the relationship between reputation components and brand equity in the pharmaceutical industry in a paradigmatic and structured manner. Therefore, this study seeks to answer the question: What is the brand reputation model in order to increase the brand equity of pharmaceutical industries?

Theoretical Framework

Brand Reputation in the Pharmaceutical Industry

Pharmaceutical brand reputation is usually based on three main stakeholder groups: prescribing physicians, patients, and regulatory institutions. Park et al. (2021) showed that companies that have a drug efficacy and safety monitoring system, continuous scientific education, and coherent ethical communications have a more stable reputation and higher loyalty. In contrast, Vuong & Bui (2023) emphasize that exaggerated advertising and weak scientific transparency are the main threats to pharmaceutical organizational reputation. In Iran, despite the quantitative growth of domestic brands, the lack of official standards for measuring reputation and the lack of ethical and scientific indicators have caused the perception gap between domestic and foreign brands to persist (Sayari et al., 2023). Ekhlesi (2017) and Ahmadi & Ataei (2024) have shown that communication behavior, ethical pricing, and responsiveness in the pharmaceutical crisis are the three main axes that shape reputation. Therefore, it is necessary to combine a qualitative approach (expert perception analysis) and a quantitative approach (measuring the relationships between variables) in order to scientifically and practically explain the mechanisms of forming and strengthening pharmaceutical brand reputation in Iran.

The Relationship between Brand Reputation and Brand Equity

There is a direct and reciprocal relationship between brand reputation and brand equity. Positive reputation facilitates the creation of brand equity, and high equity leads to reputation sustainability (Sabzevari et al., 2025). From a theoretical perspective, brand reputation has a synergistic relationship with the three key constructs of Aaker's model—loyalty, perceived quality, and brand association.

The empirical model (Wang et al., 2021) showed that the impact of brand reputation on equity is formed through three main pathways:

- 1- Increasing information credibility: stakeholders perceive reputable brand advertisements or messages as more trustworthy, resulting in increased willingness to purchase or prescribe.
- 2- Reducing perceived risk: Scientific reputation reduces decision uncertainty and leads physicians to choose a trusted brand.
- 3- Strengthening loyalty: A reputation based on ethics and sustainable performance prevents trust violations and consumer disengagement.

Within the framework of service-oriented logic, brand reputation is a source of value creation through social and cognitive interactions, not just economic ones, in pharmaceutical industries. These interactions are generally formed between the company, health institutions, and the patient community; and brand equity is achieved through scientific trust and social legitimacy (Sudirjo et al., 2023).

Sabzevari et al., (2025) investigated the identification of the components of brand equity creation in the Iranian clothing industry. According to the results obtained in this study, the four components of internal brand strength, brand awareness, positive brand image, and perceived value are the most key components of brand equity creation in the Iranian clothing industry, with a good fit of the resulting model.

Dehghani et al., (2024) explained the role of customer engagement with the brand and in relation to the dimensions of omnichannel characteristics on the quality of communication and brand value co-creation, considering the moderating role of brand reputation. The results of structural equations show that channel service configuration, channel interaction stability, channel quality assurance, and perceived channel smoothness have a positive and significant effect on customer engagement with the brand. Customer engagement with the brand has a positive and significant effect on the quality of customer communication with the brand, and the quality of customer communication with the brand has a positive and significant effect on brand value co-creation, and brand reputation is able to moderate the effect of customer engagement with the brand on the quality of customer communication with the brand.

Research Methodology

The research method is applicable in terms of its purpose, and mixed (qualitative-quantitative) in terms of implementation. The statistical population of the research in the qualitative section includes 17 managers and employees of the marketing department of pharmaceutical companies, experts and professors knowledgeable in this field, selected using the snowball sampling method. The statistical population in the quantitative section includes 384 drug consumers. Data collection in the qualitative section is semi-structured interviews and in the quantitative section is a questionnaire.

Research findings

The data analysis of the qualitative part used open, axial and selective coding methods, and the quantitative part used structural equation modeling (SEM). The results of the qualitative part showed that five main categories including causal conditions (proven quality, drug safety monitoring system, valid scientific data), contextual conditions (institutional cooperation,

scientific-economic interaction with policymakers, international standards), intervening conditions (geopolitical factors, multi-level competition, technological developments), strategies (scientific superiority, transparency, crisis management, indigenous innovation) and consequences (sustainable trust, market position, scientific credibility and political bargaining power) constitute the body of the brand reputation model. In the quantitative part, the research results showed the high validity of the extracted model.

Conclusion

This research was conducted with the aim of presenting a brand reputation model in order to increase the brand equity of the pharmaceutical industry. These findings are consistent with the results of Wang et al., (2021), Sabzevari et al., (2025), Dehghani et al., (2024), Hekmatnia et al., (2022), Opoku et al., (2023), Susanti & Samudro (2022), Yazdani Kachi et al., (2022), Rezaeian & Asgari (2021), Ishaq & Di Maria (2020), and Beig & Nika (2019). Wang et al. (2021) emphasizes that in knowledge-based industries, scientific capability and institutional transparency are the main drivers of brand reputation, rather than advertising. Sabzevari et al. (2025) showed that the four components of internal brand power, brand awareness, positive brand image and perceived value are the most key components of creating brand equity in the Iranian clothing industry and the obtained model has a good fit.

According to the research results, the following suggestion was made:

Establishing a specialized department to collect, produce and publish clinical and economic data of the drug, with the aim of transforming performance evidence into the main pillar of the brand's scientific reputation.

Selecting and training a group of doctors and pharmacists as "scientific ambassadors" of the brand to convey scientific and ethical messages and participate in specialized congresses and forums.