



## ETHICS IN MARKETING OF DRUGS

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### ABSTRACT

In this conceptual paper we aim to study the topic of 'Ethics in Marketing of Drugs' whereby drugs refers to legal medicinal as well as recreational drugs. we try to find a appropriate definition for ethics as well as what it means to a marketer especially with respect to marketing of legal drugs.

To understand and answer the above questions better we also read and review articles regarding marketing of drugs throughout the years from the early 1900s to the present. We explore how the concept of ethics has evolved from customer centric model to a stakeholder centric model and why ethics is such an important part of marketing of drugs.

### Keywords:

### Introduction

Marketing Ethics is an area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. More specifically Marketing Ethics can be defined as the systematic study of how moral standards are applied to marketing decisions, behaviours and institutions. (Murphy) Ethics, by its very nature is controversial as it is subjective rather than objective as can be witnessed in Shelby D. Hunt and Scott Vitell's article 'A General Theory of Marketing Ethics' which makes it the topic and its understanding blurrier.

The pharmaceutical industry discovers, develops, produces, and markets drugs or pharmaceuticals for use as medications (MCGuire, 2007). The companies involved in these companies may deal in generic or brand medication and medical devices and are subject tp a variety of laws and regulation governing both the testing and patenting as well as the marketing of drugs. Legal drugs can be categorised into 2 main categories:

#### 1. Therapeutic Use

- a. Production: The pharmaceutical research of drugs for therapeutic use, produced by pharmaceutical companies have to mandatorily be above the United nations legislation.
- b. Distribution: These legal drugs are distributed through authorized dealers, who in-turn ensure that the product reaches the end customer. Some drugs are legal required to be sold only in specialized stores called pharmacies whereas certain drugs are allowed by law to be sold in general stores and supermarkets.

#### 2. Recreational Use

- a. Recreational drugs include alcoholic beverages containing psychoactive ethyl alcohol as the base material. Tobacco is another recreational drug which contains nicotine and is legally produced in countries such as Cuba, China and the United States. Both alcohol and tobacco have an age restriction on its consumption which varies in each country.

Cannabis is a recreational drug that is restricted and considered illegal in most countries. However in certain countries such as Amsterdam and the United States it is used as a recreational drug to treat cancer patients.

Another recreational drug is caffeine, a stimulant drug which is extracted from the coffee plants and the tea bush. It is the only psychoactive substance in the world that remains unregulated till this day.

- b. These recreational drugs are distributed by authorized dealers through networks developed by the industry to ensure the product reaches the end customer.

The Pharmaceutical industry is a massive industry generating a little over \$1,072 billion worldwide per annum. The U.S. alone generates 48.7% of the aforementioned income which comes to approximately \$522.06 billion. Given that top pharmaceutical companies earn a little under \$50 billion dollars the temptation to cheat and perform unethical activities, especially with regards to false advertising is monumentally high.

Marketing ethics has always been a conflicting issue in the pharmaceutical industry. This issue is far more sobering when it is taken into consideration that many nurses and doctors prescribe certain medicines and tablets on the basis of such marketing tactics (Murat Civaner, 2008). The first problem that the industry faces is that of disease mongering. Disease mongering can be defined as the selling of sickness that widens the boundaries of illness and grows markets for those who sell and deliver treatments. That is in other words disease mongering is the exaggeration of maladies in order to sell more medical drugs thereby increasing the firm's sales and revenues.

The second ethical issue seen in marketing of drugs is that many of the advertisement is that many companies tend to make false claims in these advertisements. Starting from the marketing of snake oil in the early 1900s as a healing agent to the 1950s when cigarettes were marketed and endorsed by celebs as being healthy and trendy to the marketing of e-cigarettes today.

Last but not least the third problem we see relating to ethics in the marketing of drugs is that of surrogate marketing. Surrogate marketing type of advertising uses a product of a fairly close category, as club soda, mineral water in case of alcohol, or products of a completely different category to hammer the brand name into the heads of consumers. Seen mostly in the advertising of alcohol, it helps companies to market alcohol even though the same is banned.

### Literature review

1. Shelby D. Hunt and Scott Vitell (1986) wrote an article titled "A General Theory of Marketing Ethics", which is a descriptive article rather than a prescriptive one. The article tries to explain the decision making process for problems and situations which have ethical content. The objective of the article is to develop a theory of marketing ethics to guide empirical research. This article discusses and evaluates about two normative theories in moral philosophy which are deontological theories and teleological theories. The article later develops a positive theory of marketing ethics and uses it to help explain the empirical research that has been conducted in the area of marketing ethics. Scenario techniques has been used in this article to explain the new theory. The respondents have been asked to give their general beliefs on the rightness and the wrongness of the given scenario. This is useful to explore the intentions of the respondents and their ethical judgement. The major limitation for this article is the lack of theoretical framework to guide the research.
2. Patrick E. Murphy wrote an article titled "Marketing Ethics", which gives a theoretical focus in marketing ethics. This article gives a brief framework for ethical decision making in marketing and various article approaches that support them. This article is completely theory based and has no statistical or any other tool used. This article gives a way to investigate sustainable marketing, health and safety issue and base of the pyramid topics using marketing theories. This article gives an historical discussion of theoretical research in marketing ethics, a brief analysis of some empirical work in the field of marketing ethics and emerging areas for future research in the same field.
3. Murat Civaner, Ozlem Sarikaya, Sevim Ulupinar Alici and Gulcin Bozkurt (2008) wrote an article which is titled "Exposing Nursing Students to the Marketing Methods of Pharmaceutical Companies", whose aim is to determine the impact that exposure to the marketing methods of pharmaceutical companies has on judgement made by nursing students about health worker-pharmaceutical company relationships. A cross selection survey method was used to collect the sample which was carried out with 588 nursing students in Istanbul University Bakirkoy Health College and Marmara University College of Nursing. A total of 442 students (75.2%) agreed to participate (response rates were 67.8% from IUC and 80.5% from MUC). All of the data were analysed using SPSS 11.0. The chi-square test was used to determine any association between the amount of exposure and grade level. Logistic regression analysis was used to assess the effect that exposure had on the students' judgments about the acceptability of the various types of relationships. The main limitation of this study is that it aimed to understand personal values and associate them with factual dynamics through quantitative means. This study established that it is a common experience for nursing students to observe and personally be confronted with the marketing methods in medical clinics.
4. Marylyn Carrigan, Svetla Marinova and Isabelle Szmigin (2006) wrote an article titled "Ethics and International Marketing" which aims to present an overview of historical and current trends as a background for the focus on international marketing ethics. This article explains how ethics in international marketing have evolved and developed towards current ethical era and presents discussion on the role and value of ethical approach towards marketing globally. This article claims that the marketers should productively embrace the complex challenges of the global market by keeping in mind the marketing ethics. The article identifies a special issue which contains six articles from a vast range of countries and renowned experts in the field. The articles talk about fair trade, influence of religion on consumer's ethical position, commercialising ecological products in global market, unethical marketing practices and international marketing communications. This article gives an insight on the complex nature of marketing ethics in the context of global market where culture, religion, traditions, consumer requirements and protection policies differs.
5. Patricia J. Parsons wrote a conceptual paper titled "Integrating Ethics with strategy: Analysing Disease-branding", which explains a creative communication strategy that is referred by marketers as disease branding. This marketing communication strategy relies on the tactic of creating a disease with the objective of effectively and efficiently enlarging the market. The article uses disease branding as an illustrative case, it applies the "five pillars of ethics in public communication" to illustrate and analyse the strategies. This article is based on two questions: "Is this kind of strategy legal?" and "Is this kind of strategy ethical?". The use of these questions help to analyse the rightness and wrongness of the strategy and determines the ethical transgression.

### Inferences

There are many inferences to be drawn from the above article reviews:

1) Firstly we see that ethics in international marketing have evolved and developed towards current ethical era and we study a view on the role and value of ethical approach towards marketing globally. We have seen that the marketers have moved from the 1960s where it

was assumed that ethical marketing was to provide customers and consumers with what they wanted the most to a realization that ethical marketing does not only take into concern the consumers but that of the other stakeholders as well and that sometimes what consumers want is not what is best for them (eg. alcohol).

2) Carrying forward from the first point we learn that the best way to make ethical decisions is through asking 'is this kind of strategy legal' and 'is this kind of strategy ethical'. These questions however as pointed out by Shelby D. Hunt and Scott Vitell is very subjective as ethics or what is an ethical action can mean a variety of things to a different stakeholders.

3) Last but not least we learn and infer that for medical professionals it is important to not be swayed by marketers when it comes to prescribing a certain medication to patients. We see in the aforementioned article that many nurses do react positively to being influenced by marketers on the drugs they prescribe to their patients. It is important that the drugs so prescribed should be due to its medicinal properties rather than how well the drug in question was marketed.

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