Literature Review:

Ethical Pharmaceutical Marketing in India

In the Express Pharma Online article on ‘Changing Definitions in Pharma Marketing, R. K. Srivastava shares his view on response generation through promotion, by stating that advertisements should generate sales not awards. Any money spent should generate adequate returns and response. Promotion plays an important role.

GAP SUMMARY: Although this article highlights the importance of advertising in pharmaceutical promotion, it does not elucidate the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

In the Express Pharma Online article on ‘From Sales to Marketing’ R. K. Srivastava states that many companies are only thinking of “today” and not for tomorrow. This has led to “More of Sales” not marketing activities. There is no: Brand building, Creation of pull, Image.

GAP SUMMARY: This article only calls for attention to the lack of advertising effectiveness through a need for brand building, creation of pull, image. It does not clarify what elements are required for the successful impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Abhijit Dey et al (1999) says that the Indian pharmaceutical market is expected to grow to US$ 55 billion by 2020 from the 2009 levels of US$ 12.6 billion, as per a McKinsey & Company report titled “India Pharma 2020: Propelling access and acceptance realizing true potential”. The industry further holds potential to reach US$ 70 billion, at a CAGR of 17 per cent. India’s pharmaceutical industry constitutes of about 8 per cent of the world’s pharmaceutical production. Over the last couple of years, Indian pharma companies have been increasingly targeted by multinationals for both collaborative agreements and acquisition, as per an Espicom report titled, “The Pharmaceutical Market: India Opportunities and Challenges”. This forecasts increased spend on marketing, more specifically pharmaceutical advertising.

*In India, earlier this year MAA Bozell set up Lewis Grace. Bozell, is a subsidiary responsible for pharmaceutical advertising. Now, Ogilvy & Marther and Redeffusion are reportedly considering similar moves. To begin with, they will try to bring their skills to the ordinary business of making audiovisual, prints or multimedia sales pitches to the doctors. This could improve the communication of OTC products, which have been turning more love and care oriented. Johnson & Johnson’s touch therapy commercial is good example of the use of emotion. Advertising agencies will have to educate themselves well, because the main reason that in-house publicity departments manage to torpedo the suggestion of agency help is the fact that nobody wants their wonder pills to be handled by bubble gum jingle makers. Says the marketing manager of a small, but fast growing Indian company, "Advertising agencies may be good for selling the image of the company as whole but at the level of each brand, what can they do?"
GAP SUMMARY: The gap in this study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the OTC segment.

In the article- Measuring brand strategy – can brand equity and brand score be a tool to measure the effectiveness of strategy? - by R.K. Srivastatva, he measures the effectiveness of brand strategy and examines the approach to measurement of strategy through application of brand score and brand equity as a tool.
GAP SUMMARY: The gap in this study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the measurement of brand strategy.

R.K. Srivatstva et. al. says in the article- ‘Validity of RKS Model for New Product Launch’, that in new product development, new products need to be classified as managers the world over are constantly on the look-out for ways and means that would minimize the risks associated and at the same time ensure the success of the new products.
GAP SUMMARY: The gap in this study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the development of new products.

The article of “Brand equity measurement in India – how to be more realistic?” – by R.K. Srivastatva, describes the present state of brand valuation and assesses their effectiveness through a simple method of calculating brand equity.
GAP SUMMARY: The gap in this study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the calculation of brand equity.

**Channels of Influence**

S. R. Parakh et al (2006) says that nowadays, due to increase in literacy and health consciousness of people, pharmaceutical companies feel the need to approach a large category of people to inform them about their products and to earn more profits. In the Indian population, advertisers can reach their audiences through television, radio, print media, outdoor advertising, sales promotion and the Internet. As technology changes, the advertising medium is also taking new dimensions. With the advent of E-commerce and the Internet, advertising on the net is the newest medium for the marketers. Satellite channels bring in 50-plus channels to Indian homes and direct to home (DTH) broadcast brings in 500 channels. Among the various advertising media, newspapers represent 40%, television (including satellite TV) 35%, magazines 15%, radio 5%, and others 5% of the total expenditure in this industry. Advertising of pharmaceuticals includes different types like direct-to-consumer advertising, prescription drug advertising and over-the-counter (OTC) drug advertising.
a) Direct-to-consumer drug advertising: Direct-to-consumer (DTC) advertising adds a new aspect to the doctor-patient relationship. Many physicians and pharmacists now talk with patients about the side effects, risks and costs of drugs as a result of advertising. Advertising prescription drugs to consumers benefits the public, improves their knowledge of health, and may reduce health-care costs. People see advertisements for stimulants, tranquillizers, antidepressants, antihypertensive drugs—all available from foreign [Internet] sites. They self-diagnose, order the medication from an Internet site, and take it.

b) Prescription drug advertising: Prescription drug advertising to consumers is another area that may generate challenges to the right to advertise and which will grow in importance as the nation continues to grapple with the complexities of health-care costs. This is an important legal basis for the activities of pharmacists, since the medicines available without prescription can be supplied to pharmacy customers without a medical prescription.

c) Over-the-counter drugs advertising: According to international norms, a drug is often moved from prescription to the over-the-counter category, once its side effects are known. Currently in India, there are no specifications as to which drugs can be sold over the counter. Products on an over-the-counter (OTC) list can also be advertised through mass media. However, no advertising is possible now as no over-the-counter list exists. Advertising for 15-20 products in the ‘home remedies’ categories does take place on the basis of an unofficial over-the-counter list.

GAP SUMMARY: The gap in this study is that it does not show the impact of advertising effectiveness in ethical pharmaceutical marketing but only highlights the OTC segment.

In his book, ‘How to be an effective product manager’, R. K. Srivastava, says that building a strong brand identity, communicating with communication tools, developing a visual identity and brand personality traits are of the greatest importance in the pharmaceutical industry.

GAP SUMMARY: The gap in this book is that it highlights the importance and advantages of brand identity and brand positioning; it does not show the impact of advertising effectiveness in ethical pharmaceutical marketing.

Louis A. Morris, Ph.D.(1 Jan 2001) - in the Journal of Medical Marketing & Media, in the article 'Pharmaceutical Marketing is going to be very different and very soon', explores anticipated changes in the business of pharmaceutical marketing in terms of technology concerning interactive electronic media.

GAP SUMMARY: the article talks about factors such as interactive electronic media, POC devices, and permission marketing that will play large roles in pharmaceutical marketing, but does not highlight the role of advertising that impacts pharmaceutical marketing through these devices.

In ‘Pharmaceutical Marketing after the Gold Rush’, Mukesh Mehta, states that marketing tactics are evolving in terms of introducing novel ways of engaging physicians through sophisticated multi-channel marketing programs that incorporate e-mail, handheld devices, desktop computers, direct mail and face-time.
GAP SUMMARY: The article talks about various marketing tactics, but does not emphasize on the role of advertising effectiveness in pharmaceutical marketing.

The research paper: “Self-Medication, Doctor and Marketing of OTC Products” by Rajesh Uttam Kanthe, reviews current marketing practices in the pharmaceutical sector, specifically OTC, and their impact on consumer and doctor behavior.

GAP SUMMARY: The article talks about OTC drug marketing strategies, but does not emphasize on the role of advertising effectiveness in pharmaceutical marketing.

Impact of Ethical Pharmaceutical Marketing on Physicians

Abhijit Dey et al (1999) says in India, front and marketing (doctor convincing and sales) is where the action is. The point of differentiation has been the relationship with doctors (through medical representatives) But doctor aren’t always enthused. Says Savita Mikhi, who runs a private clinic in Delhi, "many companies wrongly believe that a nattily clad medical representative or literature printed on glossy paper makes for impressive communication.”

GAP SUMMARY: The gap in this study is that it expresses the opinion of just one medical practitioner; hence the need for a study with a larger sample-size to determine the effectiveness of advertising and event management in ethical pharmaceutical marketing.

S. R. Parakh et al (2006) says advertising of drugs and pharmaceuticals is really a big challenge. The current Indian population has crossed the one billion mark. For public awareness, providing the basic information about safety and efficacy of drugs is a very difficult task. Currently, pharmaceutical companies, in their marketing strategy, target physicians first. The medical representatives of different companies visit practicing physicians personally and give them detailed information of drugs like activity spectrum, strength, side effects, contraindications and mode of use. The medical representatives do most of the advertising of the drugs. The other forms of drug advertising include seminars and workshops organized by companies to provide information about the drugs to the physicians and patients.

GAP SUMMARY: The gap in this study is that it highlights the work-process scenario in the ethical pharmaceutical market but it does not include the impact of advertising effectiveness.

author Jeremy A. Greene, MD, PhD, in the online journal of Annals of Internal Medicine, History of Medicine - Pharmaceutical Marketing Research and the Prescribing Physician – states that the use of detailed data from pharmacies and clinical practices to target and influence physician prescribing habits, called prescriber profiling, is a widespread pharmaceutical marketing practice.

GAP SUMMARY: However it does not take into account how the effectiveness of advertising influences prescribers.
The study mentioned in the Science Daily (Jan. 5, 2008) - ‘Pharma Spends More on Advertising than Research and Development’ - Two York University researchers estimated the U.S. pharmaceutical industry spends almost twice as much on promotion as it does on research and development, contrary to the industry’s claim.

GAP SUMMARY: Although this study emphasizes how the spend on advertising is more than research & development, no study has been taken up to measure the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Mark Kroes et. al. in the article: “Beyond KOL management: communities of practice as a new perspective on pharmaceutical market penetration”, says that they used data about the relationships, activity and therapeutic concerns of 1746 colorectal physicians, and examines whether the communities of practice model provides a useful description of that market. It finds that the data does support the idea of communities of practice. Implications of this for future research and the practice of pharmaceutical marketing are discussed.

GAP SUMMARY: Although this article highlights the future research and the practice of pharmaceutical marketing, it does not take into account how the effectiveness of advertising influences prescribers.

In the article: “Dynamic Allocation of Pharmaceutical Detailing and Sampling for Long-Term Profitability” by Ricardo Montoya et. al, elucidates how dynamically allocating detailing and sampling activities across physicians, can maximize long-run profitability. It suggests a framework that provides important implications for dynamically managing customers and maximizing long-run profitability.

GAP SUMMARY: Although this article highlights the management of customers, detailing and sampling activities across physicians can maximize long-run profitability, it does not take into account how the effectiveness of advertising influences prescribers.

The Quality of Impact

Abhijit Dey et al (1999) says the marketer, in order gain information, conducts market research, which in the Indian ethical pharmaceutical industry can be as simple as chatting with doctors, retailers and hospital administration or as complex as surveying a nationally representative sample of specialists or corporate hospitals and identifying the emerging health care needs. The pharmaceutical majors are fond of syndicated data. Many companies routinely buy ORG (Operation Research Group) panel study and C-MARKTM studies for different brands and keep them in computer memory for easy retrieval and analysis. For them, it just feels good to know that data can be accessed when needed. But when it comes to developing strategies for their brands, these companies do not operate on the basis of this data.

GAP SUMMARY: Although there is syndicated data that reveals a brands health, it does not seek to measure its effectiveness, resulting in a loss of strategic improvement.
In 'Brand positioning in India’s prescription drug market', Rajeshwar Singh, of Scriptamedica Farmaceutica, asks the question of how can one achieve some semblance of brand positioning in the cacophony of pseudo product claims in India.

**GAP SUMMARY:** However this question is not completely answered as it does not give an in-depth insight on exactly how the quality of advertising influences brand positioning.

Hull RJ. Marketing concepts. In: Raiser K, ed. Workings and Philosophies of the Pharmaceutical Industry. New York: National Pharmaceutical Council; says that from the data we can learn how a given drug or class of drugs is being used. We can learn the relative frequency with which our sample of physicians sees or treats a given illness. We can learn how the illness is being treated. We can learn the sex and age distribution of patients. And in most cases we can learn the extent to which the condition is treated by specialists rather than by physicians in general practice. In fact, the possible types of tabulations and cross tabulations are almost limitless.

**GAP SUMMARY:** This study only measures a quantified set of data for market research, it does not elucidate on the parameters of how the quality of advertising impacts ethical pharmaceutical marketing.

Noordin Othman et. al. in the research Article of 'Quality of Pharmaceutical Advertisements in Medical Journals: A Systematic Review', - states that there is a need for developing more appropriate indicators to assess the quality of information in journal advertisements, as the present studies only provide quantitative results.

**GAP SUMMARY:** This study only emphasizes the information quality of advertising in medical journals; it does not highlight a qualitative measurement that gauges the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Jaykaran Charan et. al. in the article ‘Drug advertisements published in Indian Medical Journals: Are they ethical?’, - says that there is a lack of very vital information regarding precautions, contraindications, adverse effects, and price that are not mentioned in many advertisements.

**GAP SUMMARY:** This article highlights the lack of accuracy of information; it does not mention the impact of the quality of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Richard Levy, PhD who wrote - “The Role and Value of Pharmaceutical Marketing” – states that the transfer of information to physicians through marketing is a crucial element of pharmaceutical innovation. The costs of pharmaceutical marketing are substantial, but they are typical of high-technology industries that must communicate important and complex information to sophisticated users. These costs are offset by savings resulting from proper use of medicines and from lower drug costs owing to price competition.

**GAP SUMMARY:** This article highlights the savings in pharmaceutical marketing resulting from proper use of medicines and from lower drug costs owing to price competition, it does not mention the impact of the quality of advertising effectiveness and event promotion in ethical pharmaceutical marketing.
Saurabh Kumar Saxena - In the research paper: “A Review of Marketing Strategies Work by Different Pharmaceutical Companies” – he talks about the current shift in the marketing strategy, when a pharma company shifts from Acute base to Chronic therapy base. He also gives an insight about shift in supply chain process and customer and end-customer perception which is the base of formulation of different marketing strategies.

GAP SUMMARY: This article highlights the changing marketing strategies and formulation of new marketing strategies; it does not mention the impact of the quality of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Challenging the Impact of Advertising Effectiveness and Event Promotion

S. R. Parakh et al (2006) says that the Indian market poses a challenging task to the advertising industry. The advertising message has to reach a billion people, speaking more than 18 different languages and scattered all across the Indian subcontinent. Advertising of drugs and pharmaceuticals is really a big challenge. The current Indian population has crossed the one billion mark. For public awareness, providing the basic information about safety and efficacy of drugs is a very difficult task. Currently, pharmaceutical companies, in their marketing strategy, target physicians first. The medical representatives of different companies visit practicing physicians personally and give them detailed information of drugs like activity spectrum, strength, side effects, contraindications and mode of use. The medical representatives do most of the advertising of the drugs. The other forms of drug advertising include seminars and workshops organized by companies to provide information about the drugs to the physicians and patients.

Pharmaceutical marketing is about to change, both fundamentally and quickly, with a basic change in how and what we communicate to physicians. Factors such as interactive electronic media, handheld devices, and permission marketing will play large roles in the process. Abhijit Dey et al (1999) says that to counteract the extreme competition major advertising agencies are creating exclusive subsidiaries responsible for pharmaceutical advertising, To begin with, they will try to bring their skills to the ordinary business of making audiovisual, prints or multimedia sales pitches to the doctors.

Bruce F. Hall says that one of the most difficult problems faced by advertising agencies, and pharmaceutical advertisers, remains the issue of measuring the effectiveness of the advertising they create and run. It is a rare agency relationship that doesn’t encounter the question of how to measure effectiveness of the advertising investment-- often one of the largest line items in the marketing budget.

GAP SUMMARY: Though there are diverse media avenues and specialized advertising subsidiaries, the pharmaceutical industry lack an integral form of measuring the impact of its brand’s effectiveness in terms of advertising and event promotion.
Jignesh K Ved et. al (2010) in the study ‘Pharmaceutical Advertisements in Indian Scientific Journals: Analysis of Completeness’/ International Journal of Pharma Sciences and Research (IJPSR) 366-370, - states that the low incidence of completeness of information content, in pharmaceutical advertisements, indicates a lack of adherence to the advertising practices prescribed by the OPPI and the IFPMA. This trend disregards the purpose of an advertisement, of providing comprehensive information to the prescriber, necessary for making a decision. This indicates a need for mandatory regulations, to ensure the completeness of information and serve the purpose of pharmaceutical advertising in a better way.
GAP SUMMARY: This study states the need for mandatory regulations, but does not challenge the quality of impact of advertising effectiveness on ethical pharmaceutical marketing.

Motilal C. Tayadeet et. al. (2011 June) In the article of ‘Accuracy of the Drug Advertisements in Medical Journals in India’ in the Journal of Clinical and Diagnostic Research., 583-585 – states that their analysis indicated that the drug advertisements which were published in various Indian medical journals provided less information regarding the vital aspects about drugs. GAP SUMMARY: This article highlights the lack of accurate information but does not highlight the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

Denise E. DeLorme et. al, in the paper: “The state of public research on over-the-counter drug advertising”, puts the subject of OTC drug advertising back on the radar of communication, advertising, and pharmaceutical marketing researchers and offers an agenda of research questions derived from the reviewed literature to guide and stimulate future studies. GAP SUMMARY: This article highlights the OTC advertising but does not highlight the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.

P. Gupta at.al., in the article of “Social Media Marketing by Pharmaceutical Industry: Perception and Attitudes of Key Stakeholders” assesses the perception, attitudes and behavior of the key target consumer groups – doctors and patients, regarding social media marketing by pharmaceutical industry and highlights how social media is a powerful marketing tool, which can be explored by the pharmaceutical industry. GAP SUMMARY: This article only highlights social media as a marketing tool but does not highlight the impact of advertising effectiveness and event promotion in ethical pharmaceutical marketing.