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- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

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A STUDY ON UNPRINCIPLED SELLING PRACTICES TOWARDS THE PHARMACEUTICAL INDUSTRY IN INDIA

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ABSTRACT

One side of the coin Indian pharmaceutical industry is well performing. The other side of the coin there are lot of conflicts related to violating the medical council of India guidelines from top management to medical representatives. Pharmaceutical companies are practicing unprincipled marketing tactics to get a new customers (Doctors) or for retaining the existing one. There is strong unethical alliance between doctors and pharmaceutical companies. In this article how pharmaceutical companies are influencing doctors to prescribe their brands. If this is controlled by the MCI how this is benefited to industry, patients and society are covered.

KEYWORDS

Pharmaceutical industry, Doctors, promotional inputs, unprincipled sales, medical representatives, Medical Council of India (MCI) guidelines.

1. INTRODUCTION

Pharmaceutical industry is one of the growing and well performing industries in India. Pharmaceutical companies' main focus is on Doctors because they are the main customers who prescribe the medicine to patients (consumers).

A few decades back there were medical representatives who used to convert doctors by effective detailing of the product and with their product knowledge. Doctors used to wait for medical representatives to get aware about the new medicine and doctors used to give lot of time for representatives for detailing of the product. Present days doctors are not giving adequate time to representatives for detailing because of many reasons such as inefficiency in representative, already committed to other brands or other companies, being updated with internet, expecting something rather than product knowledge and many representatives from many companies at a time.

When a medical representative joins for a pharmaceutical company he or she has to undergone for training. In the training representative is trained in the different aspects like product knowledge, soft skills, and sales skills. But when the representative enters into the field the real scenario is completely different. Doctors ask what do you give and want do you want or vice versa. It is completely a business or profit sharing between doctors and pharmaceutical companies.

In the simple terms pharmaceutical companies are investing lot of money for hiring or influencing the doctor rather than research and development. It leads to unprincipled business in the industry it leads to medicine costlier and patients are suffered ultimately.

2. REVIEW OF LITERATURE

Nobhojit Roy et al (2007) in their article, Drug promotional practices in Mumbai: a qualitative study, they observed that the study findings indicate the institutionalization of unethical and illegal drug promotional practices – at the cost of the consumer -- by drug companies, chemists and doctors, with a role played by medical representatives. We suggest that effective action against such practices must involve better regulation of the industry, as well as involvement of all the stakeholders -- doctors, chemists, manufacturers and consumers. However, the various associations have not shown any inclination towards self regulation.

In fact, many of them are themselves mired in controversy. There is limited organized consumer action against spurious drugs and unethical promotional practices in the pharmaceutical industry.

Birendra Kumar Mandal et al (2012) in their study Relationship between Doctors and Pharmaceutical Industry: An Ethical Perspective: Observed that Interactions between physicians with pharmaceutical industry were found to have several negative outcomes that will diminish patient's best interests. Such interactions are gifts, samples, industry-paid meals, funding for travel or lodging to attend educational symposia, CME (continuous medical education) sponsorship, honoraria, research funding, and employment. Government need to stringent regulation in order to prevent the unethical alliance between doctors with pharmaceutical industry. Cooperation and coordination are needed between many elements such as government, pharmaceutical industry, and professional organizations or associations to solve this unethical business alliance of physicians and pharmaceutical industry by creating comprehensive ethical guidelines. Each element should have commitment with the ethical guidelines. Patients also need education about benefits of generic drugs which more affordable and give the results as well as patent drugs.

Medical Council of India Amendment Notification, New Delhi, the 10th December, 2009 No.MCI-211(1)/2009(Ethics)/55667

In exercise of the powers conferred by Section 33 of the Indian Medical Council Act, 1956 (102 of 1956), the Medical Council of India with the previous sanction of the Central Government, Hereby makes the following Regulations to amend the "Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002: -

1. (i) These Regulations may be called the "Indian Medical Council (Professional Conduct, Etiquette and Ethics) (Amendment) Regulations, 2009 - Part-I".
- (ii) They shall come into force from the date of their publication in the Official Gazette.

2. In the "Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002", the following additions/modifications/deletions/ substitutions, shall be, as indicated therein: -

3 The following clause shall be added after clause 6.7:-

"6.8 Code of conduct for doctors and professional association of doctors in their relationship with pharmaceutical and allied health sector industry.

6.8.1 In dealing with Pharmaceutical and allied health sector industry, a medical practitioner shall follow and adhere

4. to the stipulations given below:-

- a) Gifts: A medical practitioner shall not receive any gift from any pharmaceutical or allied health care industry and their sales people or representatives.
- b) Travel facilities: A medical practitioner shall not accept any travel facility inside the country or outside, including rail, air, ship, cruise tickets, paid vacations etc. from any pharmaceutical or allied healthcare industry or their representatives for self and family members for vacation or for attending conferences, seminars, workshops, CME programmed etc as a delegate.
- c) Hospitality: A medical practitioner shall not accept individually any hospitality like hotel accommodation for self and family members under any pretext.
- d) Cash or monetary grants: A medical practitioner shall not receive any cash or monetary grants from any Pharmaceutical and allied healthcare industry for individual purpose in individual capacity under any pretext. Funding for medical research, study etc. can only be received through approved institutions by modalities laid down by law / rules / guidelines adopted by such approved institutions, in a transparent manner. It shall always be fully disclosed.
- e) Medical Research: A medical practitioner may carry out, participate in, work in research projects funded by pharmaceutical and allied healthcare industries. A medical practitioner is obliged to know that the fulfillment of the following items (i) to (vii) will be an imperative for undertaking any research assignment / project funded by industry – for being proper and ethical. Thus, in accepting such a position a medical practitioner shall:-
 - (i) Ensure that the particular research proposal(s) has the due permission from the competent concerned Authorities.
 - (ii) Ensure that such a research project(s) has the clearance of national/ state / institutional ethics committees/bodies.
 - (iii) Ensure that it fulfils all the legal requirements prescribed for medical research.
 - (iv) Ensure that the source and amount of funding is publicly disclosed at the beginning itself.
 - (v) Ensure that proper care and facilities are provided to human volunteers, if they are necessary for the research project(s).
 - (vi) Ensure that undue animal experimentations are not done and when these are necessary they are done in a scientific and a humane way.
 - (vii) Ensure that while accepting such an assignment a medical practitioner shall have the freedom to publish the results of the research in the greater interest of the society by inserting such a clause in the MoU or any other document / agreement for any such assignment.
- f) Maintaining Professional Autonomy: In dealing with pharmaceutical and allied healthcare industry a medical practitioner shall always ensure that there shall never be any compromise either with his / her own professional autonomy and / or with the autonomy and freedom of the medical institution.
- g) Affiliation: A medical practitioner may work for pharmaceutical and allied healthcare industries in advisory capacities, as consultants, as researchers, as treating doctors or in any other professional capacity. In doing so, a medical practitioner shall always:
 - (i) Ensure that his professional integrity and freedom are maintained.
 - (ii) Ensure that patient's interests are not compromised in any way.
 - (iii) Ensure that such affiliations are within the law.
 - (iv) Ensure that such affiliations / employments are fully transparent and disclosed.
- h) Endorsement: A medical practitioner shall not endorse any drug or product of the industry publically. Any study conducted on the efficacy or otherwise of such products shall be presented to and / or through appropriate scientific bodies or published in appropriate scientific journals in a proper way". (Lt. Col. (Retd.) Dr. A.R.N. Setalvad)

3. OBJECTIVES OF THE STUDY

- To study unprincipled selling practices towards the pharmaceutical industry in India.
- To discuss the impacts of unprincipled alliance between pharmaceutical industry and doctors.
- To study the advantages when doctors and industry are ethical.

4. RESEARCH METHODOLOGY

This study is based on secondary data. Secondary data was collected through magazines, government and private journals, newspapers, internet, medical council of India, government web sites, etc.

5. LIMITATIONS OF THE STUDY

- This study restricted to pharmaceutical industry in India.
- The study is restricted to secondary data only.
- The study confined only unprincipled sales practices in pharmaceutical companies in India.

6. CONCEPTUAL AND DISCUSSIONS OF THE STUDY

HIGH COMPETITION

Competition between pharmaceutical companies is very high and it is increasing drastically. One molecule is promoted by several companies. In order to increase their sale pharmaceutical companies are preparing effective sales strategy and implementing through aggressive medical representatives and front line managers.

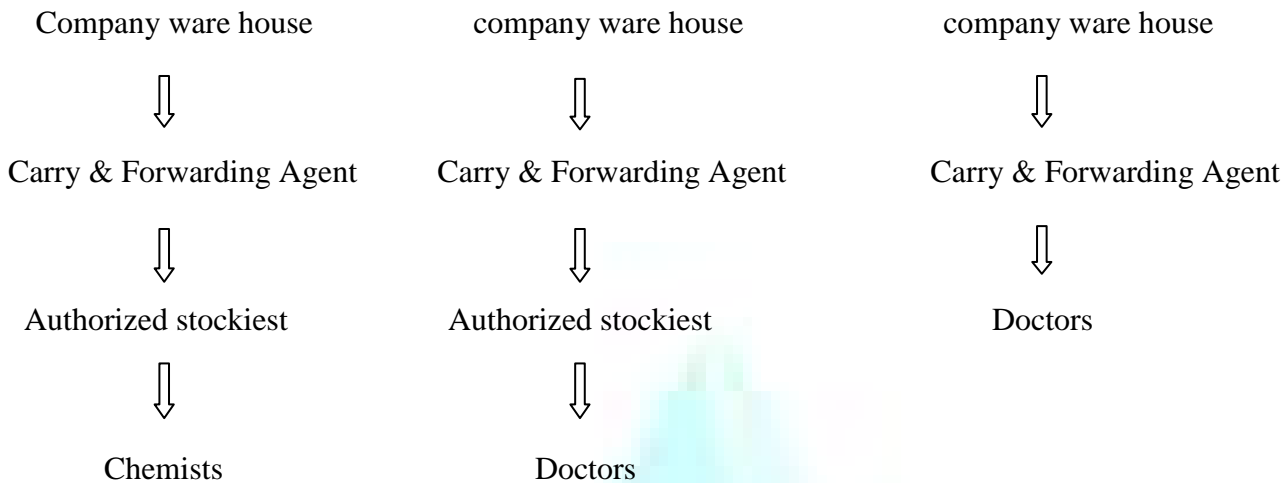
For special attention doctors are categorized into single visit doctors, core doctors and super core doctors based upon their potential. Single visit doctors are visited once in month, core doctors twice or three times in month and super core doctors three times in month or weekly once.

Gifts and promotional inputs are also divided for single visit doctors, core doctors and super core doctors. Companies are preparing code of conduct on their records and not being implemented. Companies are focusing at sale but they are not focusing how they are getting.

DISTRIBUTION CHANNEL

For effective distribution channel management CFAs (carry & forwarding agents), authorized stockiest are appointed by pharmaceutical companies. CFAs and authorized stockiest are worked for commission base on the sale of the products.

DISTRIBUTION CHANNELS ADAPTED BY PHARMACEUTICAL COMPANIES

**Roles and responsibilities of medical representative:**

- RCPA (Retail Chemist Prescription Audit) from chemists.
- Make the products available at chemist level.
- Based upon RCPA selecting doctors.
- Preparing the doctors list.
- Dividing doctors as single visit doctors, core, and super core doctors.
- Preparing monthly tour plan.
- Preparing monthly doctors visit plan.
- Inputs or samples distribution plan.
- Preparing plan for achieving monthly, quarterly and annual sales budget.
- Achieving the sales targets primary and secondary.
- Monitoring the stocks at stockiest and chemist level regularly.

Process of ethical sales call:

- Representative has to take appointment of the doctor.
- Opening the sales call by wishing the doctor.
- Detailing of the focusing products (brands).
- Objection handling.
- Convincing the doctor by detailing of features and benefits of the product.
- Giving brand reminders (LBLs and any research data about that molecule).
- Closing the call with requesting for a prescription.

Offerings of pharmaceutical companies to doctors:

- Paid meals in star hotels along with family.
- Gimmicks and incentive schemes based on number of prescriptions.
- Funding for travel and lodging to attend international symposia, CME (continuous medical education), sponsorship, honoraria, research funding and employment.
- Week end parties along with family.
- Bulk quantity of samples.
- Gifts such as gold coins, electronic gadgets (air coolers, refrigerators, mobile phones, personal computers, laptops, etc).
- Free health check up coupons.
- Some companies directly offering equipment in the hospital and cash cheques.

Pushing the stock:

- Most of medical representatives from most pharmaceutical companies including top multinational companies push the stock in the month ending. They give some money directly to stockiest from their pocket to get extra order (for primary sale) due to high pressure from management. In most of the companies this type of sale is being done by the medical representatives. In the industry it is called pushing or lifting the stock.
- By offering costly gifts to doctors and chemists they push stock into the market. By showing this secondary sale they get primary order from stockiest.

Negative impacts of the unprincipled business alliance between doctors and industry:

- Inability to identify wrong claims about medications.
- Positive attitude towards medical representatives, preference and rapid prescribing of new drugs.
- Making formulary requests for medication that rarely held important advantages over existing ones.
- Non rational prescribing behavior.
- Increasing prescription rate.
- Prescribing fewer generic drugs but more expensive.
- Newer medications at no demonstrated advantage.
- Selling samples in rural areas.

7. FINDINGS

- In rural areas medical practitioners are selling samples like hot cakes.
- Most of doctors are prescribing drugs which are expensive with no demonstrated advantages.
- Most of medical practitioners are increasing prescription rate for incentive.
- Most of doctors are accepting incentives, gifts and violating rules and regulations of MCI.
- Doctors are not bothering about patients they are prescribing drugs which give good profits.
- Most of medical representatives are also encouraging this unethical selling by offering money or incentives to stockiest and chemists.
- There are unqualified doctors practicing in India. Government and patients should aware of them.

8. SUGGESTIONS

- ❖ Coordination is needed between government, pharmaceutical industry and professional organizations to solve this unethical alliance between doctors and pharmaceutical companies.
- ❖ Medical representative unions should spread awareness among them about MCI guidelines.
- ❖ Government should educate patients about the generic drugs because these drugs are cheaper as compare to patent drugs.
- ❖ Code of medical ethics and code of drug promotion practice should have a legal body.
- ❖ Discourage acceptance of all kinds of gifts and promotional items other than text books and medical journals.

9. CONCLUSION

Unprincipled selling practices leads to high investments in pharmaceutical industry. It leads to medicine costlier. Patients have to purchase medicine irrespective of the price of the medicine. Profits are being distributed among pharmaceutical companies, doctors, stockiests and chemists. None of these are thinking about patients or public. When this unprincipled selling practices are controlled by MCI, government and other professional organizations, patients will get better quality medicine at affordable prices.

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