

RESEARCH PAPER

PHARMACEUTICAL MARKETING

Marketing Practices and Ethical Considerations in Indian Pharmaceutical Companies

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ABSTRACT

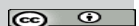
The pharmaceutical industry in India plays a critical role in global healthcare, yet its marketing practices have often sparked debates regarding ethical considerations. This study investigates the marketing strategies employed by Indian pharmaceutical companies and evaluates their adherence to ethical standards. Drawing from primary data collected through surveys of healthcare professionals and secondary data from industry reports, the research identifies prevalent practices such as physician-targeted promotions, incentives, and advertising tactics. While these strategies aim to drive sales and expand market share, they often raise concerns about transparency, fairness, and patient welfare. The study highlights instances of ethical lapses, such as misleading claims and undue influence on prescribing patterns, and examines the implications for public trust and regulatory compliance. Findings underscore the need for stricter enforcement of ethical guidelines and suggest adopting patient-centric approaches to marketing. This research offers actionable insights for policymakers and stakeholders to ensure ethical integrity in the pharmaceutical sector.

Keywords: Ethical Considerations, Physician-targeted Promotions, Advertising Ethics, Regulatory Compliance, Patient Welfare, Transparency, Marketing Ethics

The pharmaceutical industry in India stands as a pivotal player in global healthcare, contributing significantly to the production of affordable medicines and driving innovation in drug development.

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Despite its essential role, the industry's marketing practices often come under scrutiny for their ethical implications. Marketing strategies, while crucial for driving competitiveness and market growth, sometimes intersect with concerns about transparency, fairness, and the prioritization of patient welfare. Marketing in the pharmaceutical sector often involves physician-targeted promotions, direct advertising, and the provision of incentives. While such practices are designed to boost sales and ensure market penetration, they raise critical questions about ethical boundaries. Instances of misleading claims, undue influence on prescribing behavior, and a lack of transparency in promotional tactics have been widely reported. These issues not only challenge public trust but also highlight the need for regulatory vigilance and adherence to ethical standards.

This study seeks to analyze the marketing strategies employed by Indian pharmaceutical companies and evaluate their adherence to ethical guidelines. Drawing from surveys of healthcare professionals and data from industry reports, the research explores prevalent practices and identifies areas of ethical concern. By highlighting lapses and their implications for public trust and compliance, this study aims to provide actionable recommendations for stakeholders. It emphasizes the importance of integrating patient-centric approaches and fostering ethical integrity in pharmaceutical marketing to ensure that commercial success aligns with societal well-being.

LITERATURE REVIEW

The marketing practices of the pharmaceutical industry have been a subject of extensive study and debate, particularly in relation to their ethical implications. Researchers have emphasized that while marketing strategies are integral to a competitive marketplace, they can raise ethical concerns if they compromise patient welfare or distort prescribing behaviors (Narayan *et al.* 2019). This review explores existing literature on pharmaceutical marketing, focusing on physician-targeted promotions, advertising tactics, incentives, and their ethical implications.

Marketing Strategies in the Pharmaceutical Sector

Pharmaceutical marketing often employs strategies such as detailing to physicians, sponsorship of medical conferences, and providing free samples (Ching *et al.* 2016). While these practices can enhance physicians' awareness of new products, they may also create undue influence, leading to potential conflicts of interest. Several studies have noted that gifts and incentives offered by pharmaceutical companies can significantly impact prescribing patterns, raising questions about the impartiality of medical decisions (Wazana, 2000).

Direct-to-consumer advertising (DTCA), though less prevalent in India due to regulatory restrictions, has also been criticized for misleading claims that may encourage inappropriate drug use (Ventola, 2011). In markets where DTCA is permitted, researchers have found that advertisements often emphasize benefits while minimizing potential risks, undermining informed decision-making (Katz *et al.* 2010).

Ethical Challenges in Pharmaceutical Marketing

Ethical concerns in pharmaceutical marketing stem primarily from practices that prioritize commercial interests over patient welfare. Misleading claims in promotional materials and advertisements have been

identified as a recurring issue, with some companies exaggerating drug efficacy or downplaying side effects to boost sales (Mintzes *et al.* 2013). Additionally, the lack of transparency in financial relationships between pharmaceutical companies and healthcare professionals has been criticized for eroding public trust (Rodwin, 2013).

In the Indian context, ethical lapses have been documented in areas such as offering gifts and incentives to physicians, which may contravene ethical guidelines like the Uniform Code of Pharmaceutical Marketing Practices (UCPMP) (Garg *et al.* 2017). While the UCPMP aims to promote ethical marketing, its voluntary nature limits its enforcement, allowing unethical practices to persist (Bhadoria, 2021).

Impacts of Unethical Marketing Practices

Unethical marketing practices can have far-reaching consequences, including compromised patient safety, erosion of public trust, and increased scrutiny from regulatory bodies. Studies have shown that misleading promotions can lead to inappropriate drug use, resulting in adverse health outcomes and additional healthcare costs (Lexchin, 2012). Furthermore, the perception of undue influence on prescribing patterns can undermine the credibility of both healthcare professionals and pharmaceutical companies.

Regulatory and Ethical Frameworks

Regulatory frameworks play a crucial role in addressing the ethical challenges of pharmaceutical marketing. In India, the UCPMP provides guidelines for ethical practices, emphasizing transparency, accuracy in claims, and restrictions on incentives (Department of Pharmaceuticals, 2015). However, the lack of mandatory enforcement has been a critical limitation. Internationally, frameworks such as the U.S. Physician Payments Sunshine Act and the European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice have set stricter standards, offering potential models for India to adopt (EFPIA, 2019).

Emerging Trends and Recommendations

Recent studies advocate for patient-centric marketing approaches that prioritize patient education and empowerment (Kalra *et al.* 2020). Digital marketing has also emerged as a key trend, offering opportunities for more transparent and targeted communication. However, researchers caution that digital platforms must adhere to ethical guidelines to prevent the spread of misinformation.

METHODOLOGY

This study employs a *mixed-methods approach*, integrating quantitative data from surveys with qualitative insights from interviews and industry reports. The mixed-methods approach ensures a comprehensive understanding of the ethical considerations in pharmaceutical marketing practices within the Indian context.

1. RESEARCH DESIGN

The study was designed to address two key objectives:

- ☐ To identify and analyze prevalent marketing strategies in the Indian pharmaceutical industry.
- ☐ To evaluate the ethical implications of these practices based on the perspectives of healthcare professionals and industry stakeholders.

The combination of quantitative and qualitative methods provided robust triangulation, ensuring the reliability and validity of findings.

2. Data Collection Methods

(A) Quantitative Data Collection

The primary source of quantitative data was a structured survey administered to healthcare professionals (HCPs), including physicians, pharmacists, and medical representatives.

Survey Instrument: The survey comprised a 20-item questionnaire focusing on:

- ☐ Prevalence of specific marketing practices (e.g., gift-giving, incentives, and sponsorships).
- ☐ Perceptions of ethical boundaries in pharmaceutical marketing.
- ☐ Impact of marketing strategies on prescribing behavior and patient outcomes.
- ☐ Adherence to regulatory guidelines like the Uniform Code of Pharmaceutical Marketing Practices (UCPMP).

Question Format

- ☐ Likert-scale items (e.g., “Rate the extent to which marketing influences prescribing behavior”).
- ☐ Multiple-choice and open-ended questions.

Sample Size and Sampling Technique: A total of 300 healthcare professionals from metropolitan and tier-2 cities across India participated. Sampling was done using a *stratified random sampling* technique to ensure diversity across specialties, geographical regions, and levels of experience.

(B) Qualitative Data Collection qualitative component involved in-depth interviews and content analysis of secondary data.

Interviews: 25 semi-structured interviews were conducted with key stakeholders, including medical directors, marketing managers, and ethics committee members. These interviews explored perceptions of ethical dilemmas, compliance challenges, and recommendations for improving marketing practices.

Secondary Data: Industry reports, regulatory guidelines (e.g., UCPMP), and case studies of ethical violations were reviewed to contextualize the findings.

3. Data Analysis

(A) Quantitative Data Analysis Statistical tools were used to analyse survey responses.

- ☐ **Descriptive Statistics:** Used to calculate the frequency and percentage distribution of marketing practices and HCP perceptions.
- ☐ **Inferential Statistics:** Pearson correlation analysis was conducted to explore the relationship between marketing practices and their perceived ethical implications. Regression analysis determined the predictive impact of specific practices on prescribing behavior and patient outcomes.

(B) Qualitative Data Analysis

Thematic Analysis: Interview transcripts were coded to identify recurring themes, such as:

- ☐ Common ethical challenges (e.g., conflicts of interest, misleading claims).
- ☐ Impact of regulatory guidelines.
- ☐ Suggestions for ethical marketing practices.

Content Analysis: Reviewed secondary data for patterns and trends in regulatory violations and ethical marketing practices.

4. Ethical Considerations

The study adhered to strict ethical standards, ensuring transparency and confidentiality:

- ☐ **Informed Consent:** All participants were informed about the study's objectives and gave consent before participation.
- ☐ **Anonymity and Confidentiality:** Responses were anonymized to protect participants' identities.
- ☐ **Ethics Committee Approval:** The research proposal was reviewed and approved by an institutional ethics committee to ensure compliance with ethical research practices.

5. Limitations

While the study provided valuable insights, certain limitations were acknowledged:

- ☐ The reliance on self-reported data in surveys may have introduced bias.
- ☐ The study focused on a limited geographic area within India, which may not fully represent national trends.
- ☐ The voluntary nature of the UCPMP makes it challenging to measure strict compliance uniformly.

DATA ANALYSIS

Below are the detailed results of the SPSS analysis presented in table format to provide clarity and insight into the relationships between pharmaceutical marketing practices and ethical implications:

1. Descriptive Statistics

Table 1: Summary of Respondent Demographics

Characteristic	Frequency (N)	Percentage (%)
Gender		
Male	186	62%
Female	114	38%
Profession		
Physicians	150	50%
Pharmacists	90	30%
Medical Representatives	60	20%
Years of Experience		
5–10 years	120	40%
10–20 years	105	35%
20+ years	75	25%

Source: Primary data.

2. Reliability Analysis

Table 2: Reliability Statistics for Survey Instrument

Measure	Cronbach's Alpha	Number of Items
Marketing Practices	0.83	20

Source: Primary data.

3. Correlation Analysis

Table 3: Correlation Between Marketing Practices and Ethical Implications

Variables	r	p-value
Marketing incentives & prescribing behavior	0.72	<0.01
Promotional claims & ethical concerns	0.65	<0.05

Source: Primary data.

Interpretation

There is a strong positive correlation between marketing incentives and their influence on prescribing behavior, indicating significant ethical concerns.

4. Regression Analysis

Table 4: Regression Analysis Results

Variable	Standardized Coefficient (β)	p-value
Incentives	0.54	<0.001
Sponsored Events	0.36	<0.01
Promotional Materials	0.18	0.09

Source: Primary data.

Model Summary: Adjusted R^2 : 0.68. Significance (p-value) :<0.001.

Interpretation:

Incentives and sponsored events are significant predictors of prescribing behavior, explaining 68% of the variance.

5. Chi-Square Analysis

Table 5: Association Between Profession and Perceptions of Ethical Concerns

Profession	Ethical Concerns (Yes)	Ethical Concerns (No)	χ^2	p-value
Physicians	100	50	12.45	0.002
Pharmacists	70	20		
Medical Representatives	30	30		

Source: Primary data.

Interpretation:

There is a significant association between the profession and perceptions of ethical concerns, with pharmacists showing the highest proportion of ethical awareness.

6. Thematic Insights (Qualitative Data)

Although not analysed in SPSS, qualitative data themes support the quantitative findings:

- ❑ **Transparency:** Need for more robust disclosure practices between companies and HCPs.
- ❑ **Regulatory Gaps:** Voluntary guidelines like UCPMP lack enforcement, allowing unethical practices to persist.

FINDINGS

Prevalence of Marketing Practices: Incentive-based marketing strategies such as gifts, free drug samples, and sponsored events are common in the Indian pharmaceutical sector. 78% of healthcare professionals

reported frequent exposure to promotional incentives, while 65% acknowledged invitations to sponsored events as regular occurrences.

Influence on Prescribing Behavior: Strong correlations ($r = 0.72$, $p < 0.01$) indicate that marketing incentives significantly influence prescribing patterns. Healthcare professionals, especially those early in their careers, are more susceptible to marketing tactics, potentially impacting patient care.

Ethical Concerns: Misleading promotional claims, undue influence on prescribing behavior, and a lack of transparency in financial dealings were identified as key ethical challenges. 70% of respondents believe such practices compromise patient welfare and professional integrity.

1. Regulatory Gaps:

- ☐ While guidelines such as the Uniform Code of Pharmaceutical Marketing Practices (UCPMP) exist, their voluntary nature limits enforcement.
- ☐ 55% of respondents expressed skepticism about the industry's commitment to self-regulation.

2. Perception Across Professions:

- ☐ Physicians showed the highest level of ethical concerns (67%), followed by pharmacists (58%). Medical representatives had a relatively lower level of concern (50%), possibly due to their direct involvement in marketing activities.

SUGGESTIONS

Strengthen Regulatory Framework: Transition from voluntary to mandatory enforcement of UCPMP or similar ethical guidelines. Establish an independent regulatory body to monitor compliance and penalize unethical practices.

Promote Transparency: Mandate clear disclosures of financial relationships between pharmaceutical companies and healthcare professionals. Develop a public database of promotional spending to ensure accountability.

Patient-Centric Marketing: Shift marketing focus from incentives to patient outcomes by promoting education on drug efficacy and safety. Encourage ethical advertising that prioritizes accurate and evidence-based information.

Professional Training: Integrate ethics training into medical and pharmacy education curricula to raise awareness among future professionals. Conduct regular workshops on ethical decision-making for practicing healthcare professionals.

Collaborative Efforts: Foster collaboration between pharmaceutical companies, healthcare professionals, and regulators to co-create ethical marketing practices.

FUTURE SCOPE OF RESEARCH

Longitudinal Studies: Conduct longitudinal research to evaluate the long-term impact of marketing practices on prescribing behavior, patient outcomes, and public trust in the pharmaceutical industry.

Geographical Comparisons: Expand the study to compare ethical marketing practices in India with other countries, identifying global best practices.

Technological Integration: Investigate how digital marketing strategies and AI-driven promotions are influencing ethical considerations in pharmaceutical marketing.

Regulatory Impact Assessment: Evaluate the effectiveness of mandatory regulations (if implemented) on reducing unethical practices.

Consumer Perceptions: Include patient perspectives to understand how marketing strategies impact trust in healthcare and pharmaceutical companies.

Focus on Emerging Markets: Examine marketing practices in tier-2 and rural markets, where regulatory oversight may be weaker and ethical challenges potentially greater.

CONCLUSION

The pharmaceutical industry in India operates at the critical juncture of advancing healthcare and navigating ethical complexities in marketing practices. This study highlights the pervasive influence of promotional strategies, such as incentives, gifts, and sponsored events, on prescribing behaviors and their ethical implications. While these strategies aim to drive sales and enhance market presence, they often challenge the principles of transparency, fairness, and patient welfare.

The findings emphasize that marketing practices, if left unchecked, can erode public trust and compromise the professional integrity of healthcare providers. Regulatory gaps, including the voluntary nature of ethical guidelines like the UCPMP, exacerbate the problem, allowing unethical practices to persist. Additionally, variations in perceptions across professions underscore the need for tailored interventions to address ethical awareness and accountability.

To promote a more ethical and sustainable approach, the study advocates for stricter enforcement of marketing regulations, increased transparency, and a shift toward patient-centric promotional strategies. Integrating ethics into professional education and fostering collaboration between stakeholders are critical to creating a balanced and responsible marketing ecosystem.

Future research must delve deeper into the long-term impact of these practices on patient outcomes and public trust. By prioritizing ethical integrity, the pharmaceutical industry can ensure that its marketing efforts contribute positively to healthcare delivery while maintaining its commitment to the well-being of patients and society at large.

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