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Unethical Marketing Practices of Pharmaceutical Companies in Pakistan: A Case Study of Sukkur Division

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Abstract

Pakistani pharmaceutical industry is synchronized by various legal perspectives to make certain the health of people of Pakistan but unfortunately rising population, inflation and people's wish to have money to burn leads to unethical practices so as in Pharmaceutical companies of Pakistan. Keeping in view the rising trend of unethical drug promotional activities in Pharmaceutical industry, a prior study was conducted by us in Sukkur city only but to improve our study we extended the sample to Sukkur division with the purpose to explore various unethical marketing practices in pharmaceutical companies of Sukkur division covering Sukkur, Khairpur, Pano Aaqil, Rohri cities. It is a crucial area to be investigated in marketing field. Predominantly, considering negative aspects of unethical drug promotional activities that could harm the public health this research is constructive and beneficial not only for the common public and researchers but for the government so that they can regulate more rules and laws on pharmaceutical industry. Data was collected from various medical professionals' i.e. physicians and consultants, medical representatives, management of pharmaceutical companies' local as well as multinational pharmaceutical companies residing in Sukkur. A well administrated questionnaire was designed to test the validity of questionnaire a pilot study was done where a sample was split into two halves and alpha of 0.86 and 0.78 of respectively proves the validity of questionnaire. 890 questionnaires were distributed through probability sampling technique in different areas of Sukkur division. We have used F-test, t-test and z-test to test three different hypotheses. Study found various unethical marketing practices in pharmaceutical companies like gifts, sponsorships, incentives schemes based on sales per product etc. Further it was proved that pharmaceutical companies initiate unethical marketing activities and health specialists/doctors accept these gifts and help companies to continue unethical marketing activities in Sukkur division.

Key words: Unethical marketing practices, pharmaceutical industry, ANOVA

1. Introduction

The facade of pharmaceutical companies has altered dramatically from the early days of its commencement. Pharmaceutical companies who once preserved an incessant stream of breakthroughs and discoveries have now exceeded crest ingenuity and following a conduit of diminishing innovation. The unethical marketing practices are frequently spreading in every business worldwide but more usual in the backward and developing countries like Pakistan. The major intention of ethical norms for pharmaceutical marketing practices is to maintain and promote the growth of health care through the logical and rational distribution of medicinal drugs. But unfortunately ethical norms and practices have been diminishing day by day and the unethical practices are rising continuously. The pharmaceutical company previously focused on the development of the human health but now it is converted from once being ethical society to giant's community. The roots of unethical practices in pharmaceutical company become very strong and it is almost become impossible to reverse them back (Parmar & Jalees, 2004).

Unethical drug practices can be seen in two different perspectives. Customers are largely unacquainted about how corporations shaped their drug consumption choices for gigantic profits. The fundamental aim of corporate drug marketing practices is to raise profits by increasing customers demand. Mainly pharmacists who are employed in retail pharmacies face a stern prospective conflict of interest. On the one side of picture they are professionals, predictable to be informed about medicines and to distribute them in an ethical manner being a responsible professional and citizen. On the other hand, their earnings, incentives, bonuses and perks depend on the sale of medicinal products. An important perspective is that the meetings of sales representatives & doctors influence doctor's prescription (Chren & Landefeld, 1994; Wazana, 2000). Davis et al. (2007) show that companies' websites providing information regarding drugs only concentrate on their benefit and hide side effects of these medicines. Which is indeed unethical, because people who are purchasing these medicines they do not incorporate risks associated with medicines.

The pharmaceutical company applies both "push" and "pull" strategies for the promotion of their product. The pharmaceutical industry's unethical practices are supported by doctors and other entities, they have become greedy and selfish because the pharmaceutical company sponsored most of the conferences of the doctors and offers them the gifts.

The focus of this research is to identify different unethical drug marketing practices and also to determine the development and promotion of such practices in Pakistan. Nowadays pharmaceutical industries' focus on unethical marketing practices for their drug promotion simply called the birth of corruption starting from launching new drugs and authorizing the price determination of medicines, drug promotion and sale and procurements which has a direct impact on human health and it is all being done for the sake of increment in market share so this system need to be assessed carefully for the effective working of health system.

In the nutshell, a good health system combines economical as well as personnel to provide health facilities; superior supremacy & precision. Whereas poor supremacy, corruption & dishonesty are symptoms of a broader system failure in a given country.

2. Literature Review

All of the previous researches conducted in the same field identify the unethical drug marketing practices which have been a common and emerging trend of pharmaceutical companies. It is becoming an acceptable standard or norm and approximately all of the pharmaceutical companies either local or multinationals, are engaged in practicing such norms in coordination with various medical professionals.

Amol Dube, Shahu Ingole (2010) in their research study attempted to explore how the physician's medicine prescriptions to patients are being influenced by pharmaceutical marketing practices done by its medical representatives or sales persons. The authors conduct research with the well prepared questionnaire and interrogate with 60 physicians of an average 30 years age and 5 to 15 years experience. The research exposed that the medical representatives of various pharmaceutical companies are the easiest, frequent and widespread information source and most new renewals on

medicinal innovations. Medical representatives provide concise information that is preliminary in nature other than it supplementary sources of reliable information are also required. 50% of the doctors believed that the medical representatives in fact make available fresh and newest information on medicines which persuade their prescriptions to their patients. Sales advertising through gifting strategy could affect the physician's decision making during brand selection. Medical doctors expect that government, pharmaceutical companies and academia's should work mutually to perk up the worth of information concerning recommendation of medicines that will be beneficial for patients in terms of their health.

Wyane Burr, Jamaluddin Moloo and Allan S. Brett, (2003) explores the perspective of medical doctors on the sponsorships, gifts and giveaways presented by the medical representatives and pharmacy companies. They studied that either pattern of the prescription is ethically right or wrong and compares the perspectives and thinking pattern of new and young physicians as well as experienced physicians. A structured likert scale questionnaire was distributed for this study possessing 18 various scenarios of gifting by different pharmaceutical companies. Research study found that new and young physicians are more comfortable with gifts and sponsorships. Findings of this research article contain diverse views of faculty as well as resident physicians. Faculty doctors are much worried regarding ethical concerns in contrast to resident doctors. Both types of medical doctors i.e. faculty and resident agreed that recreational gifts are making more trouble than educational gifts provided by pharmaceutical companies to physicians.

Molugulu Nagashekhara et al. (2012) in their research found that pharmaceutical companies are following the ethical codes of conduct and the ethical behavior of medical representatives of multinational pharmaceutical companies are different from those of domestic pharmaceutical companies. Chi square results found that there is strong relationship between ethical codes and training of employees on ethics.

Dr. Sanjay Das, Dr. R. K. Bansal (2005) - in their paper highlighted some unethical practices performed by the doctors and physicians while communicating with the pharmacy companies. Medicinal professionals like doctors, physicians etc from their starting of the medical career keep in contact with different pharmaceutical companies and accept various gifts from cheap to expensive. Many physicians do not think accepting small gifts as a part of unethical conduct. Some medical professionals agreed that expensive gifts are a part of unethical marketing practices and forces the doctors to do in favor of medical representatives in return. Further this research study concluded that these unethical marketing practices will keep growing because of extensive competition in the market.

Rizwan et al. (2012) in their research found that all the six variables are responsible for unethical marketing practices some are initiating it and some are continuing it. Further it is concluded that these practices can be eradicated through strict rules and regulations.

M. Ahmad et al. (2011) in his research paper "Ethical Evaluation of Pharmaceutical Marketing in Pakistan" investigates unethical pharmaceutical marketing, the impact of accepting gifts on physicians and its overall effect on eventual consumer or patient. The survey was conducted through questionnaire and it was distributed in two major areas (i) physicians/consultants (ii) pharmaceutical companies. It was found that so many unethical marketing practices are common in Pakistan and there is no effective surveillance authority to stop and remove such unethical practices.

Charles E. Pettijohn, R. Stephen Parker (2003) in their research article scrutinized the influence of direct advertising on decision of physician and ethical matters that may occur when doctors takes promotional stuff from pharmaceutical corporations. This research exposed that the direct-to-consumer marketing increases the chances of doctors prescribing the similar medicines. The results further exposed that most of the physicians behavior was either unbiased and they did not feel that the gifts given by pharmaceutical companies affect their ethical behavior.

Cathy R. Kessenich et al. (1999) conducted a pilot study to discover various ways through which pharmaceutical companies promote their products through such items like pens, coffee cups, tissue boxes etc having their identity in terms of names on front. Pharmaceutical companies frequently provide free meals, seminars, and other gifts and facilities to medical professionals also.

Adnan Kisa, Aykut Ekiyor and Dilaver Tengilimoglu, (2004) in their research paper determines the ethical problems bear by sales representatives in their affairs with doctors in Turkey and further discover probable clarification. The survey was conducted through questionnaires distributed to 215 pharmaceutical medical representatives. The research found that almost all sales representatives in

turkey face ethical problems. Mainly problems that are reported in the research include paramedical appeals like free laboratory test kits, stethoscope etc. and the requirements of haggling with doctors for prescribing their organization's medicines by donating various sponsorships and gifts. Pharmaceutical sales representatives felt that physicians are basically responsible for such ethical problems.

Charles E. Pettijohn, R. Stephen Parker (2005) wrote a research paper which evaluates the attitudes of two extremely important contributors in the prescriptive sales practices that are affected. The results show disparity between medical representatives and doctors concerning the efficiency & ethical contemplation of a variety of marketing strategies.

Haydar sur & Murat d. Cekin (2012) in their research study titled "Ethical Conduct in Health Services in Turkey" aims to discover the attitudes of physicians, nurses, pharmacists, pharmaceutical representatives, and patients from two provinces of Turkey, in perspective of ethical behavior within the health services and explores the impact of health services on its suppliers. This research used quantitative and qualitative research methods. Questionnaires and focused group discussions were used as the primary research methods. Findings of the research suggests various unethical acts such as knife payment , self-referrals, patient prejudice, dishonoring other physicians, redundant tests/interferences/prescriptions, accommodating sponsorships and favoring products that moves towards promotion, getting cash per sale, sponsored visits etc.

Anita Mishra (2009) in her research study highlighted the communication process between pharmaceutical companies and the customers of India and how this process is important in the supply chain to accomplish the necessity of promotional strategies. Pharmaceutical industry of India is one of the world's emerging industries in the world so the multinational pharmaceutical companies and Indian pharmaceutical organizations are having extensive competition. Therefore the research author summarized that sales advertising through essential communication policies assists the pharmaceutical company to make an effective and enduring impression in the minds of the customers.

3. Objectives of Study

The objectives of the research study are described below:

- 1) To study and explore various ethical and unethical marketing strategies and tactics used by pharmaceutical companies in Sukkur division.
- 2) To study and be aware of various pharmaceutical marketing strategies followed by pharmacy companies and its representatives to persuade prescription conducts of doctors of Sukkur.
- 3) To understand who is primarily responsible for unethical practices and its expansion and continuation in pharmaceutical companies.
- 4) To know the aspects well thought-out by the medical doctors of Sukkur before choosing a trademark for prescription.
- 5) To recommend and give suggestions about appropriate marketing strategies for developing and retaining long term sales.

4. Problem Statement

1. Is un-ethical drug marketing activities common in Sukkur and in what forms?
2. Who initiates the unethical drug marketing activities in Sukkur?
3. Who is guilty for these activities?

5. Research Methodology

The research paper follows the following research methodology to explore various unethical marketing practices and the people who are responsible for commencing and continuing it in Sukkur.

5.1. Population and Sample

The population of the study consists of physicians (medical officers, general practitioners, specialists, consultants) and pharmaceutical employees (medical representatives, product managers, brand managers and sales managers).

At the first stage 1250 questionnaires were distributed using probability sampling technique but at the end only 890 questionnaires were useful for analysis. Data was analyzed using SPSS. The hypotheses were tested using t-test, Z-test and F-test. Both qualitative and quantitative techniques were followed in the research.

5.2. Data Collection Methods

Data was collected through distribution of questionnaires to selected sample in various areas of Sukkur division. The persons contributing in the data collection were given a clear direction on the intention and objective of the research.

6. Research Hfindings

Hypotheses Testing

We developed three hypotheses and tested those using ANOVA, F-test and z-test. Hypotheses are shown below:

Hypothesis 1:

This hypothesis was developed to find out either unethical marketing activities level in pharmaceutical market is high or low.

H1₀: The unethical marketing activities level is high (more than 4)

H1_A: The unethical marketing practices level is low (less than 4)

The hypotheses written above can be statistically illustrated as follows:

$$H1_0: \mu \geq 4$$

$$H1_A: \mu < 4$$

The hypothesis written above was checked using z-test. Results are shown in Table 01. shown below:

Table-01. Level of Unethical Marketing Activities

Average Value (Mean)	4.32
Hypothesized Value (Mean)	4.20
Standard Deviation	0.72
z- value (Calculated)	4.35
Significance	0.05
Critical value (two tail)	1.960
N	890

Results show that null hypothesis is accepted as mean value is 4.32 which is greater than significant region. Therefore it can be said that unethical marketing practices are high in Sukkur division. This concludes that pharmaceutical companies are presenting undue offers to doctors to refer their medicines to customers. Even though this may not create problem in terms of efficiency of medicines but when it comes to ethics it violates the rules because it lacks fairness. Doctors should be choosing medicines for patient treatment on the basis of efficiency rather than receiving gifts from pharmaceutical companies. It is normally observed that in areas like Sukkur medical representatives meet doctors to give overview of medicines offered by their companies but thereafter doctors only refer those medicines to almost every customer, against this company may be sending doctors on foreign trips with the tag of trainings etc for its promotion that we are sending doctors on trainings for betterment of our medical system to bring efficiency in it. But there is a question that whether these pharmaceutical companies are showing merit in sending doctors for trainings and awareness sessions? Are they only sending those doctors who deliberately prescribe their medicines? As in this study results validates that there are some unethical marketing activities taken place in pharmaceutical industry to boost up their sales.

Hypothesis 2:

This hypothesis was developed to find out who initiates the unethical marketing activities in Sukkur division.

H2₀: All concerned parties of pharmaceutical market show same views on initiation of unethical marketing activities.

H2_A: All concerned parties of pharmaceutical market show different views on initiation of unethical marketing activities.

The hypothesis written above can be statistically illustrated as follows:

H2₀: $\mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5 = \mu_6$

H2_A: $\mu_1 \neq \mu_2 \neq \mu_3 \neq \mu_4 \neq \mu_5 \neq \mu_6$

Simple ANOVA technique is used to test hypothesis and Table 02 represents the findings:

Table-2. Views on who initiates Unethical Marketing Activities

Groups	Number	Sum Total	Mean	Variance
Companies	890	2180.50	2.45	2.62
Physicians	890	1450.70	1.63	3.16
Hospitals	890	1326.10	1.49	0.49
Pharmacy	890	1299.40	1.46	0.29
Government Officials	890	1308.30	1.47	1.30
Patients	890	1272.7	1.43	2.21

Source of Variation	SS	DF	MS	F	P-value
Between Groups	521.56	3	178.95	108.35	0.00
Within groups	749.89	481	1.71		
Total	1,271.44	484			

Results show that null hypothesis that all concerned parties of pharmaceutical market show same views on initiation of unethical marketing activities in Sukkur division was rejected. As calculated value of F statistic is greater than the critical value of F 2.62 at significance level of 5%.

Table-3. Unethical Activities

Groups	Mean	Variance
Companies	2.45	2.64
Physicians	1.92	1.16
Hospitals	1.49	0.38
Pharmacy	1.46	0.29
Government Officials	1.47	1.30
Patients	1.43	2.21

The above results also clearly indicate the participant who actually initiates the unethical activities as pharmaceutical companies have the highest mean of 2.45, so it suggests that these companies are initiating and commencing unethical marketing activities in Sukkur division and doctors are following such practices with mean of 1.92. Here it is necessary to know that who is actually initiating these unethical activities, whether doctors are demanding undue benefits from pharmaceutical companies against prescription of their medicines or pharmaceutical companies are initiating offering doctors some gifts and benefits. But here it is clear that companies are actually initiating unethical marketing activities.

Hypothesis 3:

Previous hypothesis revealed that the companies initiate unethical marketing activities in Sukkur division but who continues such unethical marketing activities is a major issue. As initiation is not a

major problem, the most important thing is to accept and continue these activities. The following hypothesis was developed based on the prior hypothesis.

H3₀: Pharmaceutical companies plays equal or higher role in increasing and continuing unethical marketing activities than physicians.

H3_A: Pharmaceutical companies does not plays equal or higher role in increasing and continuing unethical marketing activities than physicians.

Hypotheses written above can be statistically illustrated as follows:

$$H3_0: \mu_1 \geq \mu_2$$

$$H3_A: \mu_1 < \mu_2$$

The hypothesis written above was investigated through z - two sample variable analysis. Table 04 represents the results.

Table-4. Views on Initiating Unethical Marketing Activities

	Companies	Physicians
Mean	2.85	3.71
Variance	3.55	2.56
z- value	(4.385)	
p-value (one tail)	0.00	
p-value (two tail)	0.00	
z- critical (one tail)	1.635	
z- critical (two tail)	1.960	
Observations	890.00	890.0

The null hypothesis was rejected that was concerning greater contribution of pharmaceutical companies than doctors. As calculated value of z 4.385 is greater than critical value at 5% significance level, so null hypothesis is rejected. So, it is proved that doctors are more responsible in continuing and increasing unethical marketing activities. Again it is very important that once unethical activities are initiated then who actually maintains it. Because as discussed in last hypothesis that only one party cannot do anything, until doctors are not willing to willing to take gifts and other benefits companies cannot force them to take. So here results show even though companies are initiating unethical marketing activities but from there those are continued by doctors, from there on doctors build and maintain good relationships with companies’ representatives and it relation goes on and on.

7. Qualitative Analysis

Qualitative analysis of the data reveals various pharmaceutical marketing practices and their averages some of them are ethical and some are unethical.

Table-5. Pharmaceutical Marketing Practices

Rank	Pharmaceutical Marketing Practices	Calculated Average
1	Brochures	9.86
2	Internet and Sponsored articles	9.45
3	Sponsored journals subscription or textbooks	9.35
4	medical representatives Visits	8.88
5	Events that are sponsored with “key opinion leaders”	8.56
6	Gifts	8.42
7	Incentives and rewards schemes based on the number of prescriptions written.	8.11
8	Samples of Products	7.68
9	Sponsorships in academic activities	7.14
10	Entertainment	6.33

11	Excursions	5.86
12	Travelling expenses	5.53
13	Meals	5.35
14	Family-related activities	5.23
15	Donations for amenities used in offices i.e. Computers, Fax machines, Printers, Furniture etc.	4.89

8. Conclusion

Keeping in view the rising trend of un-ethical marketing activities in Pharmaceutical market and industry the objective of this research is to find out various unethical marketing practices in pharmaceutical companies of Sukkur Division. Data was collected from various medical professionals' i.e. physicians and consultants, medical representatives, management of pharmaceutical companies' local as well as multinational pharmaceutical companies residing in Sukkur. 890 questionnaires were distributed through probability sampling technique in different areas of Sukkur division. Three hypotheses were designed to know three basis issues, first was the presence of unethical marketing practice in pharmaceutical industry, second to know who is initiating those unethical marketing activities and practices and finally to know that who is maintaining these activities. These hypotheses were tested through t.-test, F.-test and z.-test. Study found various unethical marketing practices in pharmaceutical companies like gifts, sponsorships, incentives schemes based on sales per product etc. Further it was proved that pharmaceutical companies initiate unethical marketing activities and health specialists/doctors accept these gifts and help companies to continue unethical marketing activities in Sukkur division.

9. Recommendations

1. Pharmaceutical companies and medical representatives should discontinue the practice of giving gifts and sponsorships.
2. Government and health agencies should implement precise and rigorous rules and regulations.
3. Medical representatives should provide transparent, obvious and provable information regarding drugs to health specialists and physicians.
4. Pharmaceutical companies should ensure ethical code of conduct and provide training to their medical representatives concerning ethical behavior.
5. Pharmaceutical companies should spend in creative joint ventures with civil societies and government so as they could refrain themselves from unethical practices.

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