



Disclaimer: This paper is based on the facts surrounding the AstraZeneca vaccine scandal as they were known up to June 2021. Developments after that date have not been taken into consideration.

CASE STUDY FOR TOP EXECUTIVES, INCLUDING RECOMMENDATIONS

The lessons from the AstraZeneca case

Corporate crises hit suddenly and unexpectedly. They can hit anyone and can ruin a great reputation. Does it have to be this way? We don't think so!

The headline of 23 March 2021 in the US business magazine Fortune reads as follows:
“If there were a crisis line for corporate self-harm, AstraZeneca ought to be reported: The company can't seem to stop hacking away at its own credibility.”

Indeed, rarely ever has a company experienced such a roller coaster ride as AstraZeneca did between Q2 of 2021 and Q1 of 2022. Highly praised at first, but suddenly damned and shunned by many. What went wrong?

FORTUNE

AstraZeneca's U.S. trial results debacle further widens its credibility gap

If there were a crisis line for corporate self-harm, AstraZeneca ought to be reported: the company can't seem to stop hacking away at its own credibility.

3rd incident, early March 2021: After vaccinations with the AstraZeneca vaccine, several fatalities follow. The “NZZ am Sonntag” writes “in almost all of Europa, the vaccine temporarily stays in the fridge”. The stock price begins to weaken.

AstraZeneca fends off these concerns. “The case number of blood clots reported after vaccination is lower than generally expected in the population”, writes Chief Medical Officer Ann Taylor. Presumably, that is correct. However, it is not an appropriate wording. Several states, including six European countries, halt vaccinations with the AstraZeneca vaccine. The scandal truly kicks off. At the end of April 2021, the death of a young German woman due to brain haemorrhage after a vaccination with AstraZeneca’s vaccine is confirmed.



Since autumn 2020, AstraZeneca becomes ever more present on the internet – often due to negative headlines, unfortunately. The tragedy peaks in mid-March 2021 with millions of mentions per day. Unresolved fatalities / the end for the vaccine in parts of Europe / the data trickery...

4th incident, second half of March 2021: The company announces interim results of its tests, reaching an efficacy of 79 percent. Finally positive news! On the very same day, another source issues a warning: AstraZeneca may have used outdated data. Sender of the counter statement is the National Institute of Allergy and Infectious Diseases (NIAID) from Maryland, US.

Spicy detail: The NIAID supports the study. Its director is prominent virologist Anthony Fauci. One day later, AstraZeneca adjusts the results: 76 percent efficacy. The difference – 79 or 76 percent – is practically irrelevant, experts say. But AstraZeneca’s image takes another hit.

ENGAGEMENT	
225.3M	
SENTIMENT	
7% POSITIVE	30.4% NEGATIVE

225.3 million statements were made by people on the internet between September 2020 and April 2021 – journalists, politicians, bloggers, social media users. Just seven percent of the statements were positive, more than 30 percent were negative.

(Diagram source: Social Listening in the IRON DOME Crisis App)

5th incident, April 2021: The European Union files a lawsuit against AstraZeneca at a Belgian court of law. The pharmaceutical giant did not abide by agreements and only delivered a quarter of the promised doses, the plaintiff claims. The company references the contract, which allegedly only states that “utmost tenable efforts” are to be made in order to deliver to the EU. A few days earlier, AstraZeneca admitted to further delays in deliveries.

AstraZeneca: Selbstdemontage eines Hoffnungsträgers gegen das Coronavirus

Eigentlich ist der Corona-Impfstoff von AstraZeneca ein vielversprechender Kandidat. Aber durch eine katastrophale Kommunikation bei der Vorstellung und Ungereimtheiten bei der Studie ist das Mittel in Verruf geraten.



Impfstoff mit Imageproblem
Der schleppende Start und häufige Meldungen von Impffreaktionen kratzen am Ruf von AstraZeneca. WELT klärt die wichtigsten Fragen

Alles unter **KONTROLLE** – ohne AstraZeneca

Durch den Verzicht auf das Vakzin verschieben sich die Impfungen in Dänemark um Wochen. Das Land kann sich den Verzug leisten, weil es in mehreren Bereichen Vorsprung hat.

Was das AstraZeneca-Debakel für die EU bedeutet

Das Chaos bei der Einschätzung des Vakzins dürfte zu einer sinkenden Nachfrage in Deutschland führen. Das hat Folgen für den Verteilungskampf



manager magazin

Pharmakonzern in der Kritik

Die Serie der Pannen von Astrazeneca

Es war - oder ist - der größte Hoffnungsträger gegen die Corona-Pandemie. Jetzt sorgt der Impfstoff von Astrazeneca und Universität Oxford vor allem für Verdrüss. Ein Überblick über die größten Pannen.

EU platzt der Kragen wegen Lieferproblemen von AstraZeneca

Die EU-Kommission zerrt den britisch-schwedischen Pharmakonzern vor Gericht. Dieser wiederum erklärt, er habe sich an alle Vereinbarungen gehalten.

Top left: “AstraZeneca: self-demolition of a bearer of hope against the Coronavirus”

Top right: “What the AstraZeneca means for the EU”

Left of the middle: “Vaccine with an image problem”

Bottom left: “Everything under control – without AstraZeneca”

Bottom right: “The series of mishaps of AstraZeneca”

Very bottom: “EU has enough of delivery problems of AstraZeneca”

Why has AstraZeneca’s communication failed?

And how did it even fuel the crisis?

1st incident, transverse myelitis. The company missed an important step following the side effects incident: communicating swiftly and transparently. We tend to believe those that inform us first, but the manufacturer stayed silent. By this, AstraZeneca downright invited investigations. Stakeholders were disgruntled: authorities, shareholders, customers, employees, and patients.

2nd incident, the dosage error. Why did the researchers from Oxford and AstraZeneca not align with management and agree on a course of action? When presented with two differing interpretations of a situation, one must be wrong. This sparks curiosity in the general public on who might be trying to cover up something. Serious journalists explore all directions and interview all sides. The people responsible at AstraZeneca know this, too.

3rd incident, fatalities: What about some empathy? Based on compassion, speculations can be corrected easily. It is a fact that there have been larger numbers of fatalities after vaccinations in the past. In Germany alone, the death toll had reached 113 by early February. However, those cases were spread across several manufacturers, and there has never been a causal connection between vaccination and death. In late April of 2021, a first incident was recorded that might really be traced back to the vaccine, as mentioned.



“32-year-old dies after vaccination with AstraZeneca”

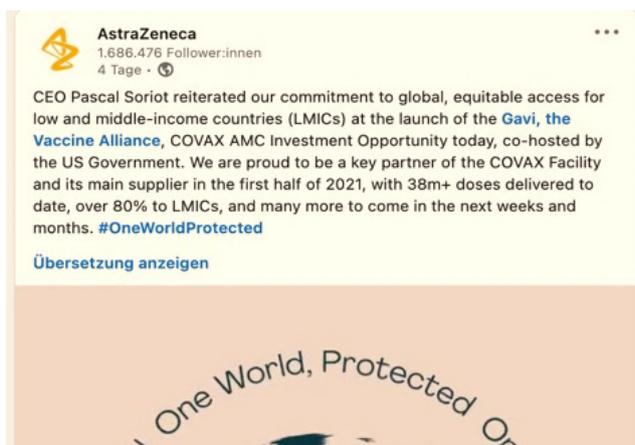
Remaining silent at first, then stating that more cases of thrombosis were expected is not a good look. Insensitive communication in crises with disregard for human emotions invokes an impression of coldness, answered by distrust by the public.

4th incident, outdated data. Prior to publishing important data, a company must be sure: Are these data up to date? And have we aligned with other parties involved? AstraZeneca should have spoken to NIAID, but it didn't.

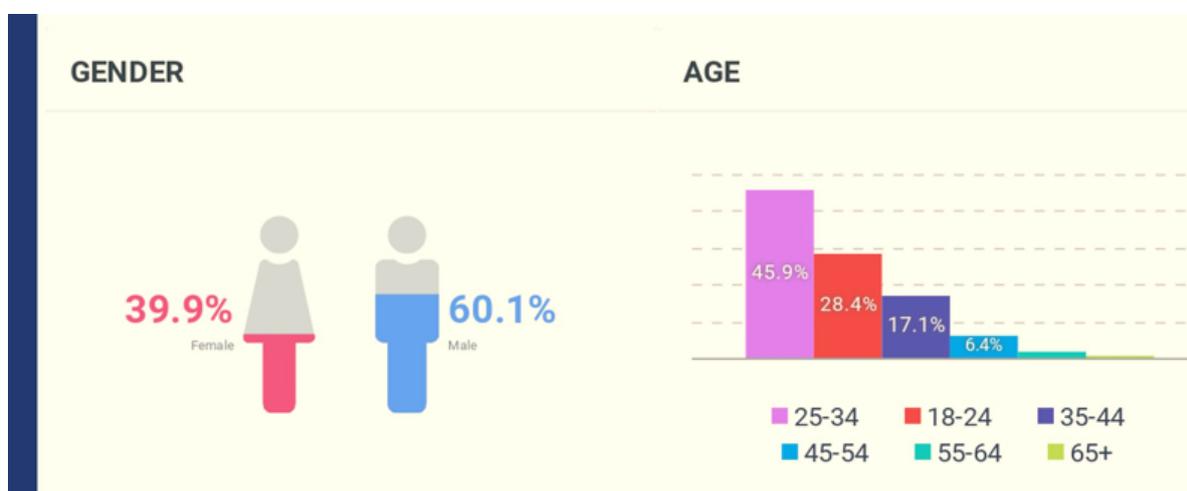
The secrecy surrounding these numbers seems like trickery. AstraZeneca was forced to rectify the test results it had only just published. How embarrassing, and causing so much additional cost! Stakeholders, including the media, grew ever more suspicious. How much negative press could have been avoided if AstraZeneca had been more transparent and open?

5th incident, action for breach of contract. An old problem revisited: not talking enough. Has AstraZeneca broken its engagement with the EU? Or has the engagement never been binding? This should have been clarified months ago, so the two sides could have agreed on a solution that is acceptable for both parties.

Instead of an agreement with Brussels, more communicative mistakes were made: lingering, finger-pointing, justifications, and defiance, even towards the affected, i.e. EU citizens. An AstraZeneca spokesperson said that the dispute is welcome. AstraZeneca made the headlines once more and put its reputation as a reliable business partner at risk.



Not smart: AstraZeneca is in litigation with the EU regarding delayed deliveries. At the same time, however, in April 2021, the company applauds itself for being the “main supplier” for the COVAX programme for poor countries. It claims to have delivered more than 38 million vaccine doses more than 80 percent of which to poorer state, “and many more to come in the next weeks and months”.



225.3 million statements were made on AstraZeneca during the roughly 7.5 months since late summer 2020, a majority of which were negative (see page 3). More than one third of all statements came from women. To make matters worse, the age group between 25 and 34 years old is the most outspoken: the one group that is most keen to consume and that all companies desire to retain as customers.

The company takes considerably damage following these events: It's stock market value drops by 9.3 percent in just six months, losing 11.5 billion dollars between autumn 2020 to spring 2021.

But the reputation of the pharmaceutical giant wasn't the only one that suffered, but also the one of politicians, authorities, business leaders and scientists. Another side effect: The entire vaccination campaign suffers from the AstraZeneca disaster, and anti-vaxxers were supplied with a flurry of arguments. Vaccination is a matter of trust, a delicate subject, as vaccinating is about one's own life, as well as about the life of one's loved ones. It concerns everyone, and everyone has a say in the matter.

How can the waves be calmed, and what should AstraZeneca do?

How can the company get a grasp on the crisis at this point? It takes three easy steps.

1. AstraZeneca needs to take the lead in media coverage.

- Currently, it's experts and politicians that talk about the company and its vaccine. The company needs to make itself heard and seen, with its own stories. It cannot hide from media any longer.
- As soon as there is relevant news to be published, it must be released to the public, even when it's unpleasant.

2. AstraZeneca must align its wording with researchers, developers, management, and all other involved departments.

- Those responsible must exchange views on study results, incidents, risks, current state of deliveries.
- Corporate communication must be aligned internally. Key messages are to be defined and discussed with those involved.
- Is there a manageable amount of people involved and responsible parties within project "Covid Vaccine"? Define at most two people as spokespeople for inquiries.

3. AstraZeneca needs a long-term plan to strengthen its reputation, as soon as possible.

- Dear colleagues at AstraZeneca: Look ahead! Brainstorming for a long-acting program helps. People love stories. What kind of stories should you tell? What kind of stories about a pharmaceutical company would you like to read, see, hear? And what action must be taken for those stories to come to life?
- Crises in your own company lead to your customers and observers developing an increasingly positive perception of your competitors. Keep this in mind. Praise your rivals for reporting on study results or advances in vaccination campaigns. Generosity and fairness pay off – in personal relationships, in business, and in dealing with media.
- The company needs to focus its measures, clearly targeting its main markets: Europe and North America. Initiatives such as the aggressive promotion of deliveries to the COVAX alliance compete with this. A clear-cut case of cannibalism: What positive effect can voluntary, large deliveries have when obligations towards important customers cannot be fulfilled?