

Impact Of Unethical Marketing on Public Health by Pharmaceutical Companies in Karachi

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Abstract

The purpose of my research is to study the impact of unethical marketing on public health by pharmaceuticals companies in Karachi. The study has been conducted by using the primary data. The data was collected with the help of questionnaire from patients, medical representatives and doctors. The sample size was 387. The data was analyzed by the help of regression and descriptive analysis. Charts and tables were also used to explain data more accurately. The study was designed that the unethical marketing is impacting the public health. The findings result in which is the factors which were involved in damaging the public health. It also indicates that unethical marketing should be avoided. Therefore, it was distinguished that public health of the society is greatly impacted by unethical marketing practices of pharmaceutical companies. Findings of this investigation were bound to the pharmaceutical firms operating in Karachi. The study was only suitable for pharmaceuticals companies and findings of the study is also not valid for others sectors like agriculture and banking. There are several companies who should not use unethical marketing. They should focus on research and development and updated clinical trials to promote drugs.

Keywords: *Good Manufacturing Practices, Good Lab Practices, Food and Drug Authority, Medical Representative*

Introduction

In third world countries the regulation to control the marketing and pricing of drug is very weak or not follows properly. In Third World countries the regulations exist but implementation is very weak. In 2004 the world health organization set up the regulation that one sixth of the countries will develop effective drug regulation system lie VIGIFLOW. One third countries will not able to regularize drug system because of lack of capacity. Therefore, illegal or unethical drug promotion or marketing is very common in third world countries. Marketing of drug is illegal on television and personal marketing is even prohibited. Companies cannot advertise their products on media platforms except over the counter (OTC) drugs. But they can advertise to doctor in

offices or in seminars which is essential in informing health professional about the new drug or new uses of existing drugs. This practice is recommended by the international federation of pharmaceutical manufactures and association (IFPMA). Third world countries face multiple challenges because of poverty, lack of education, lack of funds, that's why it would be not fair to put them all in the door of pharmaceutical companies. Health professional in Third World countries is working in very bad condition where there is a lack of resources, too much workload, low payment and inflexible timings. So, for pharma companies has environment to promote their drugs. There is a very big difference in rich countries and poor countries such that drug promotion is very in third world countries. The objective of the drug companies to sell their drugs at higher prices which are done by multiple approaches are:

- Increasing the perceived frequency and severity of indication
- Increasing the use of drugs for longer duration
- Widening the indications to include more people
- Increasing the perceived likelihood and magnitude of benefits
- Decreasing the perceived likelihood and magnitude of harms

The advertising and marketing function creates, communicates, offers and exchanges choices that have value for customers and society (Wilkie & Moore, 2002, 2006). Advertising is the most essential and most important tools and a satisfactory way to engage customers and provides knowledge and information about organization and the products. Yearly every top organization spent about 630 million dollars globally to promote their brand which drastically increasing by 10% every year (Statista, 2018).

Marketing and advertising are heavily criticized for how they are promoting their brand in society they are crossing the line of ethics that is rising between the engagement of marketing and society (Tadajewski & Jones, 2014; Wilkie & Moore, 1999, 2006). Marketing and promotion are negatively used nowadays globally to attract toward the not favorable wants. The marketing and advertising have created dissatisfaction to consumers through the process of unlawfully promoting or by means of unethical practices. (van Dam & Apeldoorn, 1996). Marketing and advertising are also responsible for promoting fat containing food which does have any much nutrient required by the human body which is unwelcoming results of obesity (Chou, Rashad, & Grossman, 2008; Harris, Bargh, & Brownell, 2009). Obesity is the leading cause of death in the developed countries because of the promotion of less nutrient food and enhancing the risk of heart disease and also disability (Carmona, 2003). Admitting the side effect of unethical marketing that require a broad understanding of connection between marketing and society. In

our society marketing is penetrated is too much that we feel that unethical way of marketing is the real way of marketing. It's a two-way process and its accepted by the society (Shapiro, 2006).

Ethics and morality are the two most important things in human lives they are the guiding principle that instruct human to human and human-environment connection and their implementation makes the peace in the society (Carroll & Buchholtz, 2014; Niebuhr, 2013). Both the things ethics and morality keep the human's societies in a form of function (Singhapakdi, Kraft, Vitell, & Rallapalli, 1994). Proper implementation of ethics is very necessary in advertising to have peace and prosperity in our homes. Ethics becomes more important than necessary in our lives when human health is involved in this. It has been realized that unethical marketing or negative promotion by pharmaceutical companies are causing an adverse effect on patient's health and also on medical occupation (Landefeld & Steinman, 2009). Promoter's main objectives are to gain the maximum profit by creating effective strategies and programs. When they craving for making money by doing maximum sales, they even forget the ethical lines drawn by the society. They use wrong strategies like sharing profit with doctors, send them on foreign tours and also bribe them. As a result of this unethical marketing doctors start prescribing excessively the drug which is not required in the treatment of the patient. If the product is antibiotic it has also an adverse effect, patient can also become resistant to the antibiotic, when the next time patient will visit a doctor, he prescribes the drug of higher strength or broad-spectrum antibiotics. Therefore, the romantic relationship between health professional and medical representatives has become so important that they do not consider the health concerns of patients, they only focus on getting the profit. Pharmaceutical companies have a huge variety of marketing strategies and tactics they very much legal and ethical to the very wrong and unethical. Well their main objective remains same that it is to increase sales by the more consumption of medicines.

Literature review

Kotler & Armstrong (2008), they said that personal selling is the romantic relationship between the company's sales person and the customer which results in the strong bond which benefit the sales and the satisfaction of customers. In the medical field medical reps try to develop romantic relationship between pharmaceutical sales person and the doctors which also results in sales. Personal selling was boosted in the industrialization era in the eighteen centuries in the England. They were not capable of capturing large customer's area so they introduce the term sales person to increase the sales in the wide geographic areas where the company is not situated. In that times sales person they brief customers about their product in according to their need honestly and rightly. In modern era medical reps use this personal selling tactic to increase their sales and to achieve their target. They make wrong relationship with doctors to sell their product.

Expecting is the first step in the personal selling where sales person determine their need or requirement and determine their eligibility, whether they have buying power or have potential to afford, they are expecting to be approach by a sales person. Then comes the customers doing their study about the product and expecting a sales person. Then finally a meeting is schedule between a customer and the sales person. First meeting has a very much importance both parties analyze each other's potential like first impression is the last impression. Both parties analyze their gestures, way of speaking, handshakes, eye contacting and way of talking. Then the next step is assessment of customers identifying their need for the product then brief customer about the product quality, product efficacy, product reliability and impact and benefits of the product. Then answer the question asked by the customer Spiro et al (2008). Once the need is identified then tries to grab the attention of the customer, try to ignite the action, interest, Desire and Action (AIDA). Then sales person will do the next step by representing the product quality, nice presentation its benefit and features. The interested customers will ask the about the quality, value or concern about the product or reject to buy the product or agreed to buy the product. Sales person can also use alternative strategy to fulfill their need and to increase sales. Sales person can also give the special offers to grab the customers for long term basis. As Cheneyteal (2011) explain interpersonal relationships between sales representative and customers are "moments of truth" that can have lasting impact on organizational goals.

The potential that science holds and uses our modern age society is proof and potential to create information that is satisfactory and sophisticated as any product of human try hard to achieve something. It's very widespread respected and also it is a fascinating tool for public relations in promotions (Elijah burke, 2011). We all hear that advertisement proving laboratory tested, nine out of ten doctors recommend, and brand A is better than brand B. Promotion is a thing which cannot be hidden it's a usual thing in our modern age. Various plan and tactics have been developed by public relations industry. Many marketers are working on public relation behind the curtain to promote messages to its customers in the mouth of seemingly independent third-party professionals (John Stauber, 2012). In the many marketing Industry, it is also called third party techniques (Merrill Rose, 2001). This technique is used to make a statement that represents something as better as or worse than it is really is. Putting your words in someone else's mouth. It is various uses such making a statement that is a dangerous product or about the flaws have been company do in the production process (Shelton Harris, 1999). The industry that uses public relation they use it in various ways of idaes that resembles the real science such as psychology, opinion poll and demographics. Public relation is based upon expectation of mutually compatibility of science. In this modern era of great technologies there is no truth except that is created by you (Richard Edelman, 2001). Marketing and promotion are the war of feeling,

consciousness and awareness not the product. Truth and reality have no relation on this problem (Jack Trout, 1998).

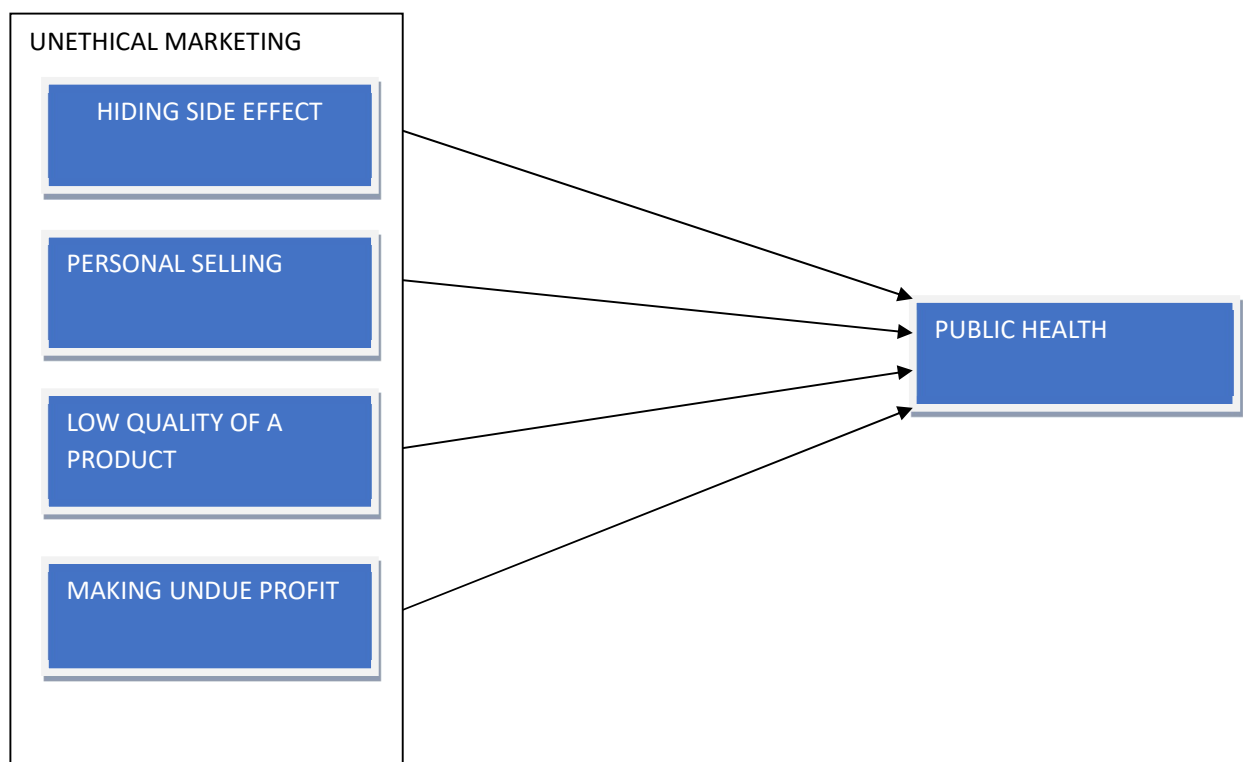
Pharmaceutical industry is one of the most profitable and flourished industry in the world. Pharmaceutical industry has also made life saving drugs which were essential for human life such as anti-hypertensive, cancer drugs etc. on the other side of the story is that they have made profit more than they invest not always doing this legally (Richard Anderson, 2014). Pharmaceutical industry work with the vision and mission of life saving and relieving the patients from pain not for making money. The director of knight cancer institute the one of member of board of directors makes a statement that, pharmaceutical companies making 3 billion dollars per annum by selling cancer drug but they can 2 billion by selling them on high prices. When they had become a profitable industry by ignoring ethical practices. (Brian Ducker, 2014).

Drugs companies always have a say their profit that the money from profit a huge part of it is consumed by the research and development. They are busy in making new life saving drug for humankind. The drug launched in the market only top three makes it to a billion-dollar profit because of the tough competition. Other drugs companies do not survive much because of the competitors (Richard Anderson, 2014). Pakistan's pharmaceutical market is estimated to worth about \$25 trillion. The country's pharmaceutical companies are made up of both multinational companies (MNC) and national corporations (Jama, 2018). There is stiff competition for the pharmaceutical market share with the MNCs holding about 45% shares of the market while the national companies currently hold about 55%. The share market size means multinational companies, and local players will do everything possible to get the maximum profits and returns on any investment made. There has been a gradual shift in these market shares overtime with more market share being lost by the multinational corporations (MNCs) This constant competition for market share only further encourages marketing practices which sometimes exceed the ethical bounds (Ahmad M, et al, 2011).

With the consumer become more aware they are very much aware of the importance of ethics of marketing. They know what to decide or know what is wrong and what is right. With the awareness of the customers the promotion practices are very modern according to the consumers (Ottley, 2019). As an effect of awareness of the consumers the marketers are to be very smart and careful about their ethics of promotion (SAGE, 2011). Companies cannot fool the customers easily now because their wrong practices or unethical practices are being disclosed now. Targeting is a very special and traditional tool in marketing which is until now is followed by marketers very consistently. Nowadays they are targeting the part of the society who is sensitive for their sales. Tobacco companies which are huge such as British American Tobacco Company, when their sales

get down in western region of the world so they start promoting their product in the Africa region in last 20 years. (Gilmore et al.,2015). Due to decline in their sales they even start targeting children and making them addict so their sales got increased (Boseley, 2017). By this practice their sales got better because Africa does not have enough education and don't have much awareness about the product. Promoting to children is very unethical and it is a crime. The practice of promoting tobacco to children is an immoral one because they don't know they results of tobacco. While on the other hand they denied any claim to them that start promoting tobacco to children.

Figure 1 Conceptual Framework



Research Hypotheses

H1: *Hiding side effects of a medicine has a positive relationship with public health*

H2: *Low quality of a product or medicine has a positive relationship with public health*

H3: *Personal Selling of a medicine has a positive relationship with public health*

H4: *Making undue profit by selling a medicine has a positive relationship with public health*

Research Methodology

The study type of my thesis is quantitative study because I want to describe or portray the problems with important variables. Here I will be focusing on the relation between unethical marketing practices and its impact on public health. Here I will explain a phenomenon based on observation and relying on founding assumptions. In research design of my thesis there are many components which will make my thesis in professional manner. The nature of my thesis will quantitative. This type of study will help us to understand the problem better. Other reasons are it is not very complicated and not very time consuming. Population of research is mainly associated with drug use, drug prescriber and drug manufacturer of Karachi.

- Pharmaceutical company employee
- Doctors
- Patients

The sample of my study is 387. In this situation of pandemic around the world it was really tough to gather the data from the respondent. The sampling techniques used in this research is simple random sampling in which each element has equal chance of being selected. I randomly select the pharmaceutical employees, patients and doctors to be the part of this study.

Results

Description of the Respondents

In this particular type of data provided by the respondent is gathered by the broad survey technique. This data is gathered by mailing questionnaires through WhatsApp to the people because of the pandemic that occurred globally. It was impossible to visit people and gather data face to face. The main reason of the survey is to know the impact of unethical marketing on public health. 387 respondents gave me feedback, they were patients, doctors and medical representatives.

Demographic Information

The survey questionnaire was forwarded to patients, doctors and medical representatives who were residing in Karachi. It was sent to only in Karachi because it was requirement of particular in my thesis which was Karachi. The male respondent were more than females which are shown in table.

Gender of the Respondent

| GENDER | FREQUENCY | PERCENT |
|---------------|------------------|----------------|
| | | |

| | | |
|---------------|------------|-------------|
| Male | 230 | 59.4 |
| Female | 157 | 40.6 |
| TOTAL | 387 | 100 |

Age of the Respondent

The age of respondents is also calculated. Age is very important in every study. The age ranges from 18 to 50 above age of people who were part of this study.

| | FREQUENCY | PERCENT |
|-----------------|------------------|----------------|
| 18-25 | 127 | 32.8 |
| 26-30 | 118 | 30.5 |
| 36-50 | 95 | 24.5 |
| 50 above | 47 | 12.1 |
| TOTAL | 387 | 100 |

These respondents of age factor were calculated from 18 to 50 above years of age who were patients, doctors and medical representatives.

Reliability

In this section reliability of every variable is calculated with the help of Cronbach alpha. Cronbach alpha calculate how much your desired variable is reliable.

Reliability Statistics

| Cronbach's Alpha | No of Items |
|------------------|-------------|
| .694 | 3 |
| .745 | 3 |
| .825 | 2 |
| .713 | 3 |

| Coefficients | | | | | | |
|---------------------|------------|------------------------------|------------|---------------------------|--------|------|
| Model | | Un standardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.532 | .123 | | 12.463 | .000 |
| | HSE | .054 | .023 | .124 | 2.340 | .020 |
| | PS | .008 | .047 | .009 | .175 | .862 |
| | LQP | .038 | .039 | .050 | .978 | .329 |
| | MP | .042 | .022 | .103 | 1.903 | .058 |

Summary of Hypotheses Testing

| | |
|---|-----------------|
| H1: Hiding side effects of a medicine has a positive relationship with public health | ACCEPTED |
| H2: Low quality of a product or medicine has a positive relationship with public health | REJECTED |
| H3: Personal Selling of a medicine has a positive relationship with public health | REJECTED |
| H4: Making undue profit by selling a medicine has a positive relationship with public health | REJECTED |

Conclusion

The study indicates that increase of unethical marketing is becoming very common in Karachi. Well it is very common in the South Asia region. South Asia region is greatly affected by the corruption in the department of industries. So, the pharmaceuticals are also become the part of this culture. This culture is becoming a new threat where no one will be able to escape from. When we become ill, we needed medicine to become well then maybe we can consume the drug which brought in the market because of unethical marketing. This drug because of unethical marketing may damage our health more.

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