

Abstract:

The marketing of pharmaceutical products is always a challenge, since the needs and demands are always unmet, with the level of R&D developments and billions of dollars spent worldwide on the research. New diseases are discovered routinely and the organisations are striving to bring out new medicines for the new demands of the medical professionals. Unlike other industries marketers in pharmaceutical organisations cannot only focus on the end customer, (patient) since the role of a facilitator (Doctor) is also important in the success of any successful medicine brand (Orlowski and Wateska1992). Also the strict adherence to patent rules is also important in this industry to promote research and development by the pharmaceutical companies.

As per the data from 2004 the estimated cost to bring a new medicine to market is around \$800 million and it takes nearly 12 years to bring a new molecule. It is a high risk business; since most of the time only one in 10,000 molecules investigated can appear in the phase 3 trials of any new brand. There are instances where one drug can address a number of diseases (Hypertension Drugs) and instances where a research can yield more benefits to the company because of a more beneficial application of a drug than the intended research (Viagra). Even though the duration of the exclusive patent for a new drug (The period when company can regain the R&D costs) is decreasing. As an industry the pharmaceutical business is booming but no companies can claim more than 10% of market share unlike other industries. (Barker and Darnbrough, 2007). My research analyses the influence of the sponsorship and promotions by sales person in the prescribing behaviours of doctors in Middle East and India, by the usage of quantitative and qualitative research methods.

1. Introduction:

The pharmaceutical industry differs from other industries since it offers the world population cure and alleviation from diseases and contributes to the economies of many nations. The industry was always accused for the method of gaining profits from the misery of others even though they are vital for disease management (Craig,A,M and Mo Malek, 2003). The cost of marketing activities in pharmaceutical industry is more than 30% of their revenues and ninety percentage of this is aimed at doctors. The clear understanding about how consumers accept the competitive offerings is vital in the development of any successful marketing strategy, this is applicable not only to consumers and industrial offerings (Dibb et al., 2005). but also for ethical pharmaceutical products or prescription drugs (Lidstone and MacLennan, 1999), (Smarta, 1996)

2. Research question:

The main intention of my research will be to identify:

- How external factors can influence the formulation of a successful marketing campaign in pharmaceutical industry?

In order to make my research specific and to address the issues in a marketer's point of view, I will be conducting analysis of two factors.

1. The influence of a successful physician-sales person rapport.
2. The influence of sponsorships and gifts.

3. Research Rationale:

This topic becomes my favourite research area since in my 6 years experience with pharmaceutical companies I was part of some successful marketing campaigns, also witnessed the failure of so many campaigns that had a great launch, I personally experienced difficulties in promoting a good quality yet costly drug in India, where as the same brand of drug can be an example of marketing success in Middle East. As a business student, I am planning to analyse these diversities and their effects in creating the marketing plans. My research will be conducted as per the data that I will be collecting from Middle East countries and India, since this will help me to answer the sub questions, critically analyse the results and finally will lead to the solution for my main

research question, since there is a marked difference in economy, and the way of conducting the pharmaceutical business in these countries. The influence that companies can make through their sales representatives, sponsorships gifts and sampling (ethically & unethically) is still a hot topic of discussion in the pharmaceutical journals, which opens an opportunity for a research in this area (McFadden and Calvario 2007).

4. Research Purpose:

The sole aim of my research will be to identify to what extend the external factors can influence a marketing campaign in pharmaceutical industry. I am planning to explore the marketing campaigns and its acceptance among medical fraternity in the abovementioned countries as part of my research, the influence of the medical sales person, his level of product knowledge and the effect of the same on the customer will be a part of my research. Also the impact of sponsorships and gifts to physicians also will be analysed. The research will be focussed on the literatures on these topic areas and on the feedbacks that I will be receiving from the customers (Doctors), and pharmaceutical professionals and post research I will be able to find the effects of the external factors that are part of my research on marketing campaigns.

5. Literature Review:

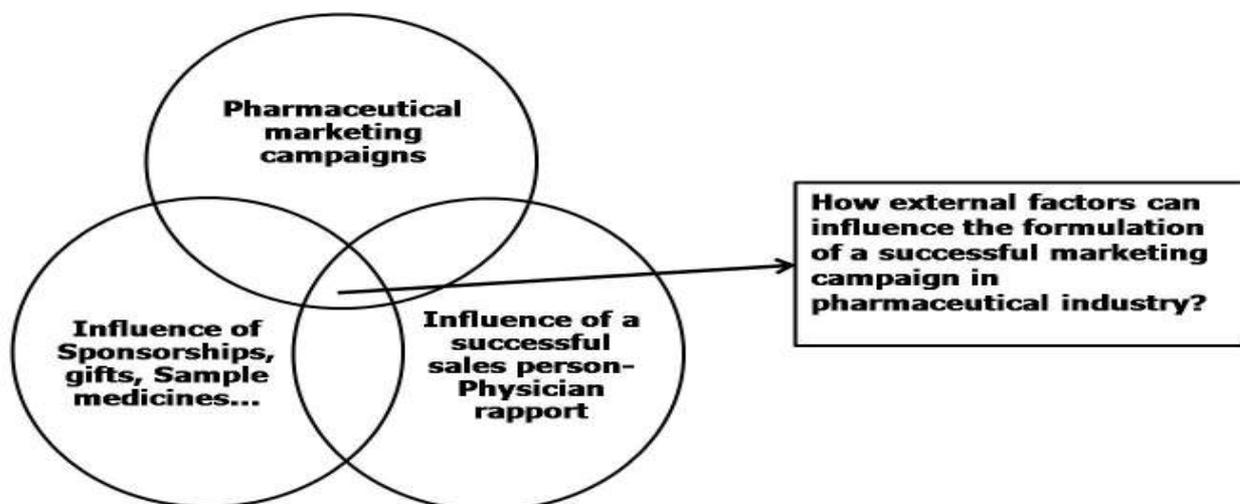


Fig 5.1: The field of literature

This literature review analyses literatures that addresses the sub-questions and there by analyses their influence on the main research topic. A number of techniques are used by pharmaceutical companies to promote their products, but the industry still prefers the time tested may be the most expensive method of representation as their key marketing strategy in today's business world too (Caudill et al, 1996). The research shows that the information provided by pharmaceutical representatives is frequently used by physicians in their routine practice (Stross, 1987). A study conducted in Canada shows that 85-90% of physicians meet a pharmaceutical sales person (Detailer) once every second week (Shin et al, 1993). This representation serves as thesecond mostly used drugs information resource for a physician (Angus Reid Group, 1991). The ample literature evidences strongly confirms the role of detailer in physician prescriptions (Lexchin, 1997). Lexchin also found that in a single institution 25% of internal medicine doctors and 32% of residents changed their prescription pattern at least once in previous year because of the interaction with a detailer. Another data from Australia confirms that the more interaction the physician had with a detailer the more quickly 'Temazepam' became their hypnotic medicine of choice (Peay and Peay, 1998). But the results of Lexchin's research demonstrate that representative only markets the positive drug results, contraindications and side effects are knowingly ignored most of the time for business results. Hence a face value of information will be against the best interests of the patients.

An interesting study result from UK challenges the abovementioned findings. Since the participant General Practitioners (GPs) in UK study perceived detailers, preoccupied with their sales targets. This implies that the detailer is not in fine-tuning with the consumer base to make a successful consumer relation to maximize repeat business. Also the variation found in detailer orientation in the UK study confirms that detailer is using an ineffective consumer orientation approach, may be because of the outcome expectancy or a lack of awareness. Hence consumer satisfaction in prescribing drugs will not be achieved by the detailer being more helpful and considerate (Gillis et al, 1998). The current level of promotion in UK can only yield short term benefits triggered by GP loyalty to medicines appearing to be patients and cannot yield long term profits as new products are getting launched everyday (Green, 1995). But the fewer number of literatures and journals evaluating the same parameters in Indian and Middle East Pharmaceutical industry gives a wide scope of research,

because of the clear variation in results of the same case in the abovementioned studies.

The research conducted by Williams and Hensel, 1991 revealed that the information sources has shifted from mail or journal adverting or detailing to meetings and conferences. The physician's perception of the quality of a brand and company reputation is directly linked to company's image of reliability and credibility. Each pharmaceutical market always have some KOL's (Key opinion leaders) who can influence the prescribing behaviour of his colleagues, influencing these KOLs to prescribe is also a well established strategy by pharmaceutical companies (Montgomery and Silk, 1971), and the academic literatures strongly argue that a synergic combination of interpersonal and organizational factors i.e., the firm's credibility combined with word of mouth by the sales person can yield a better result (Holmes and Lett, 1977). The doctors makes a variety of relations with pharmaceutical industry which can be a support for clinical research and education programs, participation in an industry sponsored speaker program also an informal meeting with the sales professional. The concern area of discussion can be the effect of these relations in prescribing behaviour of the physician and the professional ethics (Marco 2006). The gift from pharmaceutical company to a physician can start form a brand reminder pen to medication samples, cash honoraria and research support. A survey conducted by Kaiser foundation in 2001 revealed 92% physicians received free samples, 61% received free access to travel and entertainment, and one in seven physicians received financial gains. The research on social science reveals that even a small gift can create an impact on behaviour in turn developing a conflict of interest for the recipient (Reist and VandeCreek, 2004). The existence of this conflict of interest is related to the contradiction between financial interest and professional interest. This becomes evident when a company influence doctors for more prescriptions (Dana and Loewenstein, 2003). An interesting study revealed that most of the doctors (61%) thinks that they cannot be affected by the gifts but they believe the same can be applicable only 16% of their fellow professionals (Chren, 1999), and there is exists a strong evidence that the behaviours can be biased since the doctors are more likely to prescribe a medicine if they attended an event by the support of the parent company (McKinney, W, *et al.*, 1990) and are more likely to write a medicine that is not indicated (Abbasi and Smith, 2003) and have one placed in the

formulary of the hospital (Williams, 2003). Also doctors who received free samples for their patients show a tendency of repeat prescription for that drug. (Chew, 1998). Despite all these facts majority of physicians will not accept that their behaviour has biased and recent surveys shows a distressingly lenient attitude for pharmaceutical gifts (Brett, A et al, 2003). The drug samples normally overweigh any other gifts in pharmaceutical industry in terms of their financial value. The retail value of the drug given as samples was around \$16.4 billion in 2003 as per The Kaiser Family Foundation reports. The patient benefits can be, a course started with a free sample helps them to start with the therapy instantly and to decide on the tolerability of a medicine before prescribing the same. This also helps to overcome financial obstacles in obtaining medication for indigent patients (Marco et al, 2006). But a right use of the free samples helps the physician's benefit by increasing the patient loyalty to him than the company giving the samples. In that aspect a free sample becomes a gift to the physician. In contrast the doctors may give the free samples of an expensive novel drug because the sales person has given generous samples and when the samples are exhausted the patient is forced to buy the same. Hence the medicinal samples issue is complex with the benefits to some patients but not all (Marco et al, 2006).

6. Role of Theory:

Pharmaceutical products marketing and ethical sampling and usage of free samples and the influence of prescription behaviour of consulting physicians is always a hot topic in marketing & pharmaceutical journals. Recent data from leading medical schools like Stanford in US, says about their restrictions in allowing Pharmaceutical promotions in their medical schools, since they don't want to create a mental bias in prescription pattern of their future physicians (William, 2007). But at the same time there are many organisations with high corporate social responsibilities, which follow ethical guidelines of FDA and helps patient population across the globe through their philanthropic activities. The data from the website of pharmaceutical giant Merck & Co. Inc talks about the free donation of medicine MECTIZANR for the treatment of onchocerciasis (river blindness) and reaches more than 69 million people through river blindness programs in Africa, Latin America and the Middle East each year

(www.merck.com). All major companies do a lot for patient well being through philanthropic programs and of course by innovation of new medicines that supports life.

In India and Middle East also these companies aids in patient well being and R&D development through a number of awareness programs and financial funding and free samples for the needy patients. Hence in this contrasting scenario the intention of my research will be to evaluate the financial implications of this philanthropy, and how far the marketing campaigns intends the business results by critically evaluating the data from the selected countries.

Also to identify whether the physicians are obliged to support some brands because of the brand loyalty created by these campaigns.

7. Methodology and Method:

7.1 Methodology:

As per the specified area of interest, I intend to follow an interpretive research method. Since, a subjective interpretation of the analysed data will help me in identifying the real practices followed by the industry. Also I believe that these interpretations are the constituent scientific research knowledge that I am intending to research to reach on study results. I will be using both quantitative and qualitative methods of data collection, and use a triangulation method to cross verify my data and to make them more authentic, also in a researcher's point of view I believe my own personal experiences also will contribute in the identification of authenticity of data that I am collecting. Also an inductive reasoning will be adopted for an in-depth analysis of the cross relations that is practiced in Indian, and Middle East pharmaceutical industry, with a prospect to explore the differing concepts of my analysis.

7.2 Method:

7.2.1. Data collection:

I will be using both primary and secondary sources of data for my research. The primary source of data will be the practicing physicians and sales professionals in the above mentioned countries and the secondary source of data will be academic journals and discussion groups in professional networking sites concerning to my research question. I will use both structured questionnaires

which will be sent to respondents and also use interviews, where permitted to gather an accurate data both quantitatively and qualitatively. Analysing the depth of my research topic and to adhere to the time schedules of my research I am intending to select 80 respondents from the abovementioned countries, and among them the some KOL's (Opinion Leaders) will be identified and interviewed, since they always represent a group of followers with the same opinion.

7.2.2 Data Analysis:

I will be using both quantitative and qualitative methods of analysis for the data collected. I will use SPSS method (Anderson, 2004) and a SOCO (Sales orientation customer orientation) scale (Saxe and Weitz, 1982) for the interpretation of the collected data. More than that I will, desist myself from any chances of bias in data analysis of my research, analysis will be fully based on the customer's responses.

7.3 Reliability & Validity:

7.3.1 Reliability:

The reliability is defined as "the degree to which results are dependable over time and an exact illustration of the total population in the study and if the results are reproducible in a similar context (Joppe, 2000). If the respondents are given sufficient time and if the appointments are made at their convenience will reduce the chances of a bias or malice in the collected data. Also to minimise the main threats identified by Robson, 2000 in reliability the following steps will be adopted.

- In order to reduce the participant errors and observer error, the questionnaires used in my research will be apt, structured, flawless and explicitly framed.
- To address the bias the interviews will be made on appointments at the respondents' convenience and will make sure that the anonymity is guaranteed.
- The observer bias also will be addressed by abstaining myself from prejudiced views in analysis in order to help further studies by reliable findings (Saunders et al, 2003).

7.3.2. Validity:

Academic journals identify a number of factors affecting validity of research. In order to make data more valid I will be concerned about the ambiguity in causal direction (Saunders et.al, 2003). Through a resolute and a well planned survey I believe that this issue can be addressed.

7.4. Ethical Issues:

I will make appointments well in advance to make sure that I am not interfering with the respondent's duties and responsibilities. I will not collect any detrimental information regarding a person or an organisation as part of my research. The anonymity of respondents will be protected, and a code of conduct will determine my actions as a researcher to enhance the validity of my analysis. At any point of time if I intend to use any information regarding a particular organisation a prior approval will be obtained for using the same (Weiss, 2003)

8. Discussion:

The proposed area of research will identify the factors influencing the pharmaceutical marketing campaigns in India and Middle East and the role of sponsorships and sales person rapport. My research will enable me to throw light on the effects of the above criteria in these countries which are not that well established by available journals and literatures. Also my research findings will enable a reader to observe the ethical practices followed in a most needy segment of industry, ie, pharmaceuticals, which even if any research can find some demerits in the practices, but still is a boon for patient population across the globe.

9. Limitations of the research:

In order to stick on to the timelines of my research and to easily access data I will be using the easily available sources of respondents with whom I interacted in my professional experience, ie, respondents from Kerala and Tamil Nadu in India and Dubai, Sharjah, Oman and Saudi Arabia in Middle East. The number of respondents will be adequate for my analysis and to give a clear conclusion, yet it will be a hyperbole to claim that it represents the entire population.

10. Time Schedule:

The submission date is 29th May 2009; the provisional work schedule is outlined in the Gantt chart below.

Tasks	Dec'09	Jan'10	Feb'10	Mar'10	Apr'10	May'10																	
Week number	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Critical literature review	█	█	█	█	█	█	█																
Questionnaires, Interviews and data collection							█	█	█	█													
Data Analysis										█	█	█	█	█									
Update of Literature review if necessary															█	█							
1st draft of the dissertation															█	█	█						
2nd draft of the dissertation																		█	█				
Revising draft of the dissertation																			█	█			
Submit final version of the dissertation																					█	█	█

Fig 10.1: Gantt Chart

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