

# Case study on big pharma's marketing tactics



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## **Case Study On The Big Pharma's Marketing Tactics In The Pharmaceutical Industry**

### **Facts And Assumptions**

The term ' Big Pharma' is a terminology used to refer to the pharmaceutical industry. The name relates to people's strong belief that it has played an active role in the ever increasing complicity and costs of health care. There is a crisis in the health care sector and it is believed that the Pharmaceutical Companies have abandoned science and resorted to salesmanship. No reasonable progress is currently being made in the industry due to the negative perception created by unscrupulous marketing strategies being employed (Archie 2009). Doctors should prescribe drugs to patients but are never expected to do marketing and advertising of their products and services. The other fact in the case study is that unethical business practices such as Pfizer's off-label marketing practices and undue influence to medicines that should be prescribed by doctors to patient, normally lead to a likely increase in the cost of medical services due to the unfair and unlevelled competition. The assumption among most people, which is not the truth, is that all pharmaceutical companies engage in dubious marketing tactics. The other assumption is that the Big Pharma companies sell unethical drugs. However, the truth is that the company sells ethical drugs even though the marketing strategies employed by the company are of questionable standards.

### **Major Overriding Issues**

There are a number of problems in the case study. One of the overriding issues is that Pfizer Company illegally did the marketing of Neurontin anti-seizer drug. The fact that pharmaceutical industry has decided to lay a lot of

emphasis in the marketing of pills and other related drugs rather than developing new crucial ones is an issue of concern too. Drugs firms have also been accused of marketing drugs for purposes that have not been prescribed by the renowned drug and food administration department. Accusations of off-labeling illegal marketing policies and other related marketing wrongs have also emerged as a major problem in the industry. This is a very serious problem which has compromised the integrity and ethical standards of doctors and the entire pharmaceutical industry.

### **Sub-issues And Related Issues**

The 'Big Pharma' companies have been accused of participating in unethical business practices. Medical students have been hired to companies even before they graduate from their medical schools. This is a likely act of poaching talented skills in the market without following the right recruitment process and laid down procedures and policies in the industry. Furthermore, methods such as offering doctors underserved holiday packages, expensive gifts and other kickbacks, have been used to compromise the integrity of the industry as doctors who are given these favours are expected to recommend the specific company's drugs thus boosting the performance of the company's in the competition. The costs of drugs have continued to skyrocket due to lack of control of the market practices.

### **Analysis And Evaluation**

Medical practitioners such as doctors, pharmaceuticals, governments and other law enforcement agencies, pharmaceutical companies, and the entire public that seek medical services are the major stakeholders in the industry. The government's stake in the case is its responsibility and duty to ensure

that their subject receive the right medical services they deserve. People have a right to a healthy life and proper medical services. The government also benefit through the taxes paid by other stakeholders in the pharmaceutical industry.

The doctors' stake in the industry is based on the fact that for them to grow in their career and attain self fulfillment, they have to ensure that the sick people get proper medical care. Their salaries and duration of being employed would also be determined to a greater extent by the standards they maintain in the market. Expensive medical serviced would lead to a decline in customers due to very costly services hence low income. The pharmaceutical industry, research institutes and shareholders in the company have an interest of maximizing profits and making the highest gains possible in their various investments made in the industry.

Unscrupulous and corrupt means being employed by the pharmaceutical companies and some medical practitioners compromises the integrity and ethical standards of the industry. It also leads to decline in the performance of most pharmaceuticals organizations.

### **CSR Analysis**

Pfizer Company has the responsibility of ensuring that it regulates the costs of medical services and products under its line of operation. Good pricing would also make more people to receive better healthcare services since they would be in a position to afford the prescribed drugs. It also has the ethical responsibility of using ethical marketing tactics that would benefit both the company and the community of persons who uses its products.

Legally, the company must ensure that it follows the due marketing process,

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price regulation standards, marketing policies hence fully adhering to the rule of law. Such efforts would lead to fair competition in the marketing thus other pharmaceutical companies (competitors) in the industry would have an opportunity to compete on a fair platform. The government would receive the necessary taxes while doctors would live a more fulfilled life with good salaries and wages being received. Proper CSR would help in facilitating efforts to reach a solution to the health care problem.

### **Evaluation**

The case mainly involves Pfizer Pharmaceutical Company in its use of very questionable marketing tactics. The company used very unscrupulous methods in marketing the Neurontin anti-seizer drugs and doing off label-marketing of the painkiller Bextra and other medicines in order to lure more customers into using their medicines. Rather than employing such unfair and unethical marketing tactics, the company should instead have followed the normal marketing channel of producing medicine and simply alerting the medicine practitioners through various existing hospital departments of the existence of their medicines. It is indeed the discretion of the doctors, upon their tests and knowledge, to choose which medicines to prescribe to the patients without any undue external influence.

### **Recommendations And Implementations**

Various relevant laws and policies need to be put into practice. This would ensure easier market control measures meant to ensure that any unethical practices in the industry are curbed. Guidelines on how marketing by pharmaceutical companies should be carried ought to be clearly stipulated. In order to ensure ethical practices are adhered to, education and public

awareness forums should be carried to the stakeholders. Doctors should also be protected against selfish companies that demand, threaten and force them into prescribing certain company drugs. Control mechanisms of the cost of healthcare also need to be put into place in order to ensure that customers are not exploited by selfish and unscrupulous medical practitioners. In addition to that, serious penalties and in some instances, nullification of trade licenses should be enforced to companies and individual persons who use unethical marketing tactics.

### **Appendix: Stakeholder Map**

#### **Work Cited**

Archie B. C. Business Ethics: A Brief Readings on Vital Topics, a collection of his columns. Athens Banner-Herald Publishers, 2009